

ORIGINAL

ARIZONA CORPORATION COMMISSIO
Docket Control Center
1200 W. Washington St.
Phoenix, AZ. 85007



COVER LETTER

Docket # W-02476A-10-0495

May 19, 2011

Following are the answers to the "PROCEDUARL ORDER" questions received by Bradshaw Water Company and ordered to complete and file with the ACC by My 26, 2011.

Arizona Corporation Commission
DOCKETED

MAY 19 2011

DOCKETED BY 

Don Bohler

Bradshaw Water Company
Owner

RECEIVED
2011 MAY 19 P 2:37
ACC CORR CONTROL
DOCKET CONTROL

BRADSHAW WATER COMPANY, INC.

P.O. Box 12758 Prescott, Arizona 86304-2758

Phone (928) 778-1888 Fax (928) 775-8541

April 28, 2011

ARIZONA CORPORATION COMMISSION

RE: BRADSHAW APPLICATION FOR PERMANENT RATE INCREASE

DOCKET NO. W-02476A-10-0495

PROCEDURAL ORDER REQUESTS

On April 6th we were advised we were required to re-notify our customers within 30 days, that Staff's recommended rates and charges were higher than we originally requested, however customers only had until 4/18/11 to file any comments with the staff.

Bradshaw Water Co. mailed a "Customer Notification" to its customers on April 12, 2010 with the copies of pg 1 of the Docket which showed portions of the Current Rates/ Company Proposed Rates/Staff Recommended Rates along with CSB1 the current revenues and Operating Expenses/Company and Staff Recommended as attached **(BWC-1)** When talking to staff the page mentioned to mail to the customer was not CSB-4 & CSB-5. We also failed to remember that this needed to be "Filed" with the ACC and we delivered it to Phoenix for filing the day we received this Request. April 28, 2011. Copies attached **(BWC-2)**

After receiving the "Procedural Order" from the ACC we again re-notified our customers as you required doing by May 9, 2011 with the portions of pg 3 and 4 of the "procedural order" along with copies of CSB-4 & CSB-5. These were mailed to our customers via US mail to all current customers on 5/3/11 and filed with the Commission on 5/3/11. Copies are attached **(BWC-3)**

- The following entities are owned or managed by Don Bohlier:
Bradshaw Water Company (BWC) – C Corporation/Owner/Manager-regulated by the ACC as a Water utility
Sabrosa Water Company – C Corporation/Interim Manager-regulated by the ACC as a Water utility
Creekside Sanitary District (CSD) – Special District/Manager-not regulated by the ACC
Granite Springs Water CO., LLC (DBA Everwett LLC) – Limited Liability Company/Owner-not regulated by the ACC.
- For the test year operating costs shared between Bradshaw and any other entity owned or managed by Don Bohlier are as follows:

Qwest phone bill was paid entirely by Bradshaw Water Company, but forthcoming will be split between Bradshaw Water Co 60% Sabrosa 15% Creekside 25% based on customer base.
PO Box rental always has been split 50% each between BWC & CSD.

The Verizon cell phone bill in test year was not split between the other companies but forthcoming will be split BWC 60%, Sabrosa 15% CSD 25%. This calculation is based on the number of base customers for each company. Rent/floor space is charged to Sabrosa \$25.00/month, Bradshaw \$100.00/month. CSD has never paid floor space.

BWC charges CSD \$1.00 per customer/month for billing services.

The previous owner never charged CSD for supplies/floor space or computer and we followed suit.

Computer/printer has been charged to Sabrosa \$5.00/month & Bradshaw \$25.00/month.

(A tally sheet is used to keep track of paper/envelopes and office supplies used for each company and billed at the end of each month. See samples attached.

BWC-4

Weekly time cards are kept for each company, daily noting duties and time spent on each company. Sabrosa and CSD are billed monthly for accounting time.

Bradshaw is billed weekly. **(BWC-5)**

Postage is paid by each individual company.

All other office supplies are purchased by Don Bohler (Granite Springs/Everwett LLC) and billed as used by each company as listed above.

- Bradshaw proposes pending the approval of the ACC, to allocate any shared expenses on a 60% BWC, Sabrosa 15%, and CSD 25% on a going forward basis based on customer base.
- Attached is a list of each customer whom a meter installation charge has been collected since Mr. Bohler acquired the business; however for 2005 we have no records of the date paid. The list includes the date charge was collected, amount collected: nature of the charge, all meter installation deposits, whether active or inactive. No portion of the charge has been refunded as Bradshaw was unaware of this until applying for the rate increase. The previous owner did not tell us this was a requirement, and furthermore did not give us records for most of 2005 and prior. It was suggested that when the rate increase is approved we start refunding as required from the ACC. **(BWC-6)**
- As per what amount of meter installation charges does Bradshaw currently have on deposit and available, that would be limited due to the fact that we are on a month to month situation of just getting our necessary bills paid at this time.
- For the \$121,319 identified as advances in aid of construction: The previous owner, Don Lovell –North Nugget Development advanced the funds to Bradshaw Water Company for main line extensions of Phase 1, \$58,950.00 on 7/24/1997 of which had a remaining balance of \$56,968.85 at the time of the last rate increase and Phase 2, \$64,395.00 on 3/10/1999 of which had a remaining balance of \$64,349.95 totaling \$121,318.80. Phase 1 \$7,213.69 has been refunded to North Nugget Develop. And Phase 2, \$5,086.12 was paid to North Nugget Develop. with a remaining balance at 2009 Phase 1 \$49,755.16 and Phase 2 \$59,263.83. The only records of refunded funds are for Phase 1 11/7/06 \$1085.88 and Phase 2 12/5/06 \$1,000.00 and 11/27/06 \$353.21. All other refunds are included in records not given to the current owner. To the best of our knowledge and from the backup we have, it appears 100% of the funds were used to pay for the plant for which they were advanced. The funds were advanced pursuant to a main extension agreement, and a copy is attached. Our cover letter from the ACC for Phase 2 is dated 3/13/2000 and approved by the ACC. Phase 1 cover letter from the ACC dated 8/20/1997 and approved. **(BWC-7 & BWC-8)**

- Bradshaw Water was collecting impact fees per “Agreement for Recovery of Effluent Storage Credits” attached signed by Bradshaw Water Co, North Nugget LLC., Prescott Valley Water District and Attorney for the Prescott Valley Water District. This was for the 25 lots in Creekside Phase 3 only. The Town of Prescott Valley required us to collect this fee. It was their impact fee for their town and Bradshaw was to collect it and pass it on to them we have recapped the fees that we are aware of collecting and passing on to the Town of Prescott Valley and also have attached signed copy of the contract. **(BWC-9)**.
We would like to continue collecting the \$1650.00 for the Town of Prescott Valley pending approval from the ACC. This practice started per signed agreement dated 2/28/2002. Attached is a list of customers **BWC-10** whom we collected the \$1650.00 from approximate date we paid the Town of Prescott Valley and apparently we still owe them for 1 unpaid customer.

- Explanation of the 19.33 percent water loss experienced during the test year is as follows: After reviewing the “WATER USE DATA SHEET BY MONTH FOR TEST YEAR”, pg 18 of the rate case application and our spreadsheets and work orders to try to determine why our water loss was so high, we discovered that the previous employee who started the rate case forms and this particular page reported Dec 2008 gallons purchased of 780,000 instead of Dec 2009 which should have been 585,000, reducing our purchased gallons purchased by 195,000 gallons. Also reviewing gallons sold : We have 2 routes both to be billed the same month, the same employee missed billing August Rt 2 which consisted of 71 customers using 651,060 gallons until 9/2/09 and the usage did not show on the system total reports used for the gallons sold. These revenue amounts did show in the General Ledger. We confirmed this by our reports and programmer. We also verified it by calculating Aug & Sept meter reads and the gallons reported on our total reports. Since this took place in the same quarter of the year it does not require new bill counts as they are correct. We are including a revised PG 18 **(BWC-11)** “WATER USE DATA SHEET BY MONTH FOR TEST YEAR”. We are reporting “as billed” gallons in August, and September includes both August Rt. 2 and Sept Rt. 1 & 2. Attached BWC-11 Considering these 2 factors, it decreased our water loss to 13.52 % instead of 19.33%. Also a contributing factor is that in 2009 the billing was done 1 week for Rt 1 customers (aprox 95) another week for Rt 2 customers (aprox.71).The well reads were done at the end of the month and the Town of Prescott Valley was done on again different dates. That creates a considerable variance as to the actual water pumped & purchased verses billed. We have since, starting 2011 are billing all customers the 2nd Thursday and having them coincide more with the Town of Prescott Valley reads and our own well reads of water pumped to be more consistent.
Bradshaw has taken the following steps to minimize excessive water loss.
 - ❖ Get tank controls fixed to eliminate water loss
 - ❖ To change out dead meters promptly
 - ❖ To contact customers with abnormally excessive water bills to see if they have a leak on their side. To keep an eye on water purchased and sold to see if any water main leaks starting.

- Calendar year 2010 attached is a copy of our well reads which shows each pump - gallons pumped, total water/gallons sold and gallons purchased and cost of purchased water. Total pumped 504,190 purchased 11,964,000 totaling 12,468,190. We sold 11,800,586 which is a 667,604 gallon water loss or 5.35% which will be less than 50% of the 2009 water loss. **BWC-12**

- To the best of our knowledge, no Bradshaw Water customers operate a commercial enterprise on their properties.
- We contacted the one customer that showed a usage of 88,370 gallons used in April 2009 and the stated they had a 4ft pool filled. Attached is a list of the customers that used in excess of 20,000 gallons. It is possible that the 13 customers that only had high water bills for 1 month of the year and we have not noted an explanation, had a dripping faucet, leaking toilet or some other problem that caused their bill to go up extremely. The top 6 customers that had consistent high water usage have extravagant landscaping, horses, pools. We did not receive any complaints from any of these customers. **BWC-13**

Sincerely,



Don Bohler
Bradshaw Water Co
928-778-1888

CUSTOMER NOTIFICATION

April 12, 2011

Bradshaw Water Co. applied to the Arizona Corporation Commission for an adjustment in rates on 12/15/10. We have just been notified by the Arizona Corporation Commission Staff that they are recommending higher water rates than we had originally requested. **The final decision from the Arizona Corporation Commission as to the rates we must charge is expected to be on or about 7/20/11.**

Enclosed you will find information on our proposed rates and the Arizona Corporation Commission Staff's proposed/recommended charges.

Any party who wishes to file comments to the Staff Report with the Commission's Docket Control by 4:00 p.m. on or before April 18, 2011.

Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-5424251 in the Phoenix local calling area. Customers may also contact the Tucson Commission office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6555 in the Tucson local calling area.

Bradshaw Water Company

Fact Sheet

Company:

Type of Ownership: C Corporation

Bradshaw Water Company, Inc. ("Bradshaw" or "Company") is a class D for-profit Arizona public service corporation that provides potable water service to approximately 167 metered customers. The Company's service area is located near the Town of Prescott Valley, in Yavapai County. The Company is located in the Prescott Active Management Area ("AMA").

Rates:

Permanent rate increase application filed: December 15, 2010

Current test year ended: December 31, 2009

Prior test year ended: December 31, 2000 (Decision No. 64286, rate decrease)

Rates

	<u>Current Rates</u>	<u>Company Proposed Rates</u>	<u>Staff Recommended Rates</u>
Monthly Minimum Charges:			
5/8 x 3/4-inch meter	\$33.00	\$37.00	\$38.00
3/4-inch meter	\$33.00	\$37.00	\$38.00
1-inch meter with fire sprinkler	\$33.00	\$33.00	\$38.00
1-inch meter	\$82.50	\$82.50	\$100.00
1 1/2-inch meter	\$165.00	\$165.00	\$200.00
2-inch meter	\$264.00	\$264.00	\$320.00
3-inch meter	\$495.00	\$495.00	\$640.00
4-inch meter	\$825.00	\$825.00	\$1000.00
6-inch meter	\$1,650.00	\$1,650.00	\$2000.00

Commodity Charges:

Commodity Charge -			
0 to 4,000 gallons	\$4.50	\$5.30	\$6.00
4,001 to 8,000 gallons	\$5.75	\$6.71	\$9.00
Over 8,000 gallons	\$6.75	\$8.00	\$15.55

Bradshaw Water Company

	- Present Rates -		Proposed		Recommended	
	Company	Staff	Company	Staff	Company	Staff
	98 Filed	98 Adjusted	98 Filed	98 Adjusted	98 Filed	98 Adjusted
Revenues:						
Metered Water Revenue	\$128,037	\$131,323	\$150,820	\$153,131	\$150,820	\$153,131
Unmetered Water Revenue	0	0	0	0	0	0
Other Water Revenue	2,776	1,703	2,776	1,703	2,776	1,703
Total Operating Revenue	\$131,813	\$133,026	\$153,596	\$154,834	\$153,596	\$154,834
Operating Expenses:						
Operation and Maintenance	\$138,700	\$132,144	\$138,700	\$132,144	\$138,700	\$132,144
Depreciation	53,623	16,769	53,623	16,769	53,623	16,769
Property & Other Taxes	4,167	4,167	4,167	4,167	4,167	4,167
Income Tax	50	50	50	6,844	50	6,844
Total Operating Expense	\$197,440	\$183,130	\$197,440	\$188,724	\$197,440	\$188,724
Operating Income/(Loss)	(\$65,627)	(\$50,104)	(\$43,844)	\$25,110	(\$43,844)	\$25,110
Rate Base O.C.L.D.	\$480,468	\$313,874	\$480,468	\$313,874	\$480,468	\$313,874
Rate of Return - O.C.L.D.	-13.86%	-6.41%	-9.13%	8.00%	-9.13%	8.00%

BRADSHAW WATER COMPANY, INC.

P.O. Box 12758 Prescott, Arizona 86304-2758

Phone (928) 778-1888 Fax (928) 775-8541

j

April 28, 2011

ARIZONA CORPORATION COMMISSION
RE: WATER RATE INCREASE APPLICATION
DOCKET # W-02476A-10-0495

RECEIVED
2011 APR 28 P 3:16
ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Please find enclosed the "Customer Notification" and 2 pages attached that was mailed to our customers on 4/12/11 that was received from the Arizona Corporation Commission 4/7/11 to be mailed with our next billing. Our office is closed on Friday, we did the billing on Tuesday instead of the normal Thursday to be able to notify our customers as soon as possible.

We failed to remember that this document needed to be filed with the ACC, so we are filing it at this time.

Sincerely,



Don Bohler
Bradshaw Water Co
928-778-1888 or cell 928-713-3772

BWC-2 Pg 1

CUSTOMER NOTIFICATION

April 12, 2011

Bradshaw Water Co. applied to the Arizona Corporation Commission for an adjustment in rates on 12/15/10. We have just been notified by the Arizona Corporation Commission Staff that they are recommending higher water rates than we had originally requested. **The final decision from the Arizona Corporation Commission as to the rates we must charge is expected to be on or about 7/20/11.**

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Bradshaw Water Company

BWC-2 Pg 2

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Over 8,000 gallons	\$6.75	\$8.00	\$15.55

Bradshaw Water Company

	-- Present Rates --		Proposed	Recommended
	Company	Staff	Company	Staff
	as	as	as	as
	Filed	Adjusted	Filed	Adjusted
Revenues:				
Metered Water Revenue	\$128,037	\$131,323	\$150,820	\$183,131
Unmetered Water Revenue	0	0	0	0
Other Water Revenues	2,776	1,703	2,776	1,703
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Income Tax	50	50	50	6,844
Total Operating Expense	\$197,440	\$163,130	\$197,440	\$159,724
Operating Income/(Loss)	(\$65,627)	(\$20,104)	(\$43,844)	\$25,110
Rate Base O.C.L.D.	\$480,468	\$313,874	\$480,468	\$313,874
Rate of Return - O.C.L.D.	-13.66%	-6.41%	-9.13%	8.00%

ARIZONA CORPORATION COMMISSION
Docket Control Center
1200 W. Washington St.
Phoenix, AZ. 85007

RECEIVED

2011 MAY -3 A 11:46

COVER LETTER

Docket NO. W-02476A-10-0495

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Bradshaw Water Company mailed the attached customer "Re-Notification" to all current customers on May 3, 2011, thru the U.S. Postal Service.

Don Bohlier

Don Bohlier

Bradshaw Water Company
Owner

State of Arizona } ss:
County of Maricopa }
Yavapai

This instrument was acknowledged before me this 3rd day of May, 2011, by Don Bohlier in witness wherewith set my hand and official seal.

Diana Tarrant Notary Public



BWC-3 Pg 1

May 2, 2010

IT IS FURTHER ORDERED that Bradshaw Water Company, Inc. shall, by May 9, 2011, send to each of its current customers, by first class mail, the following notice, along with a copy of Schedule CSB-4 and a copy of Schedule CSB-5 from Staff Report:

**SUPPLEMENTAL CUSTOMER NOTIFICATION
BRADSHAW WATER COMPANY., INC. RATE APPLICATION
DOCKET NO. W-02476A-10-0495**

Bradshaw Water Company, Inc. ("Bradshaw") has filed with the Arizona Corporation Commission ("Commission") an application for a permanent rate adjustment using a test year (TY") ending December 31, 2009. Bradshaw's rate application requests a rate increase of \$11,251 or 8.54% over Bradshaw's TY operating revenues of \$131,813. Bradshaw has reported a TY operating loss of \$65,627.

On April 7, 2011 the Commission's Utilities Division (Staff") issued a Staff Report analyzing Bradshaw's rate application and making recommendations. In the Staff Report, Staff recommends that Staff's recommended rates and charges be approved for Bradshaw and that Bradshaw be required to re-notify its customers because the Staff-recommended rates are higher than those requested by Bradshaw. Staff explained that although Bradshaw requested a rate increase of \$11,251, Bradshaw's proposed rate design actually would result in an increase of 21,783 or 16.53 percent, over Bradshaw's TY revenue of \$131,813. Staff recommends an increase of \$51,808 or 38.95 percent, over Staff-adjusted TY revenue of \$133,026. Staff asserted that this would produce operating income of \$25,110, for an 8% rate of return on Bradshaw's original cost rate base (OCRB") of \$313,874. Schedules showing Bradshaw's current rates and charges, Bradshaw's proposed rates and charges, and Staff's recommended rates and charges are attached hereto for review.

Staff also recommends that Bradshaw be authorized to implement a purchased water cost recovery adjustor mechanism, to allow Bradshaw to impose a surcharge, to be calculated annually, to recover any additional costs incurred due to changes in the gallonage charges imposed by Prescott Valley Water District.

Bradshaw's rate application and the Staff Report are available for inspection during regular business hours at the office of the Commission at 1200 W. Washington St., Phoenix, Az 85007, and at the Bradshaw's office at 4750 N Tonto Circle, Prescott Valley, Az 86314. All documents filed in this matter are also available for review in the e-Docket area of the Commission's website (<http://edocket.azcc.gov/edocket>) under Docket No. W-02467A-10-0495.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commissions attention any questions or concerns related to Bradshaw Water, including any questions or concerns regarding service, billing procedures, or other factors important in determining the reasonableness of rates and charges. Customers may have the right to intervene in this matter. Any customer wishing to communicate with the Commission, or to request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (outside Phoenix local calling area) or 602-542-4251 (inside Phoenix local calling area). Customers may also contact the Tucson office of the Commission at 800-535-0148 (outside Tucson local calling area) or 520-628-6555 (inside Tucson local calling).

BWC-3 pg 2

Customers are advised that the Commission may act upon Bradshaw's rate application without a hearing. Regardless of whether a hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews before making its final decision on the rate application. It is important that customers contact the Commission within 15 days after receiving this notice so that the Commission can consider any customer comments and concerns in determining the outcome of the rate application.

IT IS FURTHER ORDERED that Bradshaw Water Company, Inc. shall by May 16, 2011, file with the Commission's Docket Control certification that the above notice has been mailed to its customers, along with a complete copy of the form of notice provided with attachments.

Bradshaw Water Co., Inc

Enclosed CSB4 & CSB5

RATE DESIGN

	Present	Company	Staff
	Rates	Proposed	Recommended
Monthly Customer Charge:			
5/8" x 3/4" Meter	\$33.00	\$37.00	38.00
3/4" Meter	33.00	37.00	38.00
1" Meter with fire sprinkler	33.00	33.00	38.00
1" Meter	82.50	82.50	100.00
1 1/2" Meter	165.00	165.00	200.00
2" Meter	264.00	264.00	320.00
3" Meter	495.00	495.00	640.00
4" Meter	825.00	825.00	1,000.00
6" Meter	1,650.00	1,650.00	2,000.00
Gallons Included In Monthly Customer Charge:	0	0	0
Per 1,000 Gallons for 0 to 4,000 Gallons	\$4.50	\$5.30	\$6.00
Per 1,000 Gallons for 4,001 to 8,000 Gallons	\$5.75	\$6.71	\$9.00
Per 1,000 Gallons for Gallons in Excess of 8,000	\$6.75	\$8.00	\$15.55

	Present	Company	Staff Recommended		
	Rates	Proposed	Services	Meters	Total
Service Line and Meter Installation Charges					
5/8" x 3/4" Meter	\$350.00	\$2,500.00	\$445.00	\$155.00	\$600.00
3/4" Meter	400.00	2,500.00	445.00	255.00	\$700.00
1" Meter	500.00	2,500.00	495.00	315.00	\$810.00
1 1/2" Meter	750.00	2,500.00	550.00	525.00	\$1,075.00
2" Meter	1,500.00	1,500.00	830.00	1,045.00	\$1,875.00
3" Meter	1,975.00	1,975.00	1,045.00	1,670.00	\$2,715.00
4" Meter	3,040.00	3,040.00	1,490.00	2,670.00	\$4,160.00
6" Meter	7,290.00	7,290.00	2,210.00	5,025.00	\$7,235.00

Service Charges			
Establishment	\$60.00	\$60.00	\$60.00
Establishment (After Hours)	90.00	90.00	Discontinued
Reconnection (Delinquent)	60.00	60.00	60.00
Reconnection (Delinquent) After Hours	N/A	75.00	Discontinued
After Hours Charge (Flat Rate)	N/A	N/A	50.00
Meter Test (If Correct)	50.00	50.00	50.00
Deposit	*	66.00	*
Deposit Interest	*	1.00%	6.00%
Re-Establishment (Within 12 Months)	**	35.00	**
NSF Check	25.00	25.00	25.00
Deferred Payment (Per Month)	1.50%	1.50%	1.50%
Meter Re-Read (If Correct)	20.00	20.00	20.00
Late Fee (Per Month)	1.50%	1.50%	1.50%
Purchased Water Contract Connection Charge	N/A	N/A	\$100
Impact Fee	N/A	1,650.00	(a)
Monthly Service Charge for Fire Sprinkler			
4" or Smaller	***	***	***
6"	***	***	***
8"	***	***	***
10"	***	***	***
Larger than 10"	***	***	***

(a) - Staff recommends denial.

* Per Commission Rules (R14-2-403.B)

** Months off system times the minimum (R14-2-403.D)

*** 1.00% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month. The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.

TYPICAL BILL ANALYSIS
General Service 5/8 X 3/4 - Inch Meter

Average Number of Customers: 163

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	6,043	\$62.79	\$71.97	\$9.18	14.6%
Median Usage	4,415	\$ 53.38	\$ 60.98	\$7.60	14.2%
<u>Staff Recommended</u>					
Average Usage	6,043	\$62.79	\$80.39	\$17.60	28.0%
Median Usage	4,415	\$53.38	\$65.73	\$12.35	23.1%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Recommended Rates</u>	<u>% Increase</u>
0	\$33.00	\$37.00	12.1%	\$38.00	15.2%
1,000	37.50	42.30	12.8%	44.00	17.3%
2,000	42.00	47.60	13.3%	50.00	19.0%
3,000	46.50	52.90	13.8%	56.00	20.4%
4,000	51.00	58.20	14.1%	62.00	21.6%
5,000	56.75	64.91	14.4%	71.00	25.1%
6,000	62.50	71.62	14.6%	80.00	28.0%
7,000	69.25	79.62	15.0%	89.00	28.5%
8,000	76.00	87.62	15.3%	98.00	28.9%
9,000	82.75	95.62	15.6%	113.55	37.2%
10,000	89.50	103.62	15.8%	129.10	44.2%
15,000	123.25	143.62	16.5%	206.85	67.8%
20,000	157.00	183.62	17.0%	284.60	81.3%
25,000	190.75	223.62	17.2%	362.35	90.0%
50,000	359.50	423.62	17.8%	751.10	108.9%
75,000	528.25	623.62	18.1%	1,139.85	115.8%
100,000	697.00	823.62	18.2%	1,528.60	119.3%
125,000	865.75	1,023.62	18.2%	1,917.35	121.5%
150,000	1,034.50	1,223.62	18.3%	2,306.10	122.9%
175,000	1,203.25	1,423.62	18.3%	2,694.85	124.0%
200,000	1,372.00	1,623.62	18.3%	3,083.60	124.8%

Supplies for March 2011

SABROSA WATER COMPANY

Paper	148	@ .10	= \$	14.80
Envelops 1X\$.05	0	@ .10	= \$.05
Billing Cards	33	@ .15	= \$	4.95
EOM Paper	24	@. 10	= \$	2.40
Rate case paper	516	@. 10	= \$	\$51.60
Subtotal			= \$	73.80

BWC -4 pg 2.

Employee Name Debbie Windeler						For week ending 5/13/11			
Day of Week	Date	Morning		Afternoon		Total hours	BWC	SAB	CSD
		Time in	Time out	Time in	Time out				
Monday	5/9/11	7:50	1:15	1:35	3:00	7.00	5.50	1.00	.5
Tuesday	5/10/11	7:30	12:40	1:10	3:00	7.00	6.00		1.00
Wednesday	5/11/11	7:40	1:40			6.00	5.50	.50	0
Thursday		5/12/11	7:30	2:00			5.50	4.50	.50
Friday									
Saturday									
Sunday									
Weekly Totals						25.50	21.50	2.00	2.00

Date	Daily Task	BW	SAB	CSD
5/9/11	BWC post pmts/deposit/bank/key bills Run aging pay bills & Recon bank stmt Rtn calls	1.00		
	Sab post pmts/deposit/bank/key bills Run aging pay bills & Recon bank stmt rtn calls		1.00	
	CSD update pmts,deposit			.50
	BWC rate case	4.50		
5/10/11	BWC rate case/Aug and Sept 2009 reconstruct gallons sold/\$-	6.00		
	CSD Recon bank stmts Jan-April			1.00
5/11	Post pmts BWC & Sabrosa /deposit banking print BWC Meter Read sheets BWC water loss	5.50	.50	
5/12/11	Sabrosa post pmts deposit banking BWC return calls- post meter reads and do billing Post office	.50	.50	
	2009 rate problems update CSD pmts	3.50		.50
	BWC address change, call re reading numerous meters	.50		

BWC-5-

BWC - 6

BRADSHAW WATER COMPANY
METER HOOKUP FEES COLLECTED

ACCT#	LOT	DATE PAID	ADDRESS	CUSTOMER	METER SET CHG	TAX	APPLIC. FEE	TOTAL PD FEE	ACTIVE
2005									
457	CSD057		971 N WATER'S EDGE WAY	DUANIE POSEY	\$350.00				ACTIVE
418	CSD018		791 N CREEKSIDE DR	DARIUS ZAHARIA	\$350.00				MOVED CURRENT RESIDENT PATRICIA PIERCE
24	CSD	8/31/2005	741 N FITZMAURICE	SYL & KAREN WILEY	\$350.00				ACTIVE
71	CSD071		840 N PEAK VIEW WAY	ALICE KURTZ	\$350.00				KURTZ MOVED CUST OWES \$242.77 FROM 7/10 CURRANT CUSTOMER DAVID FROST
65	CSD065		885 N PEAKVIEW WAY	SUSAN FIELDS	\$350.00				ACTIVE
77	77		568 N COULTER CIR	CHRISTINE SCHRODER	\$350.00				ACTIVE
126	126		330 N ANGELINE	MICHAEL HEIM	\$350.00				ACTIVE
43	43	4/30/2005	5685 E OLD BLACK CANYON HWY	ROBERT OLSON	\$350.00				ACTIVE
40	40		5815 E OLD BLACK CANYON HWY	DOUGLAS ACKLEY	\$350.00				ACTIVE
74	CSD	4/30/2005	617 N COULTER CIR	LARRY FUGEN	\$350.00				ACTIVE
32	32	4/30/2005	5909 E OLD BLACK CANYON HWY	CHRIS DARAKIS	\$350.00				ACTIVE
64	CSD	11/30/2005	480 N FITZMAURICE	WILLIAM PERRY	\$350.00				ACTIVE
478	CSD078		960 N HUNTER RIDGE	PHIL CLARKE	\$350.00				ACTIVE
2006									
486	CSD	7/20/2006	845 N PEAK VIEW WY	ALAN LANE	\$350.00	\$22.23		\$372.23	ACTIVE PD BY BUILDER LANTANA DEVEL
37	LL3:	9/19/2006	414 FINNEY CIR	JIM & DAWNA HARRIS	\$350.00	\$22.23		\$372.23	ACTIVE EBEL WALLY OWNER
511		11/28/2006	5150 E CREEKVIEW	HIGH PLAINS CONSTR	\$1,050.00	\$22.23		\$1,072.23	ACTIVE HIGH PLAINS BUILDER
2007									
515	105	11/5/2007	235 N ANGELINE CIR	OPPENHEIM, PETER	\$350.00	\$22.23		\$372.23	ACTIVE
516	59	11/5/2007	252 N FRENCH DR	ELOISE LUCKINO	\$350.00	\$22.23		\$372.23	ACTIVE
517	148	2/26/2007	5100 E FITZMAURICE	HOWARD KOELLE	\$350.00	\$22.23		\$372.23	MOVED NEW CUST JAMES & ELEANOR EDMISTON A/C 559
180	180	2/26/2007	535 LYNX CREEK RD	CRYSTAL CREEK HOMES	\$350.00	\$22.23		\$372.23	BUILDER/CUST IS ROMMELL
2008									
526	24	5/19/2008	5110 E CREEK VIEW LN	DARIUS ZAHARIA	\$350.00	\$22.23	\$30.00	\$402.23	MOVED/CURRENT DENNIS MAZE
521	185	1/14/2008	5105 ORO DEL SOL LYNX ESTATES	TIM WILL	\$350.00	\$22.23	\$30.00	\$372.23	ACTIVE
524	115	3/31/2008	5445 FITZMAURICE	GREG WINEMILLER	\$350.00	\$22.23	\$30.00	\$402.23	ACTIVE
530	15	8/4/2008	890 N FITZMAURICE	JACK & CATHY JOHNSON	\$350.00	\$22.23	\$30.00	\$402.23	ACTIVE
2009									
26	77	7/10/2009	980 N HUNTER RIDGE	T.L. GARRETT CONSTR	\$350.00	\$22.23	\$0.00	\$372.23	BUILDER/OWNER RICHRD COTTINE ACTIVE
564		7/16/2009	182A ANGELINE CIR	TEMPLE BUILDERS	\$350.00	\$22.23	\$0.00	\$372.23	BUILDER/OWNER JANICE MEYERS ACTIVE
2010									
560		10/4/2010	749 N CREEKSIDE	TL GARRETT CONSTR	\$350.00	\$22.23		\$372.23	BUILDER/OWNER MOVING IN 5/1
554		6/29/2010	135 WHISPERWIND	JAMES HOSEA	\$350.00	\$22.23		\$372.23	ACTIVE

Meter cost 5/8 x 3/4
Meter cost 1" meter
Labor cost 5/8 x 3/4
Labor cost 2" approx

Per the attached contract for each new meter installed the Prescott Valley Water Co. is paid \$100.00 out of the \$350.00 we collect from the customer.

I HAVE CONFIRMED THE AMOUNTS FROM 2006-2010 RECONCILE TO THE GENERAL LEDGER FOR METER HOOKUPS PAID. I FOUND PAYMENTS FOR THE PRESCOTT VALLEY WATER CO. FOR THE 2005 CUSTOMERS AS OUR GENERAL LEDGER STARTED 2006 WHEN WE TOOK OVRE ACCOUNTING

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER



received
3-16-00

BRIAN C. McNEIL
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

March 13, 2000

Mr. Don Lovell
Secretary
Bradshaw Water Company, Inc.
112 Grove Avenue
Prescott, Arizona 86301

Dear Mr. Lovell:

The enclosed Main Extension Agreement between Bradshaw Water Company and North Nugget Development L.L.C., has met the provisions of A.A.C. R14-2-406 or Company approved tariffs, and is approved, excepting those provisions, if any, not within the jurisdiction of the Arizona Corporation Commission.

A copy of this agreement will remain on file in the Utilities Division's Central Files.

Sincerely,

Dorothy Hains

Dorothy Hains
Utilities Engineer
Utilities Engineering Section

Enclosures

BRADSHAW WATER COMPANY
AGREEMENT TO CONSTRUCT AND EXTEND WATER FACILITIES

This Agreement, made and entered into this 10th day of March, 1999 by and between Bradshaw Water Company, Inc., an Arizona corporation (hereinafter referred to as "Company"), and North Nugget Development L.L.C., an Arizona Limited Liability Company (hereinafter referred to as "Applicant") for Creekside of Prescott, Phase 2, subdivision (hereinafter referred to as "Creekside").

WITNESSETH:

- I. The Company will construct an extension to its water facilities from Creekside as follows:
 - A. An eight inch water main will be extended into Creekside from the existing Company facilities located at the intersection of Old Black Canyon Highway and Lynx Creek Road as detailed in the attached construction plans of Creekside of Prescott, Phase 2 prepared by Kelley/Wise Engineering.
 - B. The estimated start date is April 1, 1999.
 - C. The estimated completion date is August 31, 1999.

- II. The Applicant will pay to the Company, upon signing this Agreement, a Refundable Advance in Aid of Construction, for the total sum of Sixty Four Thousand Three Hundred Ninety Five (\$64,395), receipt of which is hereby acknowledged by the Company, which represents Materials and Labor to construct the water facilities for Creekside, Phase 2 (See Exhibit "A"). In the event the Company's actual cost of construction is less than the amount advanced by the Applicant, the Company shall make a refund to the Applicant within thirty (30) days after the completion of the construction on Company's receipt of invoices to that construction.

- III. Refunds for Advances in Aid of Construction pursuant to this Agreement shall be made in accordance with the following method:
 - A. The Company shall each year pay to the Applicant making an advance under a main extension agreement, or Applicant's assignees or other successors in interest where the Company has received notice and evidence of such assignment of succession, a minimum amount equal to ten percent (10%) of the total gross annual revenue from water sales to each bonafide consumer whose service line is connected to main lines covered by this Agreement, for a period of not less than ten (10) years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a Contribution in Aid of Construction in the accounts of the Company.

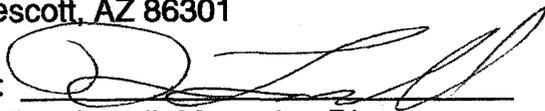
B. The aggregate refunds under this rule shall in no event exceed the total of the Refundable Advances in Aid of Construction. No interest shall be paid by the Company on any amount advanced. The Company shall make no refunds from any revenue received from any lines, other than customer service lines, leading up to or taking off from the particular main extension covered by this Agreement.

IV. The following terms and conditions shall apply to this Agreement:

- A. It is understood that the Company shall at all times own all pipe, valves, fittings, meters and appurtenances used in constructing said extension and the Applicant making any advances, whether refundable or not, shall not have any right, title or interest in any such facilities.
- B. The Applicant shall grant or convey, or shall cause to be granted or conveyed, without cost to the Company, a permanent easement and right-of-way across any property owned or controlled by the Applicant wherever said permanent easement and right-of-way is necessary for the Company water facilities and line so as to be able to furnish service to the consumers.
- C. This Agreement shall be binding upon and for the benefit of the heirs, administrators, executors, successors and assigns of the parties signing this Agreement, provided, however, that no assignment or other transfer of this contract by Applicant shall be binding upon the Company or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by the Company.
- D. Before this Agreement shall become effective and binding upon either the Company or the Applicant, it must be approved by the Arizona Corporation Commission, or its authorized representative and in the event it is not so approved, this Agreement shall be null and void and of no force or effect whatever.
- E. This Agreement, and all rights and obligations hereunder, and in regard to water service to consumers, shall be subject to the Arizona Corporation Commission Rules and Regulations of Domestic Water Companies.

NORTH NUGGET DEVELOPMENT, L.L.C.
112 Grove Avenue
Prescott, AZ 86301

By:


Don Lovell, Managing Director

BRADSHAW WATER COMPANY, INC.
112 Grove Avenue
Prescott, AZ 86301

By:


C. B. Howard, President

3/13/00
NA
DH
BWC-7 pg 3

EXHIBIT A

**CREEKSIDE WATER
March 10, 1999**

8"	1265	@	\$ 22.00	\$27,830
4"	980	@	\$ 18.00	\$17,640
8" V B & C	4	@	\$ 600.00	\$ 2,400
4" V B & C	2	@	\$ 350.00	\$ 700
Fire Hydrant	3	@	\$1,600.00	\$ 4,800
Blow Off	2	@	\$ 425.00	\$ 850
Double Services	13	@	\$ 625.00	\$ 8,125
Single Services	3	@	\$ 525.00	\$ 1,575
Air Release	1	@	\$ 475.00	\$ 475
				=====
				\$64,395

BWC - 7 pg 4

CARL J. KUNASEK
CHAIRMAN

JAMES M. IRVIN
COMMISSIONER

RENZ D. JENNINGS
COMMISSIONER



JACK ROSE
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

August 20, 1997

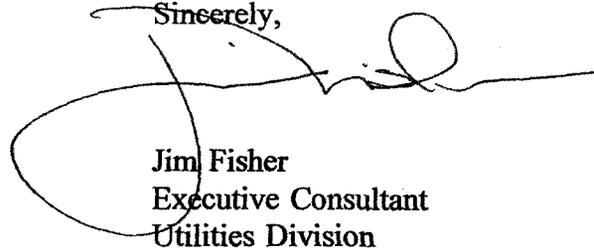
Don Lovell
Secretary
Bradshaw Water Company, Inc.
112 Grove Avenue
Prescott, Arizona 86301

Dear Mr. Lovell:

The enclosed Main Extension Agreement (Agreement) between Bradshaw Water Company, Inc., and North Nugget Development L.L.C., for Creekside of Prescott Phase 1, has met the provisions of A.A.C. R14-2-406 and is approved, excepting those provisions, if any, not within the jurisdiction of the Arizona Corporation Commission.

A copy of the Agreement will remain on file in the Utilities Division.

Sincerely,



Jim Fisher
Executive Consultant
Utilities Division

JF:

Enclosures

BWC-8 p91

BRADSHAW WATER COMPANY
AGREEMENT TO CONSTRUCT AND EXTEND WATER FACILITIES

This Agreement, made and entered into this 24th day of July, 1997 by and between Bradshaw Water Company, Inc., an Arizona corporation (hereinafter referred to as "Company"), and North Nugget Development L.L.C., an Arizona Limited Liability Company (hereinafter referred to as "Applicant") for Creekside of Prescott, Phase 1, subdivision (hereinafter referred to as "Creekside").

WITNESSETH:

- I. The Company will construct an extension to its water facilities from Creekside as follows:
 - A. An eight inch water main will be extended into Creekside from the existing Company facilities located at the intersection of Old Black Canyon Highway and Lynx Creek Road as detailed in the attached construction plans of Creekside of Prescott, Phase 1 prepared by Kelley/Wise Engineering.
 - B. The estimated start date is January 1, 1996.
 - C. The estimated completion date is May 31, 1996.

- II. The Applicant will pay to the Company, upon signing this Agreement, a Refundable Advance in Aid of Construction, for the total sum of Fifty Eight Thousand Nine Hundred Fifty Dollars (\$58,950), receipt of which is hereby acknowledged by the Company, which represents Materials and Labor to construct the water facilities for Creekside, Phase 1 (See Exhibit "A"). In the event the Company's actual cost of construction is less than the amount advanced by the Applicant, the Company shall make a refund to the Applicant within thirty (30) days after the completion of the construction on Company's receipt of invoices to that construction.

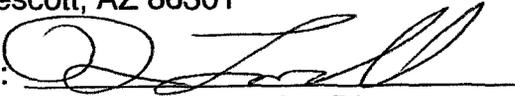
- III. Refunds for Advances in Aid of Construction pursuant to this Agreement shall be made in accordance with the following method:
 - A. The Company shall each year pay to the Applicant making an advance under a main extension agreement, or Applicant's assignees or other successors in interest where the Company has received notice and evidence of such assignment of succession, a minimum amount equal to ten percent (10%) of the total gross annual revenue from water sales to each bonafide consumer whose service line is connected to main lines covered by this Agreement, for a period of not less than ten (10) years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a Contribution in Aid of Construction in the accounts of the Company.

B. The aggregate refunds under this rule shall in no event exceed the total of the Refundable Advances in Aid of Construction. No interest shall be paid by the Company on any amount advanced. The Company shall make no refunds from any revenue received from any lines, other than customer service lines, leading up to or taking off from the particular main extension covered by this Agreement.

IV. The following terms and conditions shall apply to this Agreement:

- A. It is understood that the Company shall at all times own all pipe, valves, fittings, meters and appurtenances used in constructing said extension and the Applicant making any advances, whether refundable or not, shall not have any right, title or interest in any such facilities.
- B. The Applicant shall grant or convey, or shall cause to be granted or conveyed, without cost to the Company, a permanent easement and right-of-way across any property owned or controlled by the Applicant wherever said permanent easement and right-of-way is necessary for the Company water facilities and line so as to be able to furnish service to the consumers.
- C. This Agreement shall be binding upon and for the benefit of the heirs, administrators, executors, successors and assigns of the parties signing this Agreement, provided, however, that no assignment or other transfer of this contract by Applicant shall be binding upon the Company or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by the Company.
- D. Before this Agreement shall become effective and binding upon either the Company or the Applicant, it must be approved by the Arizona Corporation Commission, or its authorized representative and in the event it is not so approved, this Agreement shall be null and void and of no force or effect whatever.
- E. This Agreement, and all rights and obligations hereunder, and in regard to water service to consumers, shall be subject to the Arizona Corporation Commission Rules and Regulations of Domestic Water Companies.

NORTH NUGGET DEVELOPMENT, L.L.C.
112 Grove Avenue
Prescott, AZ 86301

By: 
Don Lovell, Managing Director

BRADSHAW WATER COMPANY, INC.
112 Grove Avenue
Prescott, AZ 86301

By: 
C. B. Howard, President

Date Approved: August 20, 1997

Decision No.: _____

Director of Utilities
Arizona Corporation Commission

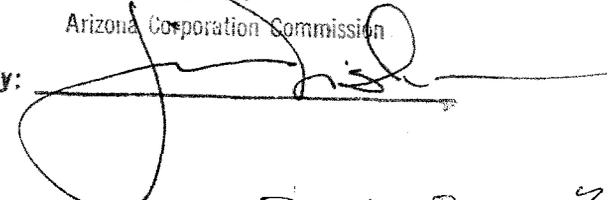
By: 

EXHIBIT A

**CREEKSIDE WATER
June 26, 1995**

8"	1690	@	\$18.00	\$30,420
6"	50	@	\$17.00	\$ 850
4"	560	@	\$13.00	\$ 7,280
V B & C	3	@	\$475.00	\$ 1,425
8 X 6 Reducer	1	@	\$475.00	\$ 475
8 X 8 X 4 Tee	3	@	\$475.00	\$ 1,425
Fire Hydrant	3	@	\$1550.00	\$ 4,650
Blow Off	3	@	\$475.00	\$ 1,425
Double Services	16	@	\$600.00	\$ 9,600
Single Services	1	@	\$350.00	\$ 350
Bends	3	@	\$350.00	\$ 1,050
				=====
				\$58,950

AGREEMENT FOR RECOVERY OF EFFLUENT STORAGE CREDITS

This Agreement is entered into by and among North Nugget Development, L.L.C., an Arizona limited liability company ("North Nugget"), Bradshaw Water Company, Inc., an Arizona corporation ("Bradshaw") and the Prescott Valley Water District, a Community Facilities District of Arizona (the "District") this 28th day of February, 2002.

RECITALS

A. North Nugget is the developer of a multi-phased development known as Creekside of Prescott ("Creekside") Phases 1, 2 and 3, which is located within one mile of the current municipal limits of the Town of Prescott Valley ("Town").

B. Creekside receives potable water from Bradshaw, which in turn receives water through an Agreement for the Purchase and Sale of Groundwater, dated March 8, 1993, between Bradshaw and the Shamrock Water Company ("Shamrock") (the "Intertie Agreement"). The Intertie Agreement was approved by the Arizona Department of Water Resources ("ADWR") in September of 1993; the Intertie Agreement also was approved by the Arizona Corporation Commission, as set forth in the Opinion and Order of the Commission, dated October 18, 1993, Docket No. U-1966-93-182, Decision No. 58435.

C. On September 24, 1998, the Town's Council adopted Resolution No. 855 creating the Prescott Valley Water District, a community facilities district in accordance with A.R.S. § 48-701 et seq., with the Town Council members serving automatically as members of the District Board, for the purpose of purchasing Shamrock and operating Shamrock's domestic water system ("System").

D. In accordance with A.R.S. § 48-709(14) (and with the consent of the Town Council pursuant to Resolution No. 855), the District or its third-party contractors are authorized to manage, operate and maintain the System outside of the District and the Town.

E. On November 9, 1998, the District Board approved a Stock Purchase Agreement with Shamrock's shareholders wherein the District would purchase Shamrock's stock.

F. On December 14, 1998, the District Board authorized the issuance of revenue bonds in an amount not to exceed \$24,500,000.00 and adopted tentative water rates, fees, and service charges to pay when due the interest and principle of the revenue bonds and cover the costs of on-going management, operation and maintenance of the System.

G. On January 21, 1999, the District used the bond proceeds to purchase Shamrock's stock, converted Shamrock into a non-profit company (with the District as its sole member per A.R.S. § 10-2311), and renamed Shamrock the Prescott Valley Water Company ("Company"), with the members of the District Board serving as the Company's Board of Directors.

H. The District and the Company also entered into a Service Agreement as of January 1, 1999, wherein the District would use the System for "public infrastructure purposes"

pursuant to A.R.S. § 48-701, et seq., operate, maintain, replace, extend, improve, and expand the System in all respects, and prescribe fees and charges to generate sufficient revenue to pay when due the Operation and Maintenance Expenses, the Replacement and Extension Costs, and the Debt Service (as well as amounts to provide for the Reserve Fund Requirement) (all capitalized terms in this paragraph are defined as in the Service Agreement), all in return for receiving all of the Company's revenues.

I. North Nugget has obtained a Certificate of Assured Water Supply ("CAWS") from ADWR for Creekside Phases 1 and 2, but requires approximately 6.72 acre-feet per year, or approximately 672 acre-feet per 100 years (the "AWS Amount"), of long-term storage credits to obtain a CAWS for 25 lots located within Creekside Phase 3 ("Creekside Phase 3"), more particularly described in the attached Exhibit "A." The exact amount of long-term storage credits required for the AWS Amount will be determined by ADWR during its review of North Nugget's application for a CAWS for Creekside Phase 3, but in any event, the AWS Amount will not exceed 7.00 acre-foot per year.

J. Effluent from Creekside Phases 1 and 2 is delivered by the Creekside Sanitary District to the City of Prescott ("Prescott") for treatment and storage in accordance with A.R.S. §§ 45-801.01, et seq. Effluent from Creekside Phase 3 would also be delivered by the same sanitary district to Prescott for treatment and storage. ADWR has issued to Prescott long-term storage credits for the storage of effluent pursuant to Water Storage Permit No. 73-528737.0000. These credits can be assigned to North Nugget to meet the assured water supply requirements of Creekside Phase 3.

K. By agreement captioned "Agreement For The Sale And Purchase Of Effluent Storage Credits" dated _____, 2002, between Prescott, Bradshaw and North Nugget (the "Credit Sale Agreement"), Prescott agreed to reserve and assign to North Nugget an amount of long-term storage credits equal to the AWS Amount. Under the Credit Sale Agreement, North Nugget will purchase long-term storage credits from Prescott for the 25 lots of Creekside Phase 3.

L. The District operates an existing well ("Well") within the Prescott AMA, number 55-612329 (as identified by its registration number on file in the records of ADWR), which may be permitted by ADWR as a recovery well to recover stored effluent. The Well (or another well that is mutually acceptable to the parties to this Agreement) is within the exterior boundaries of the service area of the District and can be used by the District to supply water to Bradshaw and Creekside Phase 3 under the Intertie Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties to the others, it is hereby agreed as follows:

I. The District (or North Nugget on behalf of the District) will designate the Well (or a substitute therefor that is acceptable to the parties to this Agreement and ADWR) as a recovery well to recover on behalf of North Nugget the long-term storage credits purchased by

North Nugget from Prescott under the Credit Sale Agreement and conveyed in accordance with the terms of this Agreement to the Company or District (at the District's option).

2. The District agrees to recover on behalf of North Nugget up to 7.0 acre-feet of the reserved long-term storage credits each year following the date of issuance of the CAWS for Creekside Phase 3, and then deliver such recovered credits to Bradshaw in accordance with the terms and conditions of the Intertie Agreement. Bradshaw agrees to deliver the recovered water received by it solely to Creekside Phase 3. The parties hereto agree that the terms and conditions of the Intertie Agreement shall remain in full force and effect.

3. On an annual basis, Bradshaw on behalf of North Nugget shall reimburse the District for the District's payment of the long-term storage credit recovery fee set forth in A.R.S. § 45-874.01; said reimbursement shall be made within thirty (30) days following Bradshaw's receipt of the District's invoice for the same. The District agrees to be responsible for the timely preparation and filing of the annual report required under A.R.S. § 45-875.01.

4. North Nugget agrees to be responsible for obtaining any and all licenses, permits and/or approvals of any kind necessary for ADWR approval of the recovery well permit in accordance with A.R.S. § 45-834.01, provided, however, that the District will reasonably cooperate with and assist North Nugget with any and all applications for a recovery well permit.

5. The parties agree that this Agreement will be effective only if all of the following conditions are met:

- (a) Prescott approves of and executes the Credit Sale Agreement between it, Bradshaw and North Nugget;
- (b) ADWR permits the Well (or another well that is mutually acceptable to the parties to this Agreement) as a recovery well enabling the District on Bradshaw's behalf to withdraw long-term storage credits;
- (c) North Nugget purchases from Prescott sufficient long-term storage credits to meet the AWS Amount; and
- (d) ADWR issues a CAWS for Creekside Phase 3.

6. This Agreement shall be effective for a period of 100 years following the issuance of a CAWS for Creekside Phase 3.

7. Pursuant to A.R.S. § 38-511, the District may cancel this Agreement, without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on behalf of the District is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement. In the event of the foregoing, the District further elects to recoup any fee or commission paid or due to any person significantly involved in the initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the District from any other party to the Agreement arising as a result of this Agreement.

8. The Parties will negotiate in good faith to resolve any controversy or claim arising out of or relating to this Agreement. If, however, a matter cannot be resolved within a reasonable period of time, upon the written demand of any party, the matter shall be resolved by arbitration in accordance with the Uniform Arbitration Act, A.R.S. § 12-1501, et seq. A party desiring arbitration shall serve upon the other, a written notice (the "Notice") describing in general terms the controversy and naming such party's arbitrator. Within ten (10) days after said Notice, the other party shall serve upon the party demanding arbitration a written response (the "Response"), describing, in general terms, any additional issues to be arbitrated and naming its arbitrator. Within seven (7) days thereafter, the two arbitrators shall meet, and at that time or within seven (7) days thereafter, shall appoint a third arbitrator. If the two arbitrators cannot agree upon the third arbitrator, either party may apply to the Arizona Superior Court in and for Yavapai County pursuant to the provisions of A.R.S. § 12-1503 for appointment of the third arbitrator. The three arbitrators shall appoint a time and place and otherwise proceed under the provisions of A.R.S. § 12-1505.

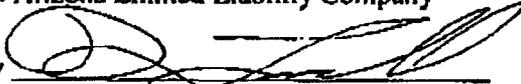
9. North Nugget further agrees that, at or before closing on a lot in Creekside Phase 3, it will inform in writing the purchaser of said lot that prior to Bradshaw's installation of a meter and provision of domestic water service thereto, the purchaser of said lot (or its successor-in-interest) will be required to pay to Bradshaw on behalf of and as a "pass through" to the District an amount equal to the System Capacity Charge as established from time to time by Resolution of the Prescott Valley Water District. (The System Capacity Charge is currently \$1,650.00 per "Residential Dwelling Unit Equivalent," but may be amended in the future. For purposes of determining the System Capacity Charge, each metered connection within Creekside Phase 3 shall be deemed to be to a "Residential Dwelling Unit Equivalent.") At the time that Bradshaw installs a meter for water service to a lot in Creekside Phase 3, it shall collect the System Capacity Charge and within ten (10) days thereafter, remit the same to the District. Bradshaw shall not initiate domestic water service to any lot in Creekside Phase 3 until such time as the System Capacity Charge has been paid.

10. The terms, covenants and conditions herein shall inure to the benefit of and be an obligation on the successors and assigns of the parties hereto.

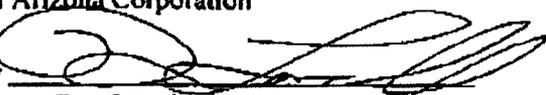
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set out above.

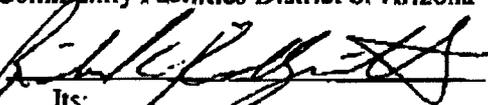
NORTH NUGGET, L.L.C.
An Arizona Limited Liability Company

By 
Don Lovell
Managing Director

BRADSHAW WATER COMPANY, INC.,
An Arizona Corporation

By 
Don Lovell
Its _____

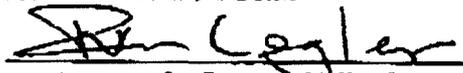
PRESCOTT VALLEY WATER DISTRICT,
A Community Facilities District of Arizona

By 
Its: _____

ATTEST

By 
Its: Deputy Town Clerk

APPROVED AS TO FORM

By 
Attorney for Prescott Valley Water District

BRADSHAW WATER COMPANY

PAID TO PRESCOTT VALLEY WATER DISTRICT

CUSTOMER	CUSTOMER SINCE	LOT		DATE PD	AMT	CK
SANTOS	Prior 7/06	81	900 HUNTER RIDGE RD	aprox 11/04	\$1,650.00	
MAYHEW	Prior 7/06	80	920 HUNTER RIDGE RD	aprox 10/04	\$1,650.00	
CLARKE	Prior 7/06	78	960 HUNTER RIDGE RD	12/29/05	\$1,650.00	4202
CONTINE	Prior 7/06	77	980 HUNTER RIDGE RD	UNPAID		
BETTINO		76	985 HUNTER RIDGE RD	01/24/06	\$1,650.00	4219
TOMASINI	Prior 7/06	74	945 HUNTER RIDGE RD	06/14/05	\$1,650.00	4088
DAMM	Prior 7/06	73	905 N PEAK VIEW WY	aprox 12/04	\$1,650.00	
CHENEY	Prior 7/06	72	830 N PEAK VIEW WY	aprox 12/04	\$1,650.00	
KURTZ	Prior 7/06	71	840 N PEAK VIEW WY	02/15/05	\$1,650.00	4005
LANE	Prior 7/06	86	845 N PEAK VIEW WY	08/02/06	\$1,650.00	5016
GUTIERREZ	May-08	67	880 N PEAK VIEW WY	02/07/06	\$1,650.00	4228
FIELDS	Prior 7/06	65	885 N PEAK VIEW WY	03/15/05	\$1,650.00	4031
ESTRADA	Prior 7/06	64	875 N PEAK VIEW WY	12/29/05	\$1,650.00	4202
					\$19,800.00	

COMPANY NAME: Bradshaw WATER Co. Test Year Ended: 12/31/09
 Name of System: Bradshaw WATER ADEQ Public Water System Number: 13-141

WATER USE DATA SHEET BY MONTH FOR TEST YEAR

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	168	617,453	133,240	725,000
FEBRUARY	160	605,496	113,410	645,000
MARCH	169	849,877	143,640	655,000
APRIL	168	876,668	96,730	1,005,000
MAY	169	1,115,358	188,690	880,000
JUNE	166	1,445,375	118,750	1,305,000
JULY	167	1,206,729	50,120	1,670,000
AUGUST	167	827,171	72,570	1,265,000
SEPTEMBER	** 168	* 1,780,611	53,860	1,300,000
OCTOBER	165	1,027,251	58,770	1,325,000
NOVEMBER	168	1,034,431	52,070	1,385,000
DECEMBER	166	654,073	96,680	585,000
TOTALS →		* 12,040,493	** 1,178,530	12,745,000

* 651,060 gallons billed Sept were actually for August

What is the level of arsenic for each well on your system? .0072 / .0094 mg/l
 (If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 500 GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: ∅

Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact Engineering at 602-542-7277.

* This number must be equal to the number entered on Page 6, "sold gallons."
 ** Gallons pumped cannot equal or be less than the gallons sold

** 71 August customers NOT Billed til Sept.

BRADSHAW WATER COMPANY 2009 WATER LOSS

PURCHASED WATER FOM TOWN OF PRESCOTT VALLEY 2009

Billing period	# of days in billing cycle	Pumped Water	Purchased water	Total pumped & purchased	Sold	Water loss
Jan 12/9/2008	34	133,240	725,000	858,240	617,453	240,787
Feb 1/12/2009	30	113,410	645,000	758,410	605,496	152,914
Mar 2/11/2009	28	143,640	655,000	798,640	849,877	-51,237
Apr 3/11/2009	33	96,730	1,005,000	1,101,730	876,668	225,062
May 4/13/2009	23	188,690	880,000	1,068,690	1,115,358	-46,668
June 5/6/2009	33	118,750	1,305,000	1,423,750	1,445,375	-21,625
July 6/8/2009	35	50,120	1,670,000	1,720,120	1,206,729	513,391
Aug 7/13/2009	28	72,570	1,265,000	1,337,570	827,171	510,399
Aug Rt 1 only					651,060	
Aug Rt 2 billed Sept 2nd					1,129,551	
Sept 8/10/2009	36	53,860	1,300,000	1,353,860	1,027,251	326,609
Oct 9/15/2009	22	58,770	1,325,000	1,383,770	1,034,431	349,339
Nov 10/7/2009	40	52,070	1,385,000	1,437,070	681,680	755,390
Dec 11/16/2009	23	96,680	585,000	681,680	654,073	27,607
		reported 780,000				
		1,178,530	12,745,000	13,923,530	12,040,493	1,883,037
						13.52% Loss

Well reads are from the 1st of the month to the end of the month, however billing was done one the 3rd and 4th week of the month. Wh have since changed the dates we read meters to correspond with billing dates.

Break Date	Description	Quantity	Estimate
No breaks in Jan or Feb			
3/27/2009	chase circle 2" pvc near the bend		100,000 estimate
6/21/2009	255 N Angeline Circle House Water tanks drained		200,000 estimate
6/22/2009	Upper tank overflow		10,000 estimate
6/29/2009	French Dr. Main Break		100,000 estimate
7/16/2009	Lower tanks overflow-control Problems		3,000 estimate
7/19/2009	Lower tanks overflow-control Problems		3,000 estimate
9/18/2009	Lower tanks overflow		3,000 estimate
9/15/2009	Lower tanks overflow		3,000 estimate
9/19/2009	2" at 5650 Chase		100,000 estimate
9/24/2009	Lower tanks overflow		3,000 estimate
10/3/2009	Lower tanks overflow-control Problems		3,000 estimate
10/5/2009	Lower tanks overflow-control Problems		3,000 estimate
10/12/2009	Lower tanks overflow-control Problems		3,000 estimate
10/20/2009	5815 Old Black Canyon Hwy-meter gasket leaks		2,000 estimate
12/21/2009	55 Fitzmaurice-meter gasket leaks		2,000 estimate
			538,000

Monthly Well Read Reports 2010

Reads entered are for the previous months billing for the Town of Prescott Valley, for example the reads for Jan 10 are entered Feb 13th and sent to Sherry @ TOPV.
 # of Customers are from the previous months system total reports sent in the email to Sherry with this report

Month	Current Read	Previous Read	Total	Water Sold	Water Purchased	Water loss	Pd Town of PV	Water Sold	Water Purchased	Water Loss	Pd Town of PV
Jan-10											
Well 1	9530140	9530140	0	0							
Well 2	9547140	9547140	0	0							
Well 3	4495920	4495920	23410	0							
Well 7	4495920	4495920	11420	0							
Well 7A	457530	396120	61410	0							
MONTHLY TOTAL	687967	825000	228663	0	825000	228663	\$4,629.99	12,06729	1,366000	219251	\$7,376.03
Total # of customers											

Month	Current Read	Previous Read	Total	Water Sold	Water Purchased	Water loss	Pd Town of PV	Water Sold	Water Purchased	Water Loss	Pd Town of PV
Feb-10											
Well 1	9530140	9530140	0	0							
Well 2	9570550	9547140	23410	0							
Well 3	4495920	4495920	290	0							
Well 7	504810	457530	47280	0							
MONTHLY TOTAL	645601	605000	30379	0	605000	30379	\$3,597.54	11,84839	1,57000	44641	\$6,311.85
Total # of customers											

Month	Current Read	Previous Read	Total	Water Sold	Water Purchased	Water loss	Pd Town of PV	Water Sold	Water Purchased	Water Loss	Pd Town of PV
Mar-10											
Well 1	9530140	9530140	0	0							
Well 2	9590260	9570550	19710	0							
Well 3	4495920	4495920	0	0							
Well 7	541090	504810	36280	0							
MONTHLY TOTAL	528291	925000	352699	0	925000	352699	\$4,678.82	1038088	1193000	193032	\$6,492.59
Total # of customers											

Month	Current Read	Previous Read	Total	Water Sold	Water Purchased	Water loss	Pd Town of PV	Water Sold	Water Purchased	Water Loss	Pd Town of PV
Apr-10											
Well 1	9530140	9530140	0	0							
Well 2	9590260	9590260	0	0							
Well 3	4495920	4495920	0	0							
Well 7	575740	541090	34650	0							
MONTHLY TOTAL	787706	825000	61944	0	825000	61944	\$7,177.37	915487	1175000	290893	\$6,430.30
Total # of customers											

Month	Current Read	Previous Read	Total	Water Sold	Water Purchased	Water loss	Pd Town of PV	Water Sold	Water Purchased	Water Loss	Pd Town of PV
May-10											
Well 1	9530140	9530140	0	0							
Well 2	9590260	9590260	0	0							
Well 3	4495920	4495920	0	0							
Well 7	615510	575740	39770	0							
MONTHLY TOTAL	1145638	1177000	70932	0	1177000	70932	\$6,397.00	1782824	736000	1030164	\$4,341.81
Total # of customers											

Month	Current Read	Previous Read	Total	Water Sold	Water Purchased	Water loss	Pd Town of PV	Water Sold	Water Purchased	Water Loss	Pd Town of PV
Jun-10											
Well 1	9530140	9530140	0	0							
Well 2	9590270	9590270	10	0							
Well 3	4495920	4495920	0	0							
Well 7	653640	615510	38130	0							
MONTHLY TOTAL	331616	1276000	17476	0	1276000	17476	\$6,861.12	573590	784000	221610	\$4,587.71
Total # of customers											

Month	Current Read	Previous Read	Total	Water Sold	Water Purchased	Water loss	Pd Town of PV	Water Sold	Water Purchased	Water Loss	Pd Town of PV
2010 Totals											
Well 1	9530140	9530140	0	0							
Well 2	9590270	9590270	0	0							
Well 3	4495920	4495920	0	0							
Well 7	845470	832270	13200	0							
MONTHLY TOTAL	191830	6683567	6431000	-60737	6683567	6431000	\$35,540.29	504190	11964000	667604	\$66,422.13
Total # of customers											

BWC-12

