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NEW APPLICATION

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Arizona Corporation Commission
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FENNEMORE CRAIG
A Professional Corporation
Patrick J. Black (No. 017141)
2394 East Camelback Rd, Suite 600
Phoenix, Arizona 85016
Telephone (602) 916-5000

Attorneys for Bella Vista Water Company, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF BELLA VISTA WATER COMPANY, INC. FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER UTILITY SERVICE IN COCHISE COUNTY, ARIZONA	DOCKET NO. W-02465A-13-0207 **APPLICATION FOR EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY**

Pursuant to A.R.S. § 40-282 and A.A.C. R14-2-402, Bella Vista Water Company, Inc. ("Applicant"), an Arizona public service corporation, hereby applies to the Arizona Corporation Commission ("Commission") for an Order to approve the extension of its existing Certificate of Convenience and Necessity ("CC&N") to provide water utility service in certain defined portions of Cochise County, Arizona.

INTRODUCTION

K Ranch, L.L.C., an Arizona limited liability company, ("Developer") owns a 236-acre land parcel located approximately ten (10) miles south of Sierra Vista on SR92. This property is part of a larger development known as Kings Ranch at Coronado (the "Development"), the remainder of which is already located within Applicant's existing CC&N. The Development consists of 303 residential lots and common areas. A copy of Developer's written request for service is attached hereto as **Exhibit 1**.

Developer is the successor-in-interest to the original developer, Dunafon Development, L.L.C., which entered into a water line extension agreement with Applicant on August 17, 2006, (the "Extension Agreement"). An extension of its current CC&N is required in order for Applicant to extend water utility service to the entire Development.

APPLICATION

In support of this Application, Applicant states as follows:

1. Applicant is a public service corporation formed for the purpose of providing water utility service in portions of Cochise County, Arizona. The proper name, address and corporate structure for Applicant are attached hereto as **Exhibit 2**.

2. Applicant's Articles of Incorporation and Bylaws are attached hereto as **Exhibit 3**.

3. Applicant's Certificate of Good Standing from the Arizona Corporation Commission is attached hereto as **Exhibit 4**.

4. The area covered by this Application includes approximately 236 acres, entirely owned by Developer. The Development includes 303 custom graded lots. The estimated total costs for construction of the Development are attached hereto as **Exhibit 5**.

5. Applicant's management contact is Greg Sorensen, Liberty Utilities, whose business address is 12725 West Indian Road, Suite D-101, Avondale, Arizona 85323. The telephone number is (623) 298-3747.

6. Applicant's operator certified by the ADEQ is Martin Garlant, whose business address is 333 Sala Lane, Rio Rico, Arizona 85648. The telephone number is (520) 619-0133. Mr. Garlant's operator ID No. is: OP009566.

7. Applicant's on-site management contact is Steve Carlson, whose business address is 12725 W. Indian School Rd., Suite D-101, Avondale, Arizona 85392.

8. Applicant's attorneys are Fennemore Craig, whose address is 2394 East Camelback Road, Suite 600, Phoenix, Arizona 85016-3429. The individual attorney responsible for this application is Patrick J. Black. Mr. Black's telephone number is (602) 916-5400. All Data Requests or other Requests for Information should be directed to Greg Sorensen, with a copy to Mr. Black's attention, on behalf of Bella Vista Water Company, Inc.

9. Applicant will be charging rates in accordance with its tariff on file with the Commission.

10. Applicant's estimated annual operating revenues and expenses for the first five years for the extension area are attached hereto as **Exhibit 6.**

11. Legal descriptions for the requested extension area are attached hereto as **Exhibit 7**.

12. A complete description of the constructed facilities is included in the Master Water Plan for the Development, attached hereto as **Exhibit 8.**

13. A general Statement of Financial Condition is attached hereto as **Exhibit 9**.

14. A detailed map indicating the area requested by this Application ("Extension Area") is attached hereto as **Exhibit 10**.

15. The manner of capitalization and methods of financing employed by Applicant is included in the amended Water Line Extension Agreement dated August 17, 2006, attached hereto as **Exhibit 11**.

16. Applicant's Water Use Data Sheet is attached hereto as **Exhibit 12**.

17. The rates and charges proposed for the extension area are Applicant's current rates and charges established in Decision No. 72530 (August 17, 2011).

18. Because the majority of the Development is located within Applicant's CC&N, construction of water utility facilities is nearly complete.

19. The estimated numbers of customers to be served in each of the first five years of water utility service to the Extension Area is as follows:

Estimated Number of Residential Customers

1st Year	10
2nd Year	30
3rd Year	36
4th Year	46
5th Year	70

20. Applicant's estimated annual operating revenue and operating expenses for each of the first five years of operation in the requested Extension Area, is as follows as more particularly described on **Exhibit 6**:

Operating Expenses		Operating Revenue	
1st Year	$9,335	1st Year	$1,893
2nd Year	$19,946	2nd Year	$6,971
3rd Year	$22,552	3rd Year	$10,692
4th Year	$23,984	4th Year	$13,361
5th Year	$26,764	5th Year	$19,196

21. The cumulative plant cost projections within the Extension Area by year for the next five (5) years, as more particularly described in **Exhibit 13,** is as follows:

Plant Cost Projection

1st Year	$598,882
2nd Year	$598,882
3rd Year	$598,882
4th Year	$598,882
5th Year	$598,882

22. Applicant has/shall obtain all appropriate city, county and/or state agency approvals required to provide water utility service in the requested area.

23. A copy of Developer's Certificate of Assured Water Supply is attached hereto as **Exhibit 14.**

24. ADEQ Approvals to Construct are attached hereto as **Exhibit 15**.

25. There are no municipalities or other water service providers within 5 miles of the requested extension area. As such, no written notice is required. Additionally, the sole landowner within the requested extension area is the Developer requesting service. Although no notice of the filing is required, the landowners will receive copies of this Application.

26. Wastewater service will be provided by individual septic systems designed within each residence and permitted at the time of construction of the individual residence.

27. A copy of the Developer's full Water Conservation Statement is attached hereto as **Exhibit 16**. The Development has been platted as a Conservation Easement Subdivision. If the 840 acres, approximately 427 acres have been set aside as a conservation easement which is left in its natural state. This allows for water recharge and limits the amount of water usage for over half of the Development. The Developer has also partnered with Cochise County and is participating in a pilot Storm Water Recharge Program. Finally, the Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for Kings Ranch at Coronado contains several water conservation measures, more particularly described in the Water Conservation Statement.

28. For the reasons stated herein, Applicant maintains that this Application is in the public interest and should be granted. There is a present need for regulated water utility service in Cochise County to ensure the public health, and foster orderly growth.

WHEREFORE, Applicant respectfully requests the following:

A. That the Commission proceeds to consider and act upon this Application as timely as possible and to schedule a hearing, if necessary, on this matter;

B. That upon completion of said hearing that the Commission enter an Order approving the Application to include the requested Extension Area as shown in **Exhibit 10**;

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

RESPECTFULLY SUBMITTED this 26th day of June, 2013.

FENNEMORE CRAIG, P.C.

By: _____
Patrick J. Black
Attorneys for Bella Vista Water Company, Inc.

ORIGINAL and 15 copies filed this 26th day of June, 2013 with:

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

By: _____

8225210.1/017962.0001

List of Exhibits

1. Request for water utility service
2. The proper name, address and corporate structure for Applicant.
3. Applicant's Articles of Incorporation and Bylaws
4. Applicant's Certificate of Good Standing from the Arizona Corporation Commission
5. Estimated total construction costs and plant cost projections
6. Estimated annual operating revenues and expenses for the first five years for the extension area.
7. Legal description of the requested extension area.
8. Master Water Plan, Including description of constructed water utility facilities.
9. Applicant's General Statement of Financial Condition.
10. Map of Service Area.
11. Amended Water Line Extension Agreement dated August 17, 2006.
12. Applicant's Water Use Data Sheet.
13. Cumulative Plant Cost Projections.
14. Certificate of Assured Water Supply
15. ADEQ Approvals to Construct
16. Water Conservation Statement

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 1
(Requests for Service)

K RANCH L.L.C.

1601 Paseo San Luis, Suite 202
Sierra Vista, Arizona 85635
Telephone: 520-458-9594

June 21, 2013

Mr. Steve Carlson
Manager of Development Services
Liberty Water
12725 W. Indian School Rd., Ste. D101
Phoenix, AZ 85392

Subject : Kings Ranch at Coronado Subdivision
Cochise County, Arizona

Dear Mr. Carlson:

This letter shall serve as a request for K Ranch L.L.C., that Liberty Water expand their water service district to include the east portion of their Kings Ranch at Coronado Subdivision in Cochise County, Arizona. The property is 235.58 acres more or less and is part of the 303 Lot Subdivision, the balance, which is currently being served by Liberty Water.

The property is located approximately 10 miles south of Sierra Vista on SR 92, lying in a portion of the West ½ of Section 34, Township 23 South, Range 21 East of the Gila and Salt River Meridian in Cochise County, Arizona. (See attached Legal Description "Exhibit A" and "Exhibit B").

If you have any question or need any additional information, please do not hesitate to call me at (520) 458-9594 or contact my agent on the project, Michael Cerepanya of MGC Consulting, L.L.C. His number is (520) 909-4707

Sincerely,

K RANCH, L.L.C.

Karol E. George

Manager

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 2

Applicant's Proper Name: Bella Vista Water Company, Inc. d/b/a/ Liberty Utilities

Applicant's Address: Bella Vista Water Company, Inc. DBA Liberty Utilities
Attn: Development Services
12725 W. Indian School Rd, Suite D-101
Avondale, AZ 85392

Applicant's Corporate Structure: For-profit public service Chapter "C" Corporation

Officers and Directors and mailing addresses:

Ian Robertson, Chief Executive Officer
12725 W. Indian School Rd.
Suite D-101
Avondale, Arizona 85392

David Pasieka, President
12725 W. Indian School Rd.
Suite D-101
Avondale, Arizona 85392

Greg Sorensen, Vice President
12725 W. Indian School Rd.
Suite D-101
Avondale, Arizona 85392

David Bronicheski, CFO
12725 W. Indian School Rd.
Suite D-101
Avondale, Arizona 85392

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 3
(Articles of Incorporation and Bylaws)

BELLA VISTA WATER CO., INC.: The following Articles of Restatement, which Articles also constitute the full text of an amendment to the pre-existing articles, were duly adopted by the shareholders on the 23 day of October, 1998. 152,008 shares were entitled to vote on the amendment and all 152,008 shares were cast in favor thereof.

ARTICLES OF RESTATEMENT
OF
BELLA VISTA WATER CO., INC.

ARTICLE I

NAME: The name of the corporation is Bella Vista Water Co., Inc. The Corporation was incorporated December 18, 1979.

ARTICLE II

PURPOSE: The purpose for which the corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the laws of the State of Arizona as they may be amended from time to time.

ARTICLE III

INITIAL BUSINESS: The corporation initially intends to engage in and conduct the business of owning and operating certain water distribution and production facilities and providing domestic water service under the laws of the State of Arizona.

ARTICLE IV

AUTHORIZED CAPITAL: The corporation shall have the authority to issue ten million (10,000,000) shares of Common Stock with a Ten Dollar ($10.00) par value per share.

ARTICLE V

ACQUISITION AND DISPOSITION OF STOCK BY THE CORPORATION: The corporation shall have authority to purchase, take, receive or otherwise acquire, hold, pledge, transfer, or otherwise dispose of shares of its own stock. The corporation's purchase of shares of its own stock may be from, and to the extent of, unreserved and unrestricted surplus available therefore and otherwise as provided under the Arizona General Corporation Law.

ARTICLE VI

EXEMPTION AND INDEMNIFICATION: The private property of the stockholders, directors and officers of this corporation shall be exempt from all corporate debts and liabilities of whatever kind and nature and, further, the existing and former stockholders, directors, officers, employees and agents of this corporation shall be indemnified to the fullest extent allowed by law; provided, however, in no event shall this provision be construed to require the corporation to indemnify any such person where such person unreasonably refuses to permit the corporation, at its own expense and through counsel of its own choosing, to defend him or her in the action.

ARTICLE VII

DISTRIBUTIONS FROM CAPITAL SURPLUS: The Board of Directors may from time to time, without shareholder approval, distribute on a pro rata basis to the shareholders, out of a capital surplus, a portion of the corporation's assets, in cash or property.

ARTICLE VII

BOARD OF DIRECTORS: The Board of Directors shall consist of not less than one (1) nor more than ten (10)Directors. The number and terms of Directors may be changed from time to time in the manner provided by the Bylaws of the Corporation; provided, however, a decrease in the number or term of Directors shall not be effective until the end of any present term affected thereby.

DATED this 23 day of October, 1998.

Daniel Ciacchiolo, President

1102\corporate\articles

ARTICLES OF INCORPORATION

OF

SOUTHWEST WATER CO., INC.
(Cochise)

KNOW ALL MEN BY THESE PRESENTS:

That we the undersigned have voluntarily associated ourselves for the purposes hereinafter specified and desiring to form a corporation under the laws of the State of Arizona, do hereby adopt the following articles of incorporation:

ARTICLE I. NAME. THE NAME OF THE CORPORATION IS SOUTHWEST WATER CO., INC. OK

ARTICLE II. PURPOSE. THE PURPOSE FOR WHICH THIS CORPORATION IS ORGANIZED IS THE TRANSACTION OF ANY OR ALL LAWFUL BUSINESS FOR WHICH CORPORATIONS MAY BE INCORPORATED UNDER THE LAWS OF THE STATE OF ARIZONA, AS THEY MAY BE AMENDED FROM TIME TO TIME, AND SPECIFICALLY BUT NOT IN LIMITATION THEREOF, FOR THE PURPOSE OF OPERATION, MAINTENANCE AND CONSTRUCTION OF WATER LINES AND ALL OTHER FACILITIES PERTINENT TO THE TRANSMISSION, DELIVERY AND SALE OF WATER FOR DOMESTIC AND COMMERCIAL USE ALONG, UPON, UNDER AND ACROSS THE PUBLIC HIGHWAYS, ROADS, ALLEYS, THOROUGHFARES AND OTHER PUBLIC PLACES WITHIN COCHISE COUNTY, ARIZONA.

ARTICLE III. INITIAL BUSINESS. THE CORPORATION INITIALLY INTENDS TO OPERATE, MAINTAIN AND CONSTRUCT WATER LINES AND ALL OTHER FACILITIES PERTINENT TO THE TRANSMISSION, DELIVERY AND SALE OF WATER FOR DOMESTIC RESIDENTIAL AND COMMERCIAL USE ALONG, UPON, UNDER AND ACROSS THE PUBLIC HIGHWAYS, ROADS, ALLEYS, THOROUGHFARES AND OTHER PUBLIC PLACES WITHIN COCHISE COUNTY, ARIZONA.

ARTICLE IV. AUTHORIZED CAPITAL. THE CORPORATION SHALL HAVE AUTHORITY TO ISSUE TEN MILLION (10,000,000) SHARES OF COMMON STOCK OF NO PAR VALUE.

ARTICLE V. STATUTORY AGENT. THE NAME AND ADDRESS OF THE INITIAL STATUTORY AGENT OF THE COPORATION IS JOSPEH U. CRACCHIOLO, 1932 VIOLA DRIVE, SIERRA VISTA, ARIZONA 85635.

ARTICLE VI. KNOWN PLACE OF BUSINESS. THE KNOWN PLACE OF BUSINESS OF THE CORPORATION SHALL BE: 1101 FRY BOULEVARD, SIERRA VISTA, ARIZONA 85635.

ARTICLE VII. BOARD OF DIRECTORS. THE INITIAL BOARD OF DIRECTORS SHALL CONSIST OF TWO (2) DIRECTORS. THE PERSONS WHO ARE TO SERVE AS DIRECTORS UNTIL THE FIRST ANNUAL MEETING OF SHAREHOLDERS OR UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFY ARE:

JOSEPH U. CRACCHIOLO 1932 VIOLA DRIVE SIERRA VISTA, ARIZONA 85635	JOSEPH J. DEFRANCESCO 125 NACO HIGHWAY BISBEE, ARIZONA 85603

ARTICLE VIII. NUMBER OF DIRECTORS. THE NUMBER OF PERSONS TO SERVE ON THE BOARD OF DIRECTORS SHALL BE FIXED BY THE SHAREHOLDERS AT THE ANNUAL MEETING OR ANY SPECIAL MEETING CALLED FOR THAT PURPOSE, EXCEPT THAT THE NUMBER OF PERSONS SHALL ALWAYS CONSIST OF NOT FEWER THAN TWO PERSONS NOR MORE THAN TEN.

ARTICLE IX. MANAGEMENT. THE BUSINESS AND AFFAIRS OF THIS CORPORATION SHALL BE CONDUCTED BY A BOARD OF DIRECTORS. THE BOARD OF DIRECTORS SHALL HAVE THE POWER TO INCREASE OR DECREASE THE NUMBER OF DIRECTORS WITHIN THE LIMITS PROVIDED ABOVE. THE BOARD OF DIRECTORS ALSO MAY FILL ANY VACANCIES WHICH OCCUR IN THE BOARD OF DIRECTORS RESULTING FROM AN INCREASE IN THE NUMBER OF THE BOARD OF DIRECTORS OR OTHERWISE, PENDING THE NEXT ANNUAL MEETING OF STOCKHOLDERS.

THE INCORPORATORS AT THE ORGANIZATIONS MEETING SHALL ELECT A BOARD OF DIRECTORS TO BE THE FIRST BOARD OF DIRECTORS OF THE CORPORATION AND THE PERSONS SO ELECTED SHALL HOLD OFFICE UNTIL THEIR SUCCESSORS HAVE BEEN ELECTED AND QUALIFIED. THE BOARD OF DIRECTORS SHALL BE ELECTED AT THE

THE REGULAR ANNUAL MEETING OF STOCKHOLDERS, WHICH SHALL BE HELD AT SIERRA VISTA, ARIZONA, OR AT SUCH OTHER PLACE WITHIN THE STATE OF ARIZONA AS SHALL BE DETERMINED BY THE BOARD OF DIRECTORS, ON THE THIRD WEDNESDAY IN MAY OF EACH YEAR, COMMENCING WITH THE YEAR 1980, UNLESS SAID DAY BE A LEGAL HOLIDAY, IN WHICH EVENT THE ANNUAL MEETING OF STOCKHOLDERS SHALL BE HELD ON THE NEXT SUCCEEDING BUSINESS DAY. THE DIRECTORS SHALL EACH YEAR, UPON THEIR ELECTION, ORGANIZE INTO A BOARD OF DIRECTORS AND ELECT A PRESIDENT, A VICE PRESIDENT, A SECRETARY AND A TREASURER. MORE THAN ONE OFFICE MAY BE HELD BY THE SAME PERSON. THE PRESIDENT, VICE PRESIDENT AND TREASURER SHALL BE STOCKHOLDERS AND MEMBERS OF THE BOARD OF DIRECTORS. ALL OFFICERS SHALL SERVE FOR ONE YEAR OR UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFY.

THE BOARD OF DIRECTORS SHALL HAVE THE POWER, WITHOUT ANY ACTION ON THE PART OF THE STOCKHOLDERS, TO MAKE, ALTER, AMEND OR REPEAL BY-LAWS FOR THIS CORPORATION.

THE BY-LAWS MAY PROVIDE FOR THE CREATION OF ADDITIONAL OFFICES BY THE BOARD OF DIRECTORS AND THE FILLING OF SUCH CREATED OFFICES BY THE BOARD OF DIRECTORS. ANY OFFICE SO CREATED SHALL CONTINUE FROM YEAR TO YEAR UNTIL ANNULLED BY THE BOARD OF DIRECTORS.

ARTICLE X. QUORUM. A QUORUM AT A MEETING OF THE BOARD OF DIRECTORS SHALL CONSIST OF ONE MORE THAN HALF OF THE ELECTED DIRECTORS.

ARTICLE XI. NO ACTION WITHOUT MEETING. NO ACTION REQUIRED BY LAW OR THESE ARTICLES OF INCORPORATION TO BE TAKEN BY THE BOARD OF DIRECTORS AT A MEETING, SHALL BE TAKEN UNLESS A MEETING IS DULY CALLED IN ACCORDANCE WITH THE REQUIREMENTS OF THE BY-LAWS AND IS ACTUALLY HELD.

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ARTICLE XII. INCORPORATORS. THE INCORPORATORS OF THE CORPORATION ARE:

JOSEPH U. CRACCHIOLO
1932 VIOLA DRIVE
SIERRA VISTA, AZ 85635

JOSEPH J. DEFRANCESCO
125 NACO HIGHWAY
BISBEE, AZ 85603

ALL POWERS, DUTIES AND RESPONSIBILITIES OF THE INCORPORATORS SHALL CEASE AT THE TIME OF DELIVERY OF THESE ARTICLES OF INCORPORATION TO THE ARIZONA CORPORATION COMMISSION FOR FILING, OR, IMMEDIATELY FOLLOWING ADOPTION OF THE INITIAL BY-LAWS OF THE CORPORATION.

ARTICLE XIII. DISTRIBUTION FROM CAPITAL SURPLUS. THE BOARD OF DIRECTORS OF THE CORPORATION MAY, FROM TIME TO TIME, DISTRIBUTE ON A PRO RATA BASIS TO ITS SHAREHOLDERS OUT OF THE CAPITAL SURPLUS OF THE CORPORATION A PORTION OF ITS ASSETS, IN CASH OR PROPERTY.

ARTICLE XIV. REDUCTION OF DEFICITS. THE CORPORATION MAY APPLY ANY PART OR ALL OF ITS CAPITAL SURPLUS TO THE REDUCTION OR ELIMINATION OF ANY DEFICIT ARISING FROM LOSSES, HOWEVER INCURRED, BUT ONLY AFTER FIRST ELIMINATING THE EARNED SURPLUS, IF ANY, OF THE CORPORATION BY APPLYING SUCH LOSSES AGAINST EARNED SURPLUS AND ONLY TO THE EXTENT THAT SUCH LOSSES EXCEED THE EARNED SURPLUS, IF ANY, AND ONLY UPON AFFIRMATIVE VOTE OF THE HOLDERS OF A MAJORITY OF THE ISSUED AND OUTSTANDING VOTING STOCK OF THE CORPORATION TO A MEETING DULY AND PROPERLY NOTICED AND HELD.

ARTICLE XV INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS. SUBJECT TO THE FURTHER PROVISIONS HEREOF, THE CORPORATION SHALL INDEMNIFY ANY AND ALL OF ITS EXISTING AND FORMER DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS AGAINST ALL EXPENSES INCURRED BY THEM AND EACH OF THEM INCLUDING, BUT NOT LIMITED TO, LEGAL FEES, JUDGMENTS, PENALTIES AND AMOUNTS PAID IN SETTLEMENT OR COMPROMISE, WHICH MAY ARISE OR BE INCURRED, RENDERED, OR LEVIED IN ANY LEGAL ACTION BROUGHT OR THREATENED AGAINST ANY OF THEM FOR OR ON ACCOUNT

OF ANY ACTION OR OMISSION ALLEGED TO HAVE BEEN COMMITTED WHILE ACTING WITHIN THE SCOPE OF EMPLOYMENT AS DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE CORPORATION, WHETHER OR NOT ANY ACTION HAS BEEN FILED AGAINST THEM AND WHETHER OR NOT ANY SETTLEMENT OR COMPROMISE IS APPROVED BY A COURT, INDEMNIFICATION SHALL BE MADE BY THE CORPORATION WHETHER THE LEGAL ACTION BROUGHT OR THREATENED IS BY OR IN THE RIGHT OF THE CORPORATION OR BY ANY OTHER PERSON. WHENEVER ANY EXISTING OR FORMER DIRECTOR, OFFICER, EMPLOYEE OR AGENT SHALL REPORT TO THE PRESIDENT OF THE CORPORATION OR THE CHAIRMAN OF THE BOARD OF DIRECTORS THAT HE OR SHE HAS INCURRED OR MAY INCUR EXPENSES, INCLUDING BUT NOT LIMITED TO LEGAL FEES, JUDGMENTS, PENALTIES AND AMOUNTS PAID IN SETTLEMENT OR COMPROMISE IN A LEGAL ACTION BROUGHT OR THREATENED AGAINST HIM OR HER FOR OR ON ACCOUNT OF ANY ACTION OR OMISSION ALLEGED TO HAVE BEEN COMMITTED BY HIM OR HER WHILE ACTING WITHIN THE SCOPE OF HIS OR HER EMPLOYMENT AS A DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE CORPORATION, THE BOARD OF DIRECTORS SHALL, AT ITS NEXT REGULAR MEETING OR AT A SPECIAL MEETING PURSUANT TO PROPER NOTICE HELD WITHIN A REASONABLE TIME THEREAFTER DETERMINE IN GOOD FAITH WHETHER, IN REGARD TO THE MATTER INVOLVED IN THE ACTION OR CONTEMPLATED ACTION, SUCH PERSON ACTED, FAILED TO ACT, OR REFUSED TO ACT WILLFULLY OR WITH GROSS NEGLIGENCE OR WITH FRAUDULENT OR CRIMINAL INTENT. IF THE BOARD OF DIRECTORS DETERMINES IN GOOD FAITH THAT SUCH PERSON DID NOT ACT, FAIL TO ACT, OR REFUSE TO ACT WILLFULLY OR WITH GROSS NEGLIGENCE OR WITH FRAUDULENT OR CRIMINAL INTENT IN REGARD TO THE MATTER INVOLVED IN THE ACTION OR CONTEMPLATED ACTION, INDEMNIFICATION SHALL BE MANDATORY AND SHALL BE AUTOMATICALLY EXTENDED AS SPECIFIED HEREIN, PROVIDED, HOWEVER, THAT NO SUCH INDEMNIFICATION

SHALL BE AVAILABLE WITH RESPECT TO LIABILITIES UNDER THE SECURITIES ACT OF 1933, AND, PROVIDED, FURTHER, THAT THE CORPORATION SHALL HAVE THE RIGHT TO REFUSE INDEMNIFICATION IN ANY INSTANCE IN WHICH THE PERSON TO WHOM INDEMNIFICATION WOULD BE EXTENDED WOULD UNREASONABLY REFUSE TO PERMIT THE CORPORATION, AT ITS OWN EXPENSE AND THROUGH COUNSEL OF ITS OWN CHOOSING, TO DEFEND HIM OR HER IN THE ACTION.

ARTICLE XVI. REPURCHASE OF SHARES. THE BOARD OF DIRECTORS OF THE CORPORATION MAY, FROM TIME TO TIME, CAUSE THE CORPORATION TO PURCHASE ITS OWN SHARES TO THE EXTENT OF THE UNRESERVED AND UNRESTRICTED EARNED AND CAPITAL SURPLUS OF THE CORPORATION.

ARTICLE XVII. DIVIDENDS. THE BOARD OF DIRECTORS MAY AUTHORIZE THE PAYMENT OF DIVIDENDS TO ALL THE HOLDERS OF SHARES OF ANY CLASS OF STOCK PAYABLE IN SHARES OF ANY OTHER CLASS.

ARTICLE XVIII. PROVISIONS RELATING TO SHAREHOLDERS QUORUM. A QUORUM OF THE MEETING OF SHAREHOLDERS SHALL CONSIST OF FIFTY-ONE PER CENT (51%) OF THE SHAREHOLDERS ENTITLED TO VOTE, REPRESENTED IN PERSON OR BY PROXY.

ARTICLE XIX. VOTING REQUIRED. THE AFFIRMATIVE VOTE OF THE HOLDERS OF TWO-THIRDS (2/3) OF THE VOTING STOCK OF THE CORPORATION PRESENT AND VOTING AT A MEETING AT WHICH A QUORUM IS PRESENT SHALL BE REQUIRED FOR ANY ACT OF THE SHAREHOLDERS.

ARTICLE XX. DURATION. THE EXISTENCE OF THIS CORPORATION SHALL BE PERPETUAL.

ARTICLE XXI. EXEMPTION OF PRIVATE PROPERTY. THE PRIVATE PROPERTY OF ALL SHAREHOLDERS AND DIRECTORS SHALL BE EXEMPT FROM ALL CORPORATE DEBTS AND LIABILITIES OF ANY NATURE OR KIND WHATSOEVER.

ARTICLE XXII. THE INCORPORATORS, DIRECTORS, OFFICERS AND OTHER SPECIAL OR GENERAL AGENTS OF THE CORPORATION SHALL NOT BORROW MONEY, ENCUMBER OR PLEDGE THE STOCK OR ASSETS OF THE

CORPORATION WITHOUT THE AFFIRMATIVE VOTE OF TWO-THIRDS (2/3) OF THE SHAREHOLDERS OF ALL CLASSES OF VOTING STOCK AT A MEETING PURSUANT TO THE PROPER NOTICE AT WHICH A QUORUM IS PRESENT.

IN WITNESS WHEREOF, we have hereunto executed this instrument this 13th day of December, 1979.

Joseph U. Cracchiolo

Joseph J. DeFrancesco

BYLAWS
of
BELLA VISTA WATER CO., INC.
(an Arizona Corporation)

ARTICLE I
Offices

Section 1. PRINCIPAL OFFICE. The principal office for the transaction of business of the Corporation in Arizona is hereby fixed and located at: 4055 Campus Drive, Sierra Vista, Arizona 85636-1150 or at such other location within the State of Arizona as may be designated by the Board of Directors. Any such change shall be noted on the Bylaws by the Secretary opposite this Section, or this Section may be amended to state the new location. The Secretary shall notify the Arizona Corporation Commission of any change in the principal place of business.

Section 2. OTHER OFFICES. The Corporation may also have offices at such other places, both within or without the State of Arizona, as the Board of Directors may from time to time determine or the business of the Corporation may require.

Section 3. CORPORATE SEAL. A corporate seal shall not be requisite to the validity of any instrument executed by or on behalf of the Corporation, but nevertheless a corporate seal may be adopted by the Board of Directors and used at its direction.

ARTICLE II
Meeting of Shareholders

Section 1. PLACE OF MEETINGS. Unless otherwise specified in the notice of meeting or by resolution of the Board of Directors, all meetings of shareholders shall be held at the principal office of the Corporation.

Section 2. ANNUAL MEETINGS. Unless otherwise specified in the notice of meeting or by resolution of the Board of Directors, annual meetings of the shareholders shall be held on the second Saturday in December. At such meeting, the directors shall be elected, reports of the affairs of the Corporation shall be considered, and any other business may be transacted which is within the powers of the shareholders.

Section 3. ANNUAL MEETING CALLED BY SHAREHOLDER. In the event an annual meeting is not held the earlier of three (3) months after the date fixed therefore, or fifteen (15) months after the last annual meeting, then any shareholder may call the annual meeting by providing notice thereof, as required by these Bylaws. At such meeting, the directors may be elected and the shareholders may transact other business with the same force and effect as at an annual meeting otherwise duly called and held.

Section 4. SPECIAL MEETINGS. Special meetings of the shareholders, for any purpose or purposes whatsoever, may be called at any time by the Board of Directors, or any officer or shareholder authorized by the Board of Directors to call special meetings of the shareholders, and shall be called whenever shareholders owning one-fourth (1/4) of the issued and outstanding shares shall make written application therefore to the President, stating the object of such meeting. In the event the Corporation has no directors, any officer or shareholder may call a special meeting of shareholders to fill the vacancies.

Section 5. NOTICE. Unless otherwise required by Arizona law, notice of each meeting of shareholders shall be in writing and sent to each shareholder entitled to vote thereat not less than ten (10) no more than sixty (60) days prior to the meeting. Such notices shall specify the place, the day and the hour of such meeting, and any other matter deemed appropriate by the Corporation or required by law, to be set forth in the notice of the meeting. Notice of any special meeting shall specify, in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

Section 6. QUORUM. A majority of the shares issued and outstanding represented by the holders thereof, either in person or by proxy, shall be a quorum at all meetings of shareholders. Once a share is represented for any purpose at a duly called or held meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of the meeting, unless a new record date is or must be set for the adjourned meeting.

Section 7. ADJOURNED MEETING AND NOTICE. Any shareholders meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the shares, the holders of which are either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at such meeting.

When any shareholders' meeting, either annual or special, is adjourned to a different date, time or place, notice of the new date, time or place need not be given if announced at the meeting before adjournment, unless a new record date for the adjourned meeting is or must be fixed for the adjourned meeting. The shareholders may conduct such business at the adjourned meeting as might have been conducted at the meeting as originally noticed.

Section 8. ORGANIZATION. The President or, in his absence, the Vice-President or, in the absence of both, a Chairman appointed by the shareholders present, shall call meetings of shareholders to order and shall act as Chair thereof. The Secretary of the Corporation shall act as Secretary at all meetings of shareholders or, in his absence, the presiding officer may appoint any person to act as Secretary.

Section 9. VOTING. Each person in whose name shares stand on the stock records of the Corporation on the record date fixed by the Board of Directors or these Bylaws shall be entitled to one (1) vote for each share so held and represented at the meeting, in person or by written proxy. Such vote may be viva voce or by written ballot as directed by the Chair of the

meeting, provided that the vote for directors shall be by ballot upon the demand of any shareholder entitled to vote thereon. Every shareholder entitled to vote at an election for directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his shares are entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. All elections for directors shall be decided by plurality vote; all other questions shall be decided by the affirmative vote of a majority of the shares entitled to vote thereon and still present at the meeting unless the vote of a greater number of shares is expressly required by law, the Articles of Incorporation, or by these Bylaws.

Section 10. CONSENT OF ABSENTEES. The transactions of any meeting of shareholders, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written consent to the holding of such meeting, or an approval of the minutes thereof. All such consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 11. ACTION WITHOUT MEETING. Any action required by law, the Articles of Incorporation or these Bylaws, to be taken at a shareholders' meeting may be taken without a meeting, without prior notice and without vote, if written consent or consents, setting forth the actions so taken, signed by all shareholders entitled to vote on the action, is delivered to the Corporation for inclusion in the minutes or filing with the corporate records. Any shareholder may revoke its consent by delivering a signed revocation to the President or Secretary prior to the date the last shareholder signs the consent or consents. The action taken without a meeting shall be effective on the date specified on the consent, or if no effective date is specified, on the date the last shareholder signs the consent or consents; provided, however, if the law requires shareholders not entitled to vote on the action be provided notice thereof, the effective date of the action shall not be before ten (10) days after written notice of the proposed action is given to shareholders not entitled to vote thereon.

Section 12. WAIVER OF NOTICE. Any shareholder attending a meeting waives objection to lack of notice or defective notice unless objection thereto is made at the beginning of the meeting, or where the objection is that a particular matter was not noticed properly, when the particular matter is presented for consideration. Moreover, any shareholder may waive any notice requirement, either before or after the meeting, by executing a written waiver and delivering same to the Corporation for filing. All such waivers shall be filed with the corporate records or for inclusion in the minutes.

Section 13. PROXIES. Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy in a form acceptable to the Corporation, executed by such person or his duly authorized agent and filed with the Secretary of the Corporation. Any proxy duly executed is not revoked and continues in full

force and effect until an instrument revoking it, or a duly executed proxy bearing a later date, is filed with the Secretary of the Corporation; provided, that any proxy not clearly stating it is irrevocable and the appointment is coupled with an interest may be revoked by the person who has executed the same when such person attends the meeting and desires to vote his stock personally; and provided further, that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specifies therein the length of time for which such proxy is to continue in force.

Section 14. DETERMINING ELIGIBLE SHAREHOLDERS. Unless otherwise set by the Board of Directors, the record date for determining shareholders for any purpose shall be the close of business on the third business day immediately preceding either: a) the day on which notice is given or, b) if notice is not required, the day the Board of Directors adopts the resolution relating thereto, but in no event more than seventy (70) days prior to such meeting or action. The officer who has charge of the stock ledger of the Corporation shall prepare a complete alphabetical list of the shareholders as of record date, including the address of each shareholder, the number of shares registered in the name of the shareholder and, if for voting purposes, the number of votes entitled to be cast and the voting group. Such list shall be made available for inspection during ordinary business hours by any shareholder, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or at the principal office of the Corporation beginning two (2) business days after notice of the meeting is given and continuing through the meeting. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present.

Section 15. INSPECTORS OF ELECTION. In advance of any meeting of shareholders, the Board of Directors may appoint any persons, other than nominees for office, as inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election be not appointed, on the request of any shareholder or his proxy, the chair or his designee shall perform the duties of inspector. In case any person appointed as inspector fails to appear or fails or refuses to act, the vacancy may be filled by appointment by the Board of Directors in advance of the meeting, or at the meeting by the chair.

The duties of such inspectors shall include: determining the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the authenticity, validity, and effect of proxies; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining the result; and such acts as may be proper to conduct the election or vote with fairness to all shareholders.

ARTICLE III
Directors

Section 1. POWERS. Subject to the limitations of the Articles of Incorporation, the Bylaws, and law as to action to be authorized or approved by the shareholders, and subject to the duties of directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to-wit:

First - To amend the Articles of Incorporation, or the Bylaws, to employ persons, fix their compensation and require from them security for faithful service.

Second - To conduct, manage and control the affairs and business of the Corporation, and to make such rules and regulations therefore not inconsistent with law, or with the Articles of Incorporation or the Bylaws, as they may deem best.

Third - To change the principal office for the transaction of the business of the Corporation from one location to another within the State of Arizona; to fix and locate from time to time one or more subsidiary office of the Corporation within or without the State of Arizona; to designate any place within or without the State of Arizona for the holding of any shareholders meeting or meetings; and to adopt, make and use a corporate seal, and to prescribe the forms of certificate of stock, and to alter the form of such seal and of such certificates from time to time, as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law.

Fourth - To designate and determine the date of the annual meeting of shareholders.

Fifth - To authorize the issuance of shares of stock of the Corporation form time to time, upon such terms as may be lawful, in consideration of money paid, labor done or services actually rendered, debts or securities canceled, or tangible or intangible property actually received, or in the case of shares issued as a dividend against amount transferred from surplus to stated capital.

Sixth - To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefore.

Seventh - To appoint committees.

Section 2. NUMBER AND QUALIFICATIONS OF DIRECTORS. The number of directors shall not be less than one (1) nor more than ten (10) as determined from time to time, by resolution of the Board of Directors or upon the affirmative vote of not less than three-fourths (3/4)

of the issued and outstanding shares of the Corporation. The directors need not be stockholders. Until changed by resolution of the Board of Directors or vote of the shareholders, the number of directors shall be three (3). No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 3. ELECTION AND TERM OF OFFICE. The directors shall be elected at each annual meeting of shareholders but if not elected thereat at any special meeting of shareholders noticed for that purpose. All directors shall hold office until their respective successors are elected and qualified or until earlier resignation or removal.

Section 4. REMOVAL. Any director may be removed, either with our without cause, at a shareholders' meeting noticed for that purpose. If a director is elected by a voting group, only shareholders of that voting group may participate in the vote to remove the director. If less than the entire Board is to be removed, a director shall not be removed if the number of votes sufficient to elect the director under cumulative voting is voted against the director's removal.

Section 5. VACANCIES. Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director. A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail, at any annual or special meeting of shareholders at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting. If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board shall have power to elect a successor to take office when the resignation is to become effective. The shareholders may call a meeting to elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

Section 6. TIME AND PLACE OF MEETING. Following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. If conducted immediately following or in conjunction with the annual meeting of shareholders, no separate notice and call of such meetings shall be required. The Board of Directors may by resolution schedule further regular meetings and no further notice thereof shall be required. Unless otherwise restricted by resolution of the Board, all other meetings of the Board of Directors for any purpose or purposes shall be called by any director, the President or Vice-President and held at the time and place designated in the notice calling the meeting. If no place is designated, meetings shall be held at the principal office of the Corporation.

Section 7. QUORUM. A majority of the authorized number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly convened with a quorum present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation or these Bylaws.

Section 8. PARTICIPATION IN MEETING BY TELEPHONE. Members of the Board of Directors or any committee designated by such Board may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at such a meeting.

Section 9. WAIVER OF NOTICE. A director's attendance or participation in a meeting waives any notice to him unless objection is promptly made and the director does not thereafter vote for or assent to action taken at the meeting. A director may also waive notice by providing, either before or after the meeting, a signed waiver for filing with the minutes or corporate records.

Section 10. ACTION WITHOUT A MEETING. Unless otherwise restricted by the Articles of Incorporation or by these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or of such committee, as the case may be, consent thereto in writing setting forth the actions so taken, and the consent or consents are filed in the minutes of the proceedings of the Board or Committee. Unless the consent or consents otherwise provide, the action shall be effective when the last director signs the consent.

Section 11. ADJOURNMENT AND NOTICE. The directors present at any duly noticed meeting may, whether or not a quorum is present, adjourn the meeting to a new time and place. No notice of the new time and place for holding an adjourned meeting need be given to absent directors if the new time and place is fixed at the meeting being adjourned.

Section 12. COMMITTEES. The Board of Directors may from time to time appoint such committees for any purpose or purposes, which shall have such authority and shall perform such duties as specified by the Board of Directors by resolution.

Section 13. FEES AND COMPENSATION. Directors may receive such compensation, if any, for their services, and such reimbursement for expenses as may be fixed or determined by a majority vote of all the directors.

ARTICLE IV
Officers

Section 1. OFFICERS. The officers of the Corporation shall be a President, and such other officers as the Board of Directors may deem appropriate. One person may hold two or more offices.

Section 2. ELECTION AND TERM. The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of these Bylaws, shall be chosen annually at its first meeting of the Board of Directors held after or jointly with the annual meeting of

shareholders, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by the Board of Directors, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointment to such office.

Section 5. PRESIDENT. Subject to such restrictions, if any, imposed by the Board of Directors, the President shall be the chief executive officer of the Corporation and have general supervision, direction and control of the business, officers and employees of the Corporation. He shall preside at all meetings of the shareholders and, in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. In the event any office shall be vacant, the President shall be responsible for the duties of that office until the vacancy is filled. He shall have the general powers and duties of management usually vested in the office of president of a corporation, including executing agreements, hiring and firing employees and consultants and generally conducting the day-to-day business of the Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

Section 6. VICE-PRESIDENT. In the absence or disability of the President, the Vice-President, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed for him respectively by the Board of Directors.

Section 7. SECRETARY. The Secretary shall be responsible for preparing or having prepared and for keeping or having kept the minutes of directors' and shareholders' meetings in one or more books provided for that purpose; shall attend to the giving of notices of the Corporation; shall authenticate the records of the Corporation; shall have charge of the certificate book and such other books and papers as the Board of Directors may direct; shall sign with the President, certificates of stock; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

Section 8. TREASURER. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital, shall be classified according to source shown in a separate account. The treasurer shall be responsible for furnishing shareholders annual financial statements of the Corporation. The books of account shall be at all reasonable times open to inspection by any director.

Section 9. SUBORDINATED OFFICERS; DELEGATION. Subject to review and control by the Board of Directors, the President is empowered to appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as directed by the President or as is provided in the Bylaws or by resolution of the Board of Directors.

The Board of Directors or the President, subject to such restrictions as it or he deems appropriate, may appoint a general manager who shall carry out the day to day management of the Corporation, including executing agreements, hiring and firing employees and consultants and issuing and endorsing checks in the name of the Corporation. The general manager shall be an employee, but not an officer of the Corporation.

Section 10. SALARIES. The officers shall have such salaries and other compensation as fixed from time to time by the Board of Directors.

ARTICLE V
Notice

Section 1. FORM. Any notice required to be given by the Corporation must be in writing; provided, however, oral notice where reasonable under the circumstances shall not render the notice defective, unless written notice is expressly required by Arizona law or by another provision of these Bylaws.

Section 2. MANNER. Notice may be provided in any manner allowed by law including, but not limited to, in person, by mail, private carrier, telephone, telegraph, teletype, facsimile or other form of wire or wireless method of communication, prepaid and correctly addressed to the recipient's current address as shown in the Corporation's books and records or as provided to the Corporation by the recipient for the purpose of notice. Such notice shall be deemed delivered when deposited with the delivery service so addressed and with delivery costs prepaid. If these forms of personal notice are impracticable, notice may be provided by a newspaper of general circulation in the area where published or by radio, television or other form of public broadcast communication.

ARTICLE VI
Indemnification

Section 1. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS. Subject to the further provisions hereof, the Corporation shall, to the fullest extent provided by Arizona General Corporation law, indemnify, and advance expenses of, any and all of its existing and former directors, officers, employees and agents against all expenses incurred by them and each of them, including, but not limited to, legal fees, judgments, penalties, and amounts paid in settlement or compromise, which may arise or be incurred, rendered, or levied in any legal action brought or threatened against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as director, officer, employee or agent of the Corporation whether or not any action is or has been filed against them and whether or not any settlement or compromise is approved by a court. Indemnification shall be made by the Corporation whether the legal action brought or threatened is by or in the right of the Corporation or by any other person. Whenever any existing or former director, officer, employee or agent shall report to the President of the Corporation or the Chairman of the Board of Directors that he or she has incurred or may incur expense, including, but not limited to, legal fees, judgments, penalties, and amounts paid in settlement or compromise in a legal action brought or threatened against him or her for or on account of any action or omission alleged to have been committed by him or her while acting in the scope of his or her employment as a director, officer, employee or agent of the Corporation, the Board of Directors shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person acted, failed to act, or refused to act willfully or with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, fail to act, or refuse to act willfully or with such gross negligence or with fraudulent or criminal action, indemnification shall be mandatory and shall be automatically extended as specified herein; provided, however, that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and, provided further, that the Corporation shall have the right to refuse indemnification in any instance in which the person to whom the indemnification would otherwise have been applicable shall have unreasonably refused to permit the Corporation, at its own expense and through counsel of its own choosing, to defend him or her in the action.

Section 2. SAVINGS CLAUSE. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of the shareholders or disinterested directors or otherwise, or of any other indemnification which may be granted to any person apart from this Article, both as to action in his official capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 3. MAINTENANCE OF INSURANCE. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the Corporation as a

director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE VII
Miscellaneous

Section 1. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by the President or such person or persons and in such manner as, from time to time, shall be otherwise determined by these Bylaws or resolution of the Board of Directors. The authority of the President and the general manager, if any exists, is general unless expressly limited by resolution of the Board of Directors. No officer (other than the President), agent or employee (other than the general manager), shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount except as expressly authorized by the Board of Directors.

Section 2. CONTRACTS, ETC. - HOW EXECUTED. The President is authorized to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority is general unless expressly limited by resolution of the Board of Directors. No officer (other than the President), agent or employee shall have any power of authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount except as expressly authorized by the Board of Directors.

Section 3. CERTIFICATES FOR SHARES. Certificates representing shares of the Corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the President and by the Secretary or by such other officers authorized by law and by the Board of Directors. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the stockholders, the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation.

Section 4. LOST CERTIFICATES. Except as hereinafter in this Section provided, no new certificates for shares shall be issued in lieu of an old one unless the latter is surrendered and canceled at the same time. The Board of Directors may, however, in case any certificate for shares lost, stolen, mutilated or destroyed, authorize the issuance of a new certificate in lieu thereof, upon such terms and conditions, including reasonable indemnification of the Corporation, as the Board shall determine.

Section 5. REGISTERED SHAREHOLDERS. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments, a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim

to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided in the Laws of Arizona.

Section 6. DIVIDENDS. The Board, in its discretion, from time to time, may declare dividends upon the shares from the earned surplus or net profits of the Corporation, and may fix the dates for the declaration and payment of dividends.

Section 7. FISCAL OR CALENDAR YEAR. The fiscal or calendar year end of the Corporation may be designated and determined by the Board of Directors from time to time. Until changed, the Corporation shall have a calendar year end.

ARTICLE VIII
Amendments of Bylaws

Section 1. POWER TO AMEND. Subject to any limitations imposed by the Articles of Incorporation, these Bylaws or law, either the Board of Directors or the shareholders may amend, alter or repeal these Bylaws, or adopt new Bylaws, from time to time, at any regular or special meting expressly noticed for that purpose.

CERTIFICATION

I hereby certify that the foregoing Bylaws were adopted by the Board of Directors of the Corporation at a meeting called for that purpose on the 23 day of October, 1998 and were effective as of the 23 day of October, 1998.

_____, President

RESOLUTIONS OF THE DIRECTORS

OF

BELLA VISTA WATER CO., INC.
(the "Corporation")

WHEREAS the board of directors of the Corporation recommends that the Articles of Restatement be amended to change the name of the Corporation to "Liberty Utilities (Bella Vista Water) Corp."; and

WHEREAS the undersigned, being all of the members of the board of directors (the "Board of Directors" of the Corporation, in accordance with the authority provided by § 10-821 of the Arizona Revised Statutes, as amended, without the formality of convening a meeting, do hereby consent to the following actions and waive any notice required to be given in connection therewith.

NOW, THEREFORE, BE IT RESOLVED, that the First Article of the Corporation's Articles of Restatement is hereby amended to read as follows:

"NAME: The name of the corporation is: Liberty Utilities (Bella Vista Water) Corp.

BE IT FURTHER RESOLVED, that the proposed amendment to the Articles of Restatement be submitted to the shareholder of the Corporation for approval; and

BE IT FURTHER RESOLVED, that the Corporation shall file Articles of Amendment pursuant to § 10-1006 of the Arizona Revised Statutes with the Secretary of State of the State of Arizona setting forth the aforesaid amendment to the Articles of Restatement of the Corporation; and

BE IT FURTHER RESOLVED, that any officer or director of the Corporation be and hereby is authorized and directed in the name of and on behalf of the Corporation to take such further actions and execute and deliver such other documents, agreements, and certificates as may reasonably be necessary or appropriate in connection with the aforesaid amendment of the Articles of Restatement of the Corporation.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned, being all the directors of the Corporation, have consented to and executed each of the foregoing resolutions effective the 15th day of MAY 2013.

Ian Robertson

Gregory S. Sorensen

RESOLUTIONS OF THE SOLE SHAREHOLDER

OF

BELLA VISTA WATER CO., INC.
(the "Corporation")

WHEREAS the Board of Directors of the Corporation has recommended to the sole Shareholder that the Articles of Restatement be amended to change the name of the Corporation to "Liberty Utilities (Bella Vista Water) Corp."; and

WHEREAS the undersigned, being the sole Shareholder of the Corporation in accordance with the authority provided by Arizona Revised Statutes § 10-704 of the Arizona Corporation Commission, as amended, without the formality of convening a meeting, does hereby consent to the following actions and waive any notice required to be given in connection therewith.

NOW, THEREFORE, BE IT RESOLVED, that First Article of the Corporation's Articles of Restatement is hereby amended to read as follows:

"**NAME:** The name of the corporation is: Liberty Utilities (Bella Vista Water) Corp.

BE IT FURTHER RESOLVED, that the Corporation shall file Articles of Amendment pursuant to § 10-1006 of the Arizona Revised Statutes with the Secretary of State of the State of Arizona setting forth the aforesaid amendment to the Articles of Restatement of the Corporation.

Each of the foregoing resolutions are hereby consented to by the sole shareholder of the Corporation effective the 15th day of May 2013.

LIBERTY WATER CO.

Ian Robertson
Chief Executive Officer & President

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 4
(Certificate of Good Standing)

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

******LIBERTY UTILITIES (BELLA VISTA WATER) CORP.******

a domestic corporation organized under the laws of the State of Arizona, did incorporate on December 18, 1979.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 10th Day of June, 2013, A. D.

SEAL OF THE ARIZONA CORPORATION COMMISSION
DITAT DEUS
* 1912 *

Jodi A. Jerich, Executive Director

By: 922529

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 5
(Estimated Total Construction Costs and
Plant Cost Projections)

1601 PASEO SAN LUIS, SUITE 202
SIERRA VISTA, ARIZONA 85635
(520) 458-9594
FAX (520) 458-2362

5100 S. ALVERNON WAY
TUCSON, ARIZONA 85706
(520) 748-0188
FAX (520) 748-8975

4/5/2013

Kings Ranch west water cost

Water Cost Kings Ranch Inside CC&N

Description	quantity	unit	amount	total amount
Lots 1-30, 34-184, 186-188, 226-238, 255-262, 302-303, 288-293,302-303 total 213 lots				
8" Valves, bends, tees, misc	87	ea	$1,350.00	$117,450.00
6" Valves, bends, tees, misc	29	ea	$800.00	$23,200.00
Hydrants, valves, misc	38	ea	$3,132.00	$119,016.00
8" PVC pipe	34668	lf	$28.27	$980,064.36
6" PVC pipe	10674	lf	$20.28	$216,468.72
8" PRV and Vaults	4	ea	$25,000.00	$100,000.00
Water Services and Boxes	213	lots	$330.00	$70,290.00
500,000 gal storage tank	1	ea	$250,000.00	$250,000.00
Pressure tank upper pressure zone	1	ea	$25,000.00	$25,000.00
Booster pumps and fittings upper tank	2	ea	$30,000.00	$60,000.00
Shade cover/concrete slabs	1	ls	$22,000.00	$22,000.00
Fencing of tank site	1	ls	$12,945.00	$12,945.00
Misc work, elec, wellsite rock	1	ls	$10,000.00	$10,000.00
Wild Horse DIP	817	lf	$38,700.00	$38,700.00
Wild Horse Valves	3	ea	$1,617.00	$4,851.00
Sample station	1	ls	$1,500.00	$1,500.00
ARV	1	ea	$1,000.00	$1,000.00
Subtotal				$2,052,485.08
County tax		1334115.3		$74,710.46
Total cost inside the CC&N				$2,127,195.54

Lawrence J Saunders
Project Manager

REGISTERED LAND SURVEYOR CERTIFICATE NO. 14181 KEVIN P. GILBERT DATE SIGNED 04-18-13 ARIZONA U.S.A. Expires 12-31-14

Registered Professional Engineer (Civil) CERTIFICATE NO. 29010 DETLEF AF LIEBE Date Signed 06/11/13 ARIZONA, U.S.A. Expires 06/30/13

ARIZONA CONTRACTORS LICENSE NUMBERS: ROC 227962; ROC 227963

1601 PASEO SAN LUIS, SUITE 202
SIERRA VISTA, ARIZONA 85635
(520) 458-9594
FAX (520) 458-2362

5100 S. ALVERNON WAY
TUCSON, ARIZONA 85706
(520) 748-0188
FAX (520) 748-8975

EXHIBIT B

4/5/2013

Kings Ranch Well Site, water cost

Water Cost Kings Ranch Well Site

Description	quantity	unit	amount	total amount
Well site				
100,000 gal Storage tank	1	ls	$93,000.00	$93,000.00
Clorine building and equipment	1	ls	$6,000.00	$6,000.00
Booster pac and fittings	1	ls	$40,000.00	$40,000.00
Shade cover/concrete slabs	1	ls	$22,000.00	$22,000.00
Fencing of tank site	1	ls	$7,011.00	$7,011.00
Misc work, elec, wellsite rock	1	ls	$10,000.00	$10,000.00
*Well site rock	1	ls	$850.00	$850.00
Well, pump	1	ls	$120,273.00	$120,273.00
Subtotal				$299,134.00
County tax		194437.1		$10,888.48
Total cost out side the CC&N				$310,022.48

Lawrence J Saunders
Project Manager

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KEVIN P.
GILBERT
DATE SIGNED 04/12/13
ARIZONA U.S.A.
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TUCSON, ARIZONA 85706
(520) 748-0188
FAX (520) 748-8975

4/5/2013

Kings Ranch East, water cost

Water Cost Kings Ranch Outside the CC&N

Description	quantity	unit	amount	total amount
Lots 31,185,189-225,239-254,263-287,294-301, total 87 lots				
8" Valves, bends, tees, misc	39	ea	$1,350.00	$52,650.00
6" Valves, bends, tees, misc	10	ea	$800.00	$8,000.00
Hydrants, valves, misc	13	ea	$3,132.00	$40,716.00
8" PVC pipe	10353	lf	$28.27	$292,679.31
6" PVC pipe	4742	lf	$20.28	$96,167.76
Water Services and Boxes	87	lots	$330.00	$28,710.00
Subtotal				$518,923.07
County tax		337300		$18,888.80
Total cost out side the CC&N				$537,811.87

Lawrence J Saunders
Project Manager

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GILBERT
DATE SIGNED 04/08/13
ARIZONA U.S.A.
Expires 12/31/14

Registered Professional Engineer (Civil)
CERTIFICATE NO.
29010
DETLEF AF
LIEBE
Date Signed 06/11/13
ARIZONA, U.S.A.
Expires 06/30/13

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 6
(Applicant's Estimated Annual Operating Revenues and Expenses for the First Five Years for the Extension Area)

Kings Ranch at Coronado Subdivision
Projected Statements of Income - Incremental
For the 12 Months Ended

Exhibit
Schedule 1

Line No.				Year 1	Year 2	Year 3	Year 4	Year 5
3	**Total estimated Revenues**			$ 1,893	$ 6,971	$ 10,692	$ 13,361	$ 19,196
4	**Variable Expenses**							
5	Pumping Power:	0.55	per 1,000 gals	218	871	1,437	1,786	2,526
6	Per 1,000 gallons							
7	Repairs & Maint.(a)(b)	0.50	/month/customer	30	120	198	246	348
8	Insurance (a)(b)	0.5	/month/customer	30	120	198	246	348
9	Water Treatment & Testing (b)(d)	0.05	per 1,000 gals	20	79	131	162	230
10	Billing, Postage, Operations (a)(b)	12.00	/month/customer	720	2,880	4,752	5,904	8,352
11	**Total Variable Expenses**			$ 1,018	$ 4,070	$ 6,716	$ 8,344	$ 11,804
12								
13	**Other Expenses**							
14	Depreciation net of Amortization of CIAC			9,326	17,628	17,321	16,809	15,580
15	Office (b) (e)	$ -		-	-	-	-	-
16	Legal & Accounting (b) (e)	$ -		-	-	-	-	-
17	Miscellenous Expenses (b) (e)	$ -		-	-	-	-	-
18	Income Taxes			(1,047)	(1,824)	(1,615)	(1,376)	(908)
19	Property Taxes (f)			38	72	130	207	288
20								
21	**Total Other Expense**			$ 8,317	$ 15,876	$ 15,836	$ 15,640	$ 14,960
22								
23								
24	**Total Operating Expenses**			$ 9,335	$ 19,946	$ 22,552	$ 23,984	$ 26,764
25								
26	**Operating income (loss)**			$ (7,442)	$ (12,975)	$ (11,860)	$ (10,623)	$ (7,568)
27	Less:							
28	Interest (Expense)Income on Work. Cap. (c)			-	9	379	841	1,112
29	Interest Expense Long-term Debt (c)			-	-	-	-	-
30	**Net Income**			$ (7,442)	$ (12,966)	$ (11,481)	$ (9,783)	$ (6,456)
31								
32	(a) Per customer per month							
33	(b) Annual Inflation of:	1.00%						
34	(c) If Applicable							
35	(d) ADEQ Testing							
36	(e) Miscellaneous Expenses of $100 per month							
37	(f) See Property Tax Calculation							
38								
39								
40								

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 7
(Legal Description of Requested Extension Area)

GTS/Gilbert Technical Services, Inc.

1601 Paseo San Luis ~ Suite 203 ~ Sierra Vista, Arizona 85635
Phone (520) 458-5730 ~ Fax (520) 458-5739 ~ Email: gts@theriver.com

Land Description

That portion of the West ½ of Section 34, Township 23 South, Range 21 East of the Gila and Salt River Meridian, Cochise County, Arizona, more particularly described as follows;

Beginning at the Northwest corner of Section 34;

Thence South 89° 11' 31" East coincident with the North line of Section 34 a distance of 2648.29 feet to the North ¼ corner of Section 34;

Thence South 00° 48' 03" West coincident with the North-South mid-section line of Section 34 a distance of 2617.06 feet to the Center ¼ corner of Section 34;

Thence South 00° 48' 01" West coincident with the North-South mid-section line of Section 34 a distance of 1256.07 feet to the Northeast corner of the Valley View Elementary School as recorded in Fee # 980205232;

Thence North 89° 55' 13" West a distance of 2628.13 feet to the Northwest corner of said Valley View Elementary School;

Thence North 00° 30' 07" East coincident with the West line of Section 34 a distance of 3906.59 feet to the **Point of Beginning.**

Subject to any and all prior easements, rights-of-way, covenants, restrictions and encumbrances of record or not of record that may otherwise legally exist.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
14181
KEVIN P.
GILBERT
DATE SIGNED 05-11-12
ARIZONA U.S.A.
Expires 12-31-14

King's Ranch at Coronado
The Eastern portion in Section 34
Containing 235.58 acres more or less
05/11/2012

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 8
(Master Water Report for Kings Ranch
containing description of the facilities proposed to be constructed.)

KINGS RANCH SUBDIVISION

WATER MASTER PLAN UPDATE

Prepared for:

K RANCH, L.L.C.
1601 Paseo San Luis, Ste. 202
Sierra Vista, AZ 85635

For submittal to:

LIBERTY WATER COMPANY
4055 Campus Drive
Sierra Vista, Arizona 85615
(520) 458-5470

Prepared by:

WestLand Resources, Inc.
Engineering and Environmental Consultants
4001 E. Paradise Falls Drive
Tucson, Arizona 85712
(520) 206-9585

Registered Professional Engineer (Civil)
CERTIFICATE NO.
33420
KARA D.
FESTA
Date Signed 6/4/12
ARIZONA, U.S.A.
EXPIRES 3/31/2014

June 4, 2012
Project No. 1428.33 A 8000

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Figure 1. Location Map
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APPENDICES
(follow text)

Appendix A: Well Testing Information
Appendix B: Historical Water Consumption Tables
Appendix C: Well Pump Information

EXECUTIVE SUMMARY

WestLand Resources, Inc. (WestLand) has prepared this report to provide a water system master plan update for the Kings Ranch subdivision (previously Kinjockity). The Kings Ranch subdivision consists of 303 lots on a gross area of 840.72 acres, located north of Highway 92 in portions of Sections 32 through 34, Township 23 South, Range 21 East, in Cochise County, Arizona ***(Figure 1)***. A portion of the development is within the Certificate of Convenience and Necessity (CC&N) of the Bella Vista Water Company (BVWC) dba Liberty Water Company (LWC), and a CC&N extension is being processed for the remainder of the subdivision. Kings Ranch will be served by the BVWC South system.

The Kings Ranch Subdivision consists of 303 lots, varying in size from approximately 0.86 acres to 8.5 acres. Out of the 303 lots, 3 lots were deeded back to the Cochise County Flood District, 298 lots will be used for single family (SF) residences, and two lots (Lot 6 and Lot 110) include existing structures that are planned for commercial use pending special permits approval by the County. Lot 110 consists of approximately 10,000-square feet (sf) of commercial space on 5.48 acres, and Lot 6 currently includes a small building on 8.66 acres, but may include up 10,000 sf of commercial space. In addition, the current subdivision includes approximately twelve oak trees that will require continued irrigation.

The subdivision was previously platted for 281 lots, and the purpose of this master plan update is to re-evaluate the sizing of the water system infrastructure including well, reservoir, and booster station capacity for the new number of lots in Kings Ranch per the latest LWC Development Guide and other relevant data.

The recommendations of this master plan with respect to the water system are as follows:

- The interconnection between Kings Ranch and Wildhorse should be installed, with a normally closed valve provided at the zone boundary. This valve can be opened at times when water needs to be moved from Kings Ranch into the northern areas of the system, or vice versa. To provide the flexibility to move water in both directions, the valving in the Kings Ranch roadway water mains near the interconnection must be installed such that the interconnect line can be connected to either the lower or upper zone depending on the need. This should be easily accomplished with two valves and proper connectivity of the existing lines.

- The well pump should be investigated and the appropriately sized well pump installed and observed for observation. In order to facilitate well pump evaluation and adjustment, a sounding tube should be installed with the pump.

With the above items addressed, the infrastructure provided or planned for the Kings Ranch subdivision is believed to be sufficient to meet the projected demands of this subdivision.

INTRODUCTION

WestLand Resources, Inc. (WestLand) has prepared this report to provide a water system master plan update for the Kings Ranch subdivision (previously Kinjockity). The Kings Ranch subdivision consists of 303 lots on a gross area of 840.72 acres, located north of Highway 92 in portions of Sections 32 through 34, Township 23 South, Range 21 East, in Cochise County, Arizona (***Figure 1***). A portion of the development is within the Certificate of Convenience and Necessity (CC&N) of the Bella Vista Water Company (BVWC) dba Liberty Water Company (LWC), and a CC&N extension is being processed for the remainder of the subdivision. Kings Ranch will be served by the BVWC South system.

The Kings Ranch Subdivision consists of 303 lots, varying in size from approximately 0.86 acres to 8.5 acres. Out of the 303 lots, 3 lots were deeded back to the Cochise County Flood District, 298 lots will be used for single family (SF) residences, and two lots (Lot 6 and Lot 110) include existing structures that are planned for commercial use pending special permits approval by the County. Lot 110 consists of approximately 10,000-square feet (sf) of commercial space on 5.48 acres, and Lot 6 currently includes a small building on 8.66 acres, but may include up 10,000 sf of commercial space. In addition, the current subdivision includes approximately twelve oak trees that will require continued irrigation.

The subdivision was previously platted for 281 lots, and the purpose of this master plan update is to re-evaluate the sizing of the water system infrastructure including well, reservoir, and booster station capacity for the new number of lots in Kings Ranch per the latest LWC Development Guide and other relevant data.

EXISTING KINGS RANCH WATER SYSTEM

Upon acceptance by LWC and any applicable governing agencies, the Kings Ranch water system will become part of the BVWC South system. Because of the location and pressure zones associated with Kings Ranch, it is anticipated the Kings Ranch water system will generally act as a stand-alone system. We understand that a water main connection is expected to be installed to provide an emergency interconnect between the Kings Ranch and the Wildhorse water systems. Because the Kings Ranch and Wildhorse systems are not supplied at the same highwater elevation, the interconnect is anticipated to remain closed unless an emergency situation occurs that requires the transfer of water.

The water system at Kings Ranch consists of two main water plant sites serving two primary pressure zones (4980 Zone and 5080 Zone) and one sub-zone (4880 Zone). The lower water plant site includes one well that fills an on-site storage tank, and a transfer booster pump station that moves water from this tank to the 4980 Zone tank at the upper site water plant site. The storage tank at the lower site does not directly connect to or "float" any areas of the water system, but simply serves as a forebay reservoir to store water from the well prior to pumping into the water system to serve the 4980 Zone. Therefore, the primary tank serving the Kings Ranch project is the 4980 Zone tank located at the upper site. The 4980 Zone tank is at a high-water elevation approximately 100 feet above the highest homes that it serves, so that it can provide pressure of at least 40 psi. In addition, because there is an area of the system that is below the elevation range that would typically be served by this tank, there are four pressure reducing valve stations along the water lines in the main roadways to lower the pressure to the lots in the lowest areas (4880

Zone). The portions of the site that are too high to be served by gravity from the 4980 Zone tank (5080 Zone) are provided water from a 5080 Zone booster pump station located at the 4980 Zone tank site. ***Table 1*** below presents the pressure zone delineation for the Kings Ranch system. The conceptual layout of the Kings Ranch water system is illustrated on ***Figure 2***.

Table 1. Kings Ranch Water System Zone Delineation

Zone	Approx. Highwater Elev. (ft)	Approx. Zone Elevation (ft)	Approx. Static Pressure Range (psi)	Supply Facilities	# of Lots served
5080 Zone	5080	4880 – 4980	43 – 87	Upper site 5080 Zone booster station	21
4980 Zone	4980	4720 – 4880	43 – 113	Lower site 4980 Zone booster station, 500K floating reservoir	279
4880 Zone PRV area (sub-section of 4980 Zone	4880	4640 – 4760	43 – 104	Four (4) PRVs from Lower Zone	

The majority of the Kings Ranch water system infrastructure was installed in the past five years using the guidelines developed in the original Master Plan and associated improvement plans for the development. The purpose of this Master Plan is to review the existing system infrastructure from a capacity standpoint to evaluate whether the infrastructure has adequate capacity to serve the new number of lots and the anticipated uses associated with the Kings Ranch subdivision. The following is a description of the existing facilities at the Kings Ranch:

Well

There is one existing well (ADWR Well No. 55-204088) at the lower water plant site which is currently equipped and pumping into the storage tank at that site. The information provided by Weber Pump indicates that the well is equipped with a 60 horsepower (hp) submersible pump. The pump is currently providing a flow of approximately 124 gallons per minute (gpm), which is lower than would be expected for that pumping equipment based on the manufacturer information. The well was drilled to a depth of 1,204 feet and consists of a 12-inch surface blank casing from 0- to 20-feet and 8-inch inner casing, with slotted screen interval from 496-feet to 1,184-feet. Detected static groundwater level was 422-feet below ground surface on October 4, 2004, and the pump is set at approximately 650 feet below land surface. A pumping test was conducted on the well in 2004 at various pumping rates. Based on a review of that information (***Appendix A***), it appears that approximately 175 gpm would likely be a reasonable high range for the expected capacity of the well.

Reservoirs

There is one 100,000 gallon storage tank at the well site to provide forebay storage for the onsite 4980 Zone booster station that pumps to the 4980 Zone tank at the upper site. The forebay tank is 27 feet in diameter and 24 feet high. The well feeds into the bottom of the tank.

There is one 500,000 gallon 4980 Zone storage tank at the upper site that provides gravity feed to the lower Kings Ranch area. The tank is 60 feet in diameter and 24 feet high. The tank is fed from the bottom by the 4890 Zone booster station at the lower site throughout the distribution system, and floats the 4980 Zone through this connection. This tank also serves as a forebay for the on-site 5080 Zone booster station.

Booster Stations

There is a 4980 Zone booster station at the lower site. This is a transfer pump station to move water from the lower tank to the 4980 Zone tank when the tank demands water. This booster pump station is not pressure controlled based on system pressure, but operates based on the level in the 4980 Zone storage tank. This booster station consists of a Grundfos MPC-E 2CR64-3-1 GPC VFD package booster station with a total capacity of approximately 600 gpm. The booster station includes two (2) pumps, each equipped with a 40 hp motor designed for a capacity of 300 gpm at 285-feet total dynamic head (TDH). It is our understanding that this booster station is equipped with Variable Frequency Drives (VFDs).

There is a 5080 Zone booster station at the upper site. This is a pressure controlled pump station that provides pressure to the upper area (the 5080 Zone) based upon demand on the system. This booster station consists of two Grundfos CR64-3-1 booster pumps with a total booster station capacity of approximately 600 gpm. Each booster pump is equipped with a 40hp motor and is designed for a capacity of 300 gpm at 285-feet TDH. It is our understanding that this booster station is not equipped with VFDs.

DEMAND CRITERIA

This Master Plan update provides projected water demand calculations based on actual water usage provided by LWC and Pueblo Del Sol Water Company for similar large-lot subdivisions in the Sierra Vista area. These values were requested and tabulated for several areas similar to Kings Ranch in lot size and development type, as the demand values in the Liberty Water Company Development Guide for Southern Arizona, dated November 9, 2009 were believed to be significantly higher than would be expected for the nature of the area and based upon the historical water usage data for the Bella Vista South system. ***Table 2*** on the following page lists the evaluated actual water usage data from both water companies, the demand criteria used in the Bella Vista Water Company Water System Master Plan dated April 2008 based on actual usage data from the Bella Vista South system, and the values from the Liberty Water Development Guide. The data set used for evaluation is included in ***Appendix B***.

Table 2. Water Demand Criteria Comparison

Source	Persons Per SFR Unit	Water Usage (gpcd)	Average Day per SFR Unit (gpd/SFR)	Peak Day Peaking Factor	Peak Day per SFR Unit (gpd/SFR)	Peak Hour Peaking Factor
LWC 2009 Development Guide	3.2	150	480	1.8	864	3.0
2008 BVWC Water Master Plan South Service Area Actual Usage	2.5	103	258	2.0*	515	-
2008 BVWC Water Master Plan Engineering Criteria	2.5	125	312.5	2.0	625	3.5
Wildhorse Subdivision	-	-	267	2.0*	534	-
Pueblo Del Sol Subdivisions with large lots	-	-	327	2.0*	654	-

**Assumed for calculation*

The 2008 Master Plan Engineering Criteria was chosen for the purpose of this Master Plan, as these criteria appear to be more representative of historical water usage for the Bella Vista South area and for developments similar in nature to Kings Ranch, and are a reasonable middle ground. The calculations below are therefore based on an average value of 313 gallons per day (gpd) per connection, and peak day factor of 2.0 resulting in peak day demand of 625 gpd per connection. For the two lots (Lot 6 and Lot 110) that are planned for future commercial use, the water demands are estimated based on 1,700 gallons per day per acre (gpdac) per the Liberty Water Development Guide. The Kings Ranch Subdivision water demand estimation also includes 12 oaks trees that are based on five (5) gpd per tree. Fire flow requirements are based on 500 gpm for a duration of two hours for all uses, per the requirements of Palominas Fire District. Instantaneous demands are based on ADEQ Engineering Bulletin No. 10, Table 3, for review of booster station sizing. ***Table 3*** below presents a summary of the demand projections for the Kings Ranch Subdivision.

Table 3. Kings Ranch Water System Demands

Pressure Zone	SF Units	Commercial Area (acres)	# of Oak Trees	Average Daily Demand (gpd)	Average Daily Demand (gpm)	Peak Daily Demand (gpm)	Peak Hour Demand (gpm)
5080 Zone	19	-	-	5,947	4	8	14
5080 Zone	-	14.1	-	23,970	17	33	58
4980/4880 Zone	279	-	-	87,327	60	121	212
4980/4880 Zone	-	-	12	60	<1	<1	<1
Total	**298**	**14.1**	**12**	**117,304**	**81**	**162**	**284**

RESERVOIR CRITERIA AND CAPACITY

Per LWC Development Guide for Southern Arizona, storage requirements are based on 1.75 times average day demand, plus fire flow. This is a conservative requirement, as the storage capacity requirement per the Arizona Administrative Code is 1.25 times average day demand with consideration for fire flow, and many larger water systems use a system-wide criteria of ADD plus fire flow. The Kings Ranch water system has an ADD of 117,304 gallons and the fire flow requirement for the subdivision is 500 gpm for a two-hour duration as approved by the Palominas Fire District (60,000 gallons), resulting in a total storage requirement of 265,300 gallons.

The Kings Ranch water system consists of two existing reservoirs with a capacity of 100,000 gallons and 500,000 gallons, respectively, resulting in a total storage capacity of 600,000 gallons. This storage capacity is well in excess of the storage requirement per the LWC Development Guide. This extra storage capacity provides a buffer in the system to dampen the demands on well source capacity during peak day conditions.

BOOSTER STATION CRITERIA AND CAPACITY

The domestic and fire flow needs of the Kings Ranch 5080 Zone system will be served by the pressure-controlled booster station at the Upper Zone water plant site. The booster station capacity is based on providing peak hour demand (PHD), or peak daily demand (PDD) plus fire flow, whichever is largest. The LWC Development guide requires firm capacity for the booster station, meaning that the booster station is capable of providing the required capacity with the largest pump out of service.

The fire flow for the Kings Ranch project is 500 gpm for 2 hours. Booster station capacity requirements for the 5080 Zone are based on meeting the demands by booster station pressure control for 19 SF units and two lots with a total of 20,000 sf of commercial uses (14.1 acres). The PPD plus fire flow requirements govern and thus the 5080 Zone booster station must be able to provide 541 gpm (41 gpm PDD + 500 gpm FF). The Upper-Zone booster station consists of two identical booster pumps with a pumping capacity of 300 gpm each, and the total booster capacity is 600 gpm, exceeding the 541 gpm requirement.

It should be noted that the reported discharge TDH of the 5080 Zone Booster station (285 feet) appears to be well in excess of the required pressure to serve the area in question. A significant reduction in discharge pressure could be accomplished and still meet the pressure demands of this zone, which may require stages of the booster pump to be removed. It should also be noted that it would be more typical to include VFDs at a pressure controlled pump station such as the 5080 Zone booster station, than at a booster station serving a storage tank. A booster station filling a storage tank would not be anticipated to experience significant pressure fluctuations during operation, although the VFDs could be useful as a surge control method for starting and stopping speed control.

The domestic and fire flow needs of the Kings Ranch 4980/4880 Zone system will be served by the 4980 Zone floating reservoir at the upper water plant site. The 4980 Zone booster station at the lower water plant site will be controlled by the water levels in the 4980 Zone reservoir, and therefore do not need to

provide fire flow. The booster station capacity for a gravity system is based on providing PDD, as the reservoir will provide capacity to supply system during PHD, PDD and fire flow conditions.

The 4980 Zone booster station must be capable of providing PDD for the entire Kings Ranch water system as the booster station also provides source water supply to the 5080 Zone water system. The total Kings Ranch system has a PDD of 162 gpm. The Lower-Zone booster station is a VFD-controlled packaged booster station consisting of two identical booster pumps with a pumping capacity of 300 gpm each for a total of 600 gpm, exceeding the requirements, including firm capacity.

WELL SOURCE CRITERIA AND CAPACITY

Per the LWC Development Guide for Southern Arizona, wells feeding a booster station must meet the PDD for the entire station with the largest well out of service. As described above, the PDD of the Kings Ranch water system is calculated to be 162 gpm. The Kings Ranch subdivision is served by a single well. The existing well is currently equipped with a Grundfos Model 230S600-19, 60 hp submersible pump. Based on the well pump manufacturer's information (***Appendix C***), this pump should be capable of pumping 300 gpm. However, per the results of the pumping test performed in 2004, this is a pumping rate which is unsustainable for the well. This pump currently delivers about 124 gpm. The cause for the reduced pumping rate is not known.

The project owner is currently investigating the well pump condition. Based on available information for the well, a new well pump is recommended as provided in ***Appendix C***. The selected pump is a Grundfos Model 230S400-12 with a 40 hp motor. This pump may be capable of slightly more than the required 162 gpm. Depending upon the drawdown experienced in the well, the pump may be capable of pumping in excess of 200 gpm, but it is not known if a rate this high will be sustainable for the well. The pump may need to be slightly throttled to reduce the flow rate, which will be determined by field investigation once the new pump is installed and operation can be observed.

It should be noted that the well capacity requirement to provide well supply with the largest well out of service is typically applied on a system-wide basis, rather than required for each individual subdivision. This master plan proposes to provide an interconnection between the Kings Ranch and adjacent Wildhorse subdivision that would allow water to be moved in either direction through the water system based on the adjustment of valves in the area of the interconnection. In addition, the Kings Ranch well supplies the water system through two reservoirs with excess capacity, which allows for some flexibility in the availability of well capacity.

HYDRAULIC MODELING

A Water System Engineering Report prepared by Monsoon Consultants, dated January 26, 2006, was submitted to BVWC for review. The 2006 Monsoon Consultants report included a hydraulic analysis section that utilized the modeling software EPANET 2 to demonstrate the proposed Kinjockity water distribution system had adequate hydraulic capacity for providing PDD and required fire flow of 500 gpm for a one-hour duration while maintaining a water system pressure more than 20 pounds per square inch (psi), as required by the Arizona Department of Environmental Quality (ADEQ), per Arizona

Administrate Code R18-5-502B. This requirement states that the potable water system must be capable of maintaining a pressure of at least 20 pounds per square inch (psi) at all points within the distribution system under all conditions of flow.

The number of lots has been increased by 19 lots in the new plat plus the possible commercial demands. However, the overall demand calculations and PDD in the new Kings Ranch subdivision are very similar to those projected for Kinjocity. Because it is typically the fire flow requirement that dictates water distribution system design and the adequacy of the pipeline sizes, it is anticipated the hydraulic analysis in the 2006 Water System Engineering Report is still valid for the Kings Ranch subdivision, and no additional modeling has been performed.

SUMMARY AND RECOMMENDATIONS

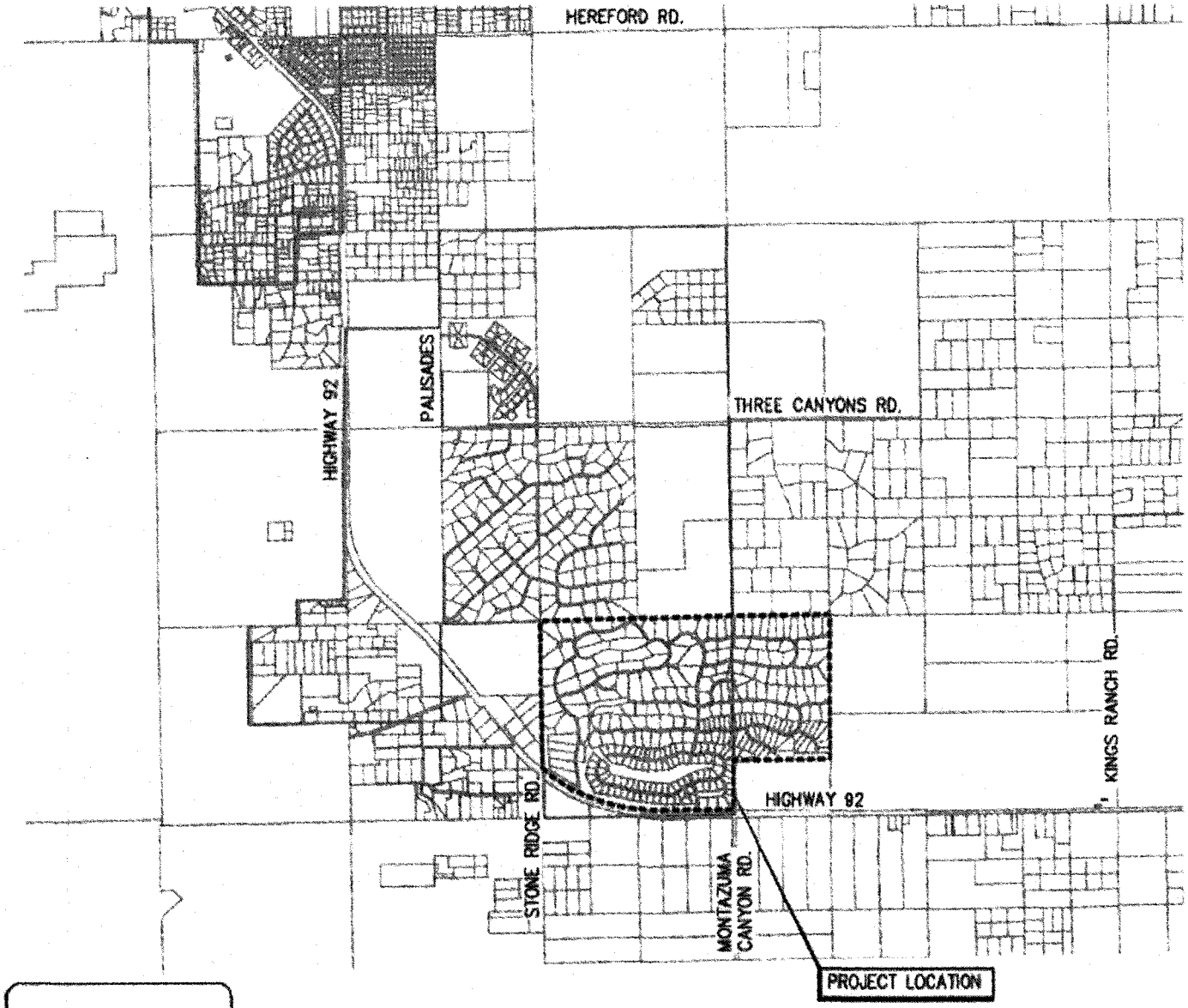
The recommendations of this master plan with respect to the water system are as follows:

- The interconnection between Kings Ranch and Wildhorse should be installed, with a normally closed valve provided at the zone boundary. This valve can be opened at times when water needs to be moved from Kings Ranch into the northern areas of the system, or vice versa. To provide the flexibility to move water in both directions, the valving in the Kings Ranch roadway water mains near the interconnection must be installed such that the interconnect line can be connected to either the lower or upper zone depending on the need. This should be easily accomplished with two valves and proper connectivity of the existing lines.

- The well pump should be investigated and the appropriately sized well pump installed and observed. In order to facilitate well pump evaluation and adjustment, a sounding tube should be installed with the pump.

With the above items addressed, the infrastructure provided or planned for the Kings Ranch subdivision is believed to be sufficient to meet the projected demands of this subdivision.

FIGURES



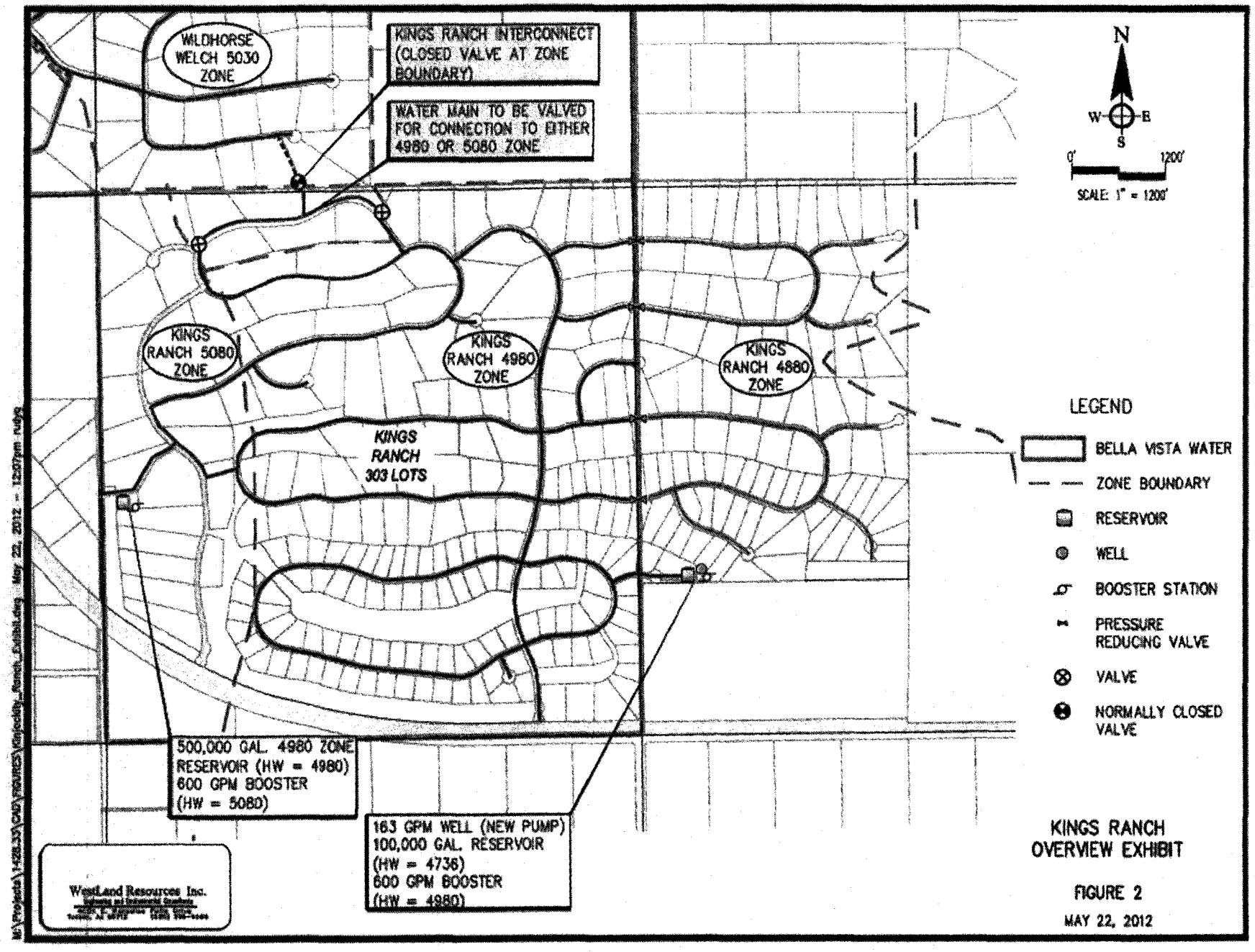
WestLand Resources Inc.

KINGS RANCH
LOCATION MAP

FIGURE 1

MAY 22, 2012

M:\Projects\1428.33\CAD\FIGURES\Majocity_Ranch_Location_Map.dwg May 22, 2012 - 12:09pm rudyg


WILDHORSE WELCH 5030 ZONE
KINGS RANCH INTERCONNECT (CLOSED VALVE AT ZONE BOUNDARY)
WATER MAIN TO BE VALVED FOR CONNECTION TO EITHER 4980 OR 5080 ZONE
KINGS RANCH 5080 ZONE
KINGS RANCH 4980 ZONE
KINGS RANCH 4880 ZONE
KINGS RANCH 303 LOTS
500,000 GAL. 4980 ZONE RESERVOIR (HW = 4980) 600 GPM BOOSTER (HW = 5080)
163 GPM WELL (NEW PUMP) 100,000 GAL. RESERVOIR (HW = 4736) 600 GPM BOOSTER (HW = 4980)
WestLand Resources Inc.
N
W
E
S
0'
1200'
SCALE: 1" = 1200'
LEGEND
BELLA VISTA WATER
ZONE BOUNDARY
RESERVOIR
WELL
BOOSTER STATION
PRESSURE REDUCING VALVE
VALVE
NORMALLY CLOSED VALVE
KINGS RANCH OVERVIEW EXHIBIT
FIGURE 2
MAY 22, 2012

APPENDIX A

WELL TESTING INFORMATION

WELL ID: Kinjockity Ranch Development

INPUT

Construction:	
Casing dia. (d_c)	8.67 Inch
Annulus dia. (d_w)	12.25 Inch
Screen Length (L)	688 Feet
Depths to:	
water level (DTW)	422 Feet
Top of Aquifer	495 Feet
Base of Aquifer	1204 Feet
Annular Fill:	
across screen -- Medium Sand	
above screen -- Cement	
Aquifer Material -- Fine Sand	
ASSUMED S =	0.0005 d'less

Local ID: Kinjockity Well #1
Date: 11/21/2004
Time: 9:00

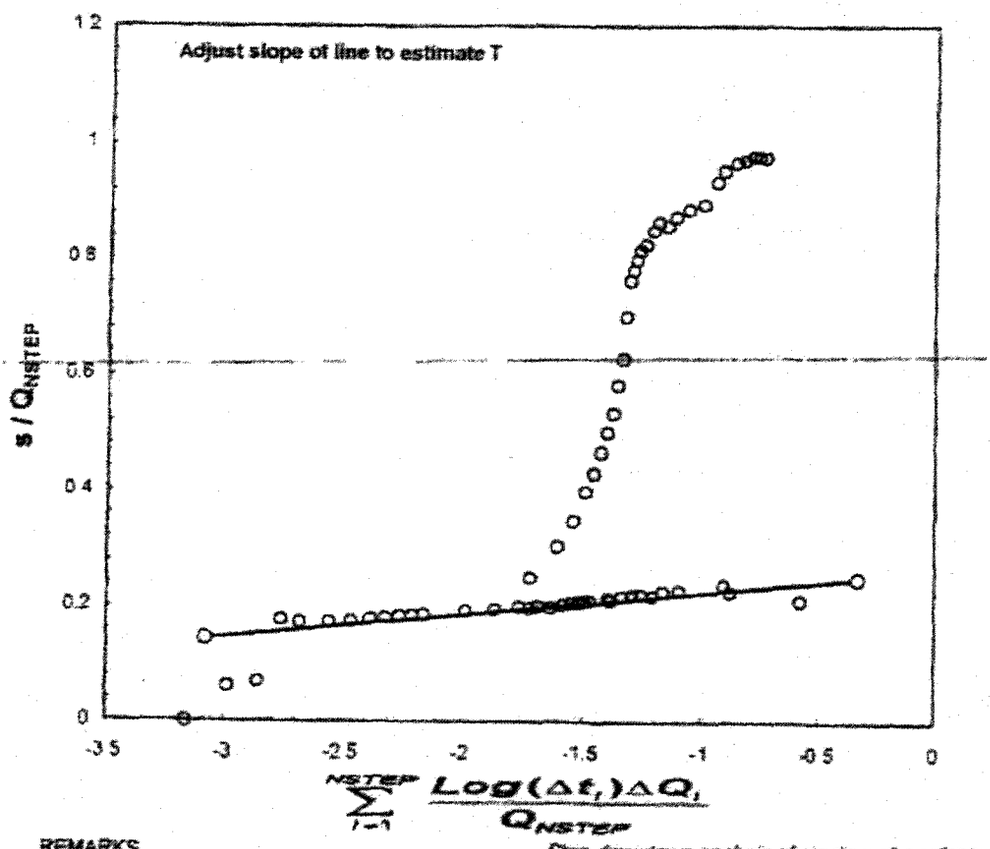
COMPUTED

Aquifer thickness = 700 Feet

Input is consistent.

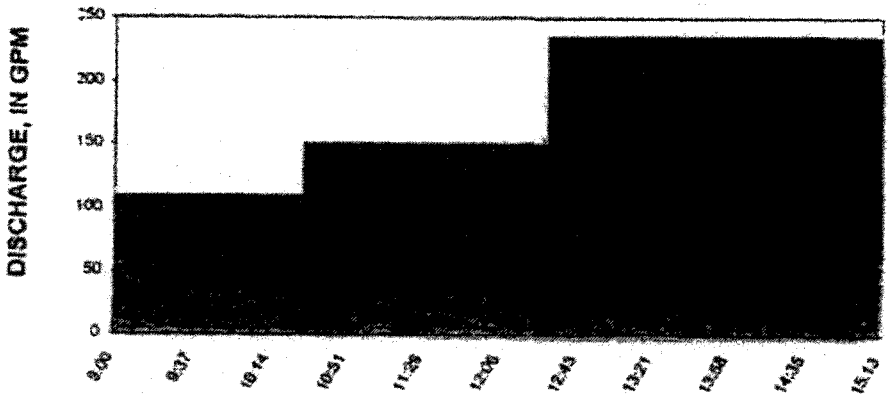
K =	1 Feet/Day
T =	900 Feet2/Day
S =	0.0005 d'less
$K_{annular}$ =	9 Feet/Day
Skin =	-0.3 d'less

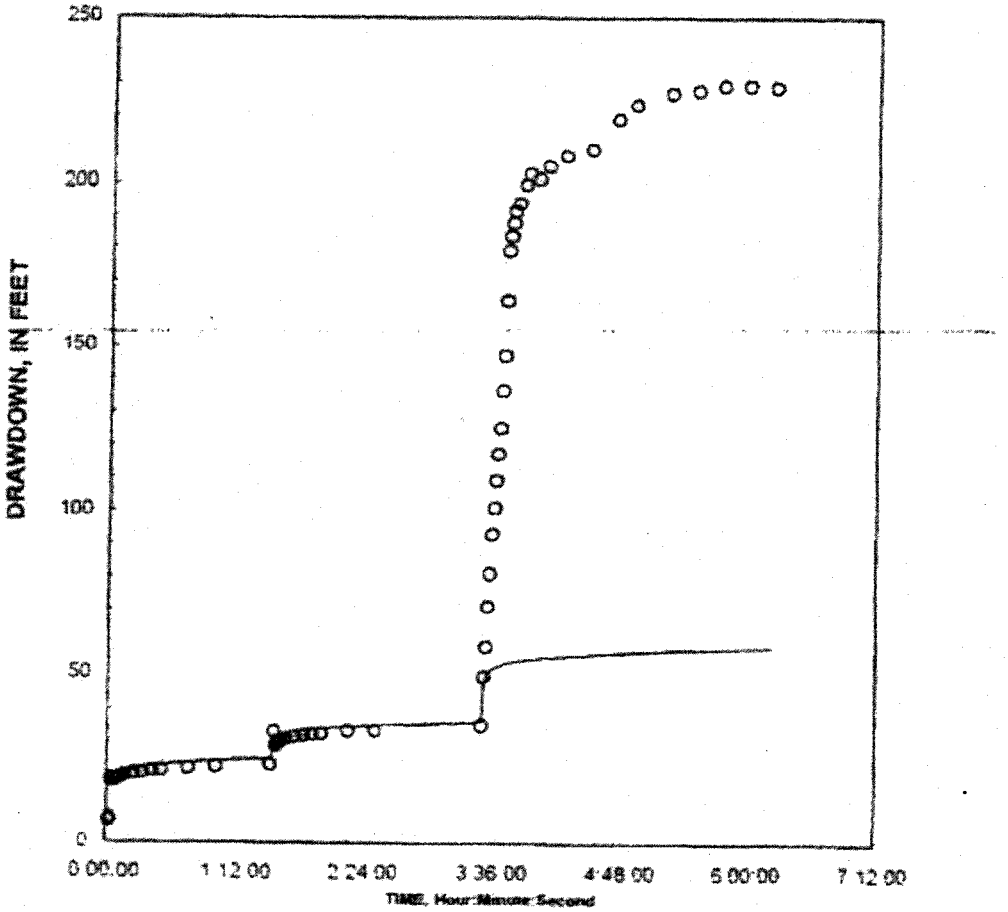
K= 1 is less than likely minimum of 3 for Fine Sand



REMARKS: Step-drawdown analysis of single-well aquifer test
Kinjockity Ranch Residential Subdivision \ Cochise County, Arizona
KANNULAR is estimated by fitting simulated drawdowns to measured drawdowns in a secondary plot. A reasonable storage value must be assigned by the user because storage and KANNULAR cannot be estimated independently. The estimate of T is not affected by changes in estimates of storage and KANNULAR

WELL ID: Kinjockity Ranch Development





Reduced Data

Entry	Time, Hr:Min:Sec	Water Level Feet	Entry	Time, Hr:Min:Sec	Water Level Feet
1	9:00:00	440.65	51	12:45:00	632.00
2	9:01:00	440.35	52	12:47:00	634.33
3	9:01:30	447.12	53	12:50:30	640.00
4	9:02:00	448.00	54	12:53:00	643.25
5	9:02:30	460.00	55	12:58:00	641.75
6	9:03:00	459.50	56	13:03:30	645.45
7	9:04:00	459.50	57	13:13:30	648.75
8	9:05:00	459.67	58	13:28:00	650.67
9	9:06:00	460.12	59	13:43:00	659.75
10	9:07:00	460.33	60	13:53:00	664.25
11	9:08:00	460.65	61	14:13:00	667.65
12	9:09:00	460.80	62	14:28:00	668.67
13	9:10:00	461.00	63	14:43:00	670.00
14	9:15:00	461.70	64	14:58:00	670.12
15	9:20:00	461.90	65	15:13:00	669.67
16	9:25:00	462.45			
17	9:30:00	462.50			
18	9:45:00	463.10			
19	10:00:00	463.65			
20	10:30:00	464.45			
21	10:32:00	474.15			
22	10:33:00	470.00			
23	10:34:00	470.10			
24	10:35:00	470.80			
25	10:36:00	471.25			
26	10:37:00	471.50			
27	10:38:00	471.75			
28	10:39:00	472.00			
29	10:44:00	472.50			
30	10:49:00	473.00			
31	10:54:00	473.30			
32	10:59:00	473.50			
33	11:14:00	474.25			
34	11:29:00	474.45			
35	12:29:00	476.00			
36	12:30:00	490.00			
37	12:31:00	499.00			
38	12:32:00	511.75			
39	12:33:00	521.67			
40	12:34:00	533.75			
41	12:35:00	541.75			
42	12:36:00	550.00			
43	12:37:00	557.90			
44	12:38:00	565.85			
45	12:39:00	577.33			
46	12:40:00	587.90			
47	12:41:00	604.75			
48	12:42:00	619.75			
49	12:43:00	624.15			
50	12:44:00	628.25			

WELL ID: Kinjockity Ranch Development

Local ID: Kinjockity Well #1

Date: 11/22/2004

Time: 0:00

INPUT

Construction:	
Casing dia. (d_c)	8 Inch
Annulus dia. (d_w)	12.25 Inch
Screen Length (L)	688 Feet
Depths to:	
water level (DTW)	422 Feet
Top of Aquifer	495 Feet
Base of Aquifer	1204 Feet
Annular Fill:	
across screen -- Medium Sand	
above screen -- Cement	
Aquifer Material -- Medium-Grained Sands	
FLOW RATE	200 GPM

COMPUTED

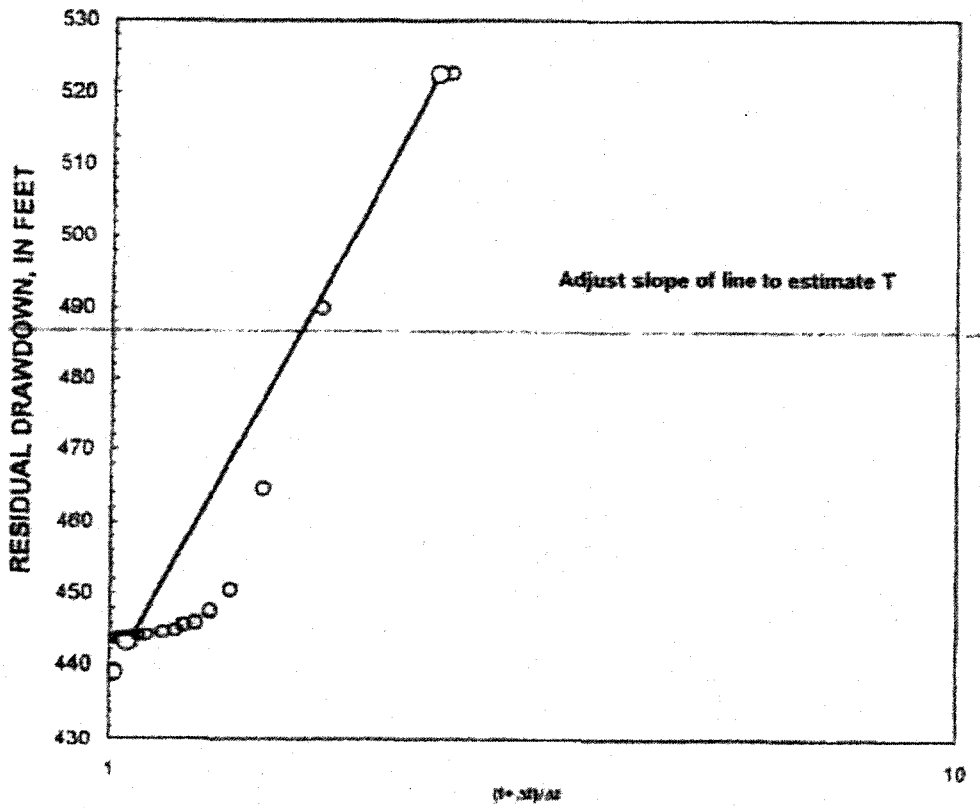
Aquifer thickness = 710 Feet

Slope = 219.28375 Feet/log10

Input is consistent.

K =	0.045 Feet/Day
T =	32 Feet²/Day

K= 0.045 is less than likely minimum of 1 for Medium-Grained Sandstone



REMARKS: Cooper-Jacob recovery analysis of single-well aquifer test

Kinjockity Production Well KW-1 recovery test

Reduced Data

Entry	Time, Date Hr:Min:Sec	Water Level Feet
1	1/0/00 0:00:00	0.00
2	1/0/00 0:01:30	575.15
3	1/0/00 0:02:30	522.75
4	1/0/00 0:03:30	489.90
5	1/0/00 0:04:30	464.55
6	1/0/00 0:05:30	450.50
7	1/0/00 0:06:30	447.67
8	1/0/00 0:07:30	446.12
9	1/0/00 0:08:30	445.75
10	1/0/00 0:09:30	445.00
11	1/0/00 0:11:30	444.67
12	1/0/00 0:16:31	444.25
13	1/0/00 0:21:31	444.13
14	1/0/00 0:26:31	444.00
15	1/0/00 0:31:31	443.90
16	1/0/00 0:41:32	443.90
17	1/0/00 0:51:32	443.75
18	1/0/00 1:01:33	443.75
19	1/0/00 1:11:33	443.75
20	1/0/00 1:21:33	443.75

WELL ID: Kinjockity Ranch #1

Local ID: Water Supply Well
Date: 11/22/2004
Time: 0.00

INPUT

Construction:	
Casing dia. (d_c)	8 Inch
Annulus dia. (d_a)	12 Inch
Screen Length (L)	588 Feet
Depths to:	
water level (DTW)	422 Feet
Top of Aquifer	495 Feet
Base of Aquifer	1204 Feet
Annular Fill:	
across screen – Medium Sand	
above screen – Cement	
Aquifer Material – Fine Sand	
FLOW RATE	200 GPM

COMPUTED

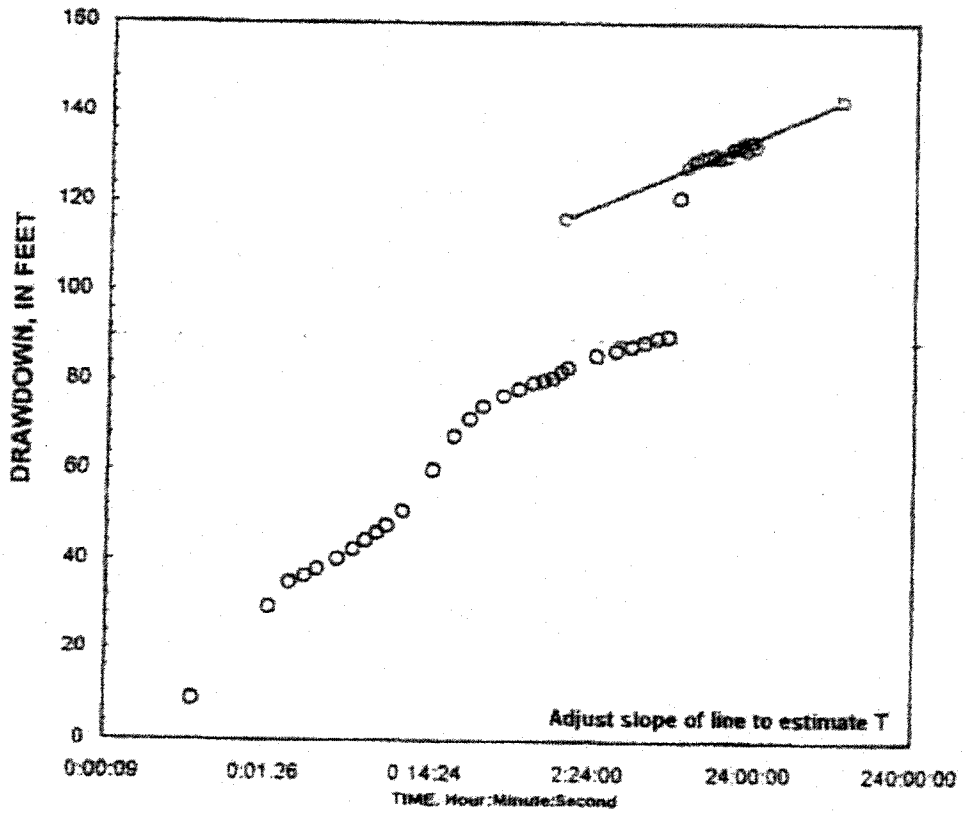
Aquifer thickness = 710 Feet

Slope = 15.433526 Feet/log10

Input is consistent.

K =	0.64 Feet/Day
T =	460 Feet²/Day

K= 0.64 is less than likely minimum of 3 for Fine Sand



REMARKS

Cooper-Jacob analysis of single-well aquifer test

Kinjockity Ranch Residential Subdivision \ Cochise County, Arizona

Reduced Data

Entry	Time, Date Hr:Min:Sec	Water Level Feet
1	11/22/04 0:00:00	442.50
2	11/22/04 0:00:30	451.33
3	11/22/04 0:01:30	472.12
4	11/22/04 0:02:00	477.50
5	11/22/04 0:02:30	479.00
6	11/22/04 0:03:00	480.45
7	11/22/04 0:04:00	482.65
8	11/22/04 0:05:00	484.80
9	11/22/04 0:06:00	486.80
10	11/22/04 0:07:00	488.50
11	11/22/04 0:08:00	490.00
12	11/22/04 0:10:00	493.33
13	11/22/04 0:15:00	502.50
14	11/22/04 0:20:00	510.00
15	11/22/04 0:25:00	513.90
16	11/22/04 0:30:00	516.80
17	11/22/04 0:40:00	519.25
18	11/22/04 0:50:00	520.75
19	11/22/04 1:01:00	522.12
20	11/22/04 1:10:00	522.65
21	11/22/04 1:20:00	523.25
22	11/22/04 1:30:00	524.50
23	11/22/04 1:40:00	525.50
24	11/22/04 2:30:00	528.25
25	11/22/04 3:20:00	529.33
26	11/22/04 4:10:00	530.25
27	11/22/04 5:00:00	531.20
28	11/22/04 6:00:00	532.20
29	11/22/04 7:00:00	532.50
30	11/22/04 8:00:00	563.50
31	11/22/04 9:00:00	570.45
32	11/22/04 10:00:00	571.67
33	11/22/04 11:00:00	572.50
34	11/22/04 12:00:00	572.50
35	11/22/04 13:00:00	573.20
36	11/22/04 14:00:00	572.45
37	11/22/04 15:00:00	572.60
38	11/22/04 16:00:00	573.00
39	11/22/04 17:00:00	574.50
40	11/22/04 18:00:00	574.65
41	11/22/04 19:00:00	574.90
42	11/22/04 20:00:00	575.75
43	11/22/04 21:00:00	574.33
44	11/22/04 22:00:00	575.90
45	11/22/04 23:00:00	576.25
46	11/23/04 0:00:00	575.15

WELL ID: Kinjockity Ranch #1

Local ID: Water Supply Well
Date: 11/22/2004
Time: 0:00

INPUT

Construction:	
Casing dia. (d_c)	8 Inch
Annulus dia. (d_a)	12 Inch
Screen Length (L)	688 Feet
Depths to:	
water level (DTW)	422 Feet
Top of Aquifer	495 Feet
Base of Aquifer	1204 Feet
Annular Fill:	
across screen -- Medium Sand	
above screen -- Cement	
Aquifer Material -- Fine Sand	
FLOW RATE	200 GPM

COMPUTED

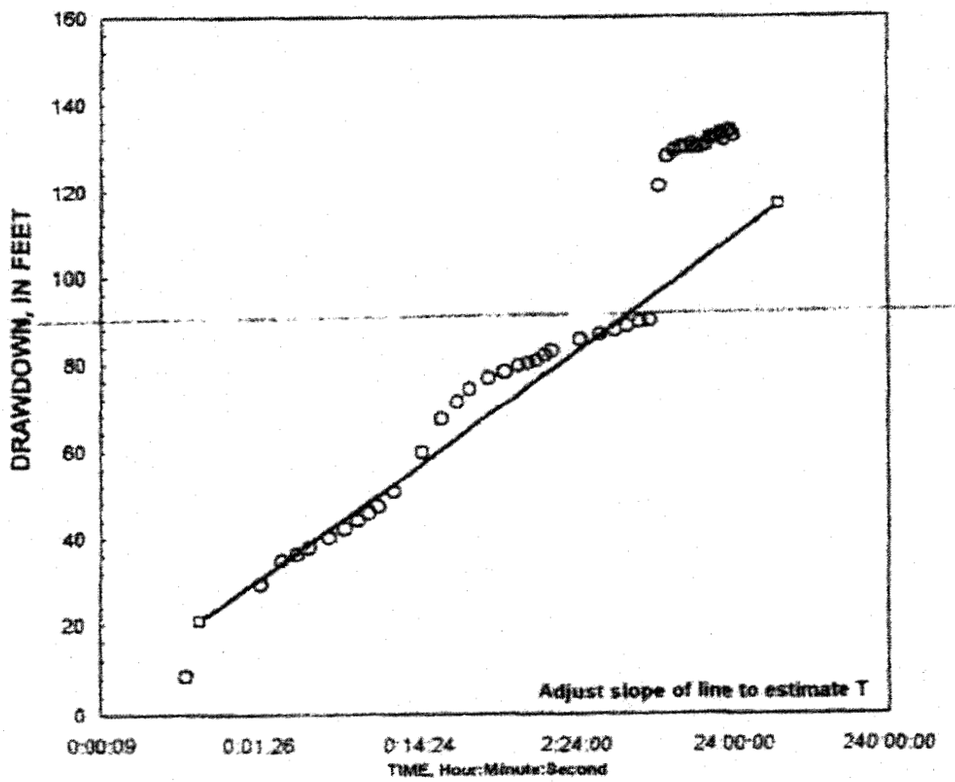
Aquifer thickness = 710 Feet

Slope = 26.202186 Feet/log10

Input is consistent.

K =	0.38 Feet/Day
T =	270 Feet²/Day

K= 0.38 is less than likely minimum of 3 for Fine Sand



REMARKS: Cooper-Jacob analysis of single-well aquifer test
Kinjockity Ranch Residential Subdivision \ Cochise County, Arizona

Reduced Data

Entry	Time, Date Hr:Min:Sec	Water Level Feet
1	11/22/04 0:00:00	442.50
2	11/22/04 0:00:30	451.33
3	11/22/04 0:01:30	472.12
4	11/22/04 0:02:00	477.50
5	11/22/04 0:02:30	479.00
6	11/22/04 0:03:00	480.45
7	11/22/04 0:04:00	482.65
8	11/22/04 0:05:00	484.80
9	11/22/04 0:06:00	486.80
10	11/22/04 0:07:00	488.50
11	11/22/04 0:08:00	490.00
12	11/22/04 0:10:00	493.33
13	11/22/04 0:15:00	502.50
14	11/22/04 0:20:00	510.00
15	11/22/04 0:25:00	513.90
16	11/22/04 0:30:00	516.80
17	11/22/04 0:40:00	519.25
18	11/22/04 0:50:00	520.75
19	11/22/04 1:01:00	522.12
20	11/22/04 1:10:00	522.65
21	11/22/04 1:20:00	523.25
22	11/22/04 1:30:00	524.50
23	11/22/04 1:40:00	525.50
24	11/22/04 2:30:00	528.25
25	11/22/04 3:20:00	529.33
26	11/22/04 4:10:00	530.25
27	11/22/04 5:00:00	531.20
28	11/22/04 6:00:00	532.20
29	11/22/04 7:00:00	532.50
30	11/22/04 8:00:00	563.50
31	11/22/04 9:00:00	570.45
32	11/22/04 10:00:00	571.67
33	11/22/04 11:00:00	572.50
34	11/22/04 12:00:00	572.50
35	11/22/04 13:00:00	573.20
36	11/22/04 14:00:00	572.45
37	11/22/04 15:00:00	572.60
38	11/22/04 16:00:00	573.00
39	11/22/04 17:00:00	574.50
40	11/22/04 18:00:00	574.65
41	11/22/04 19:00:00	574.90
42	11/22/04 20:00:00	575.75
43	11/22/04 21:00:00	574.33
44	11/22/04 22:00:00	575.90
45	11/22/04 23:00:00	576.25
46	11/23/04 0:00:00	575.15

ARIZONA DEPARTMENT OF WATER RESOURCES
Records Management Section
500 N. 3rd Street * Phoenix, Arizona 85004
(602) 417-2405 * (800) 352-8488
www.water.az.gov

Well Driller Report and Well Log

COPY

FILE NUMBER: D(23-21) 34 BAA
WELL REGISTRATION NUMBER: 55-204088
PERMIT NUMBER (IF ISSUED):

- Review instructions prior to completing form
- This report should be prepared by the driller in detail and filed with the Department within 30 days following completion of the well.

** PLEASE PRINT CLEARLY **

SECTION 1. REGISTRY INFORMATION

Well Owner

FULL NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL: DARRELL DUNAFON
MAILING ADDRESS: 6254 S SABINO SHADOW LN
CITY / STATE / ZIP: TUCSON, AZ 85750
CONTACT PERSON NAME AND TITLE:
TELEPHONE NUMBER: 520-979-1368
FAX:

Location of Well

WELL LOCATION ADDRESS (IF KNOWN):

TOWNSHIP (NS)	RANGE (EW)	SECTION	160 ACRE	40 ACRE	10 ACRE
23S	21E	34	NW 1/4	NE 1/4	NE 1/4

LATITUDE: ° ' "N
LONGITUDE: ° ' "W
LAND SURFACE ELEVATION AT WELL: Feet Above Sea Level
METHOD OF LATITUDE / LONGITUDE (CHECK ONE): ☐ USGS Quad Map ☐ Conventional Survey ☐ GPS: ☐ Hand-Held ☐ Survey-Grade
COUNTY ASSESSOR'S PARCEL ID NUMBER: BOOK 104 MAP 1 PARCEL 011G
COUNTY WHERE WELL IS LOCATED: Cochise

SECTION 2. DRILLING AUTHORIZATION

Drilling Firm

NAME: WEBER DRILLING
DWR LICENSE NUMBER: 272
TELEPHONE NUMBER: 520-720-4800
FAX:

SECTION 3. WELL CONSTRUCTION DETAILS

DATE WELL CONSTRUCTION STARTED:
DATE WELL CONSTRUCTION COMPLETED:
IF FLOWING WELL, METHOD OF FLOW REGULATION: ☐ Valve ☐ Other

Drill Method

CHECK ONE
- [x] Air Rotary
- [ ] Bored or Augered
- [ ] Cable Tool
- [ ] Dual Rotary
- [x] Mud Rotary
- [ ] Reverse Circulation
- [ ] Driven
- [ ] Jetted
- [ ] Air Percussion / Odex Tubing
- [ ] Other (please specify)

Method of Well Development

CHECK ONE
- [x] Airlift
- [x] Bail
- [x] Surge Back
- [ ] Surge Pump
- [ ] Other (please specify)

Method of Sealing at Reduction Points

CHECK ONE
- [ ] None
- [ ] Packed
- [ ] Swedged
- [x] Welded
- [ ] Other (please specify)

Water Level Information

STATIC WATER LEVEL: 422 Feet Below Land Surface
DATE MEASURED: 10/4/04

DWR-55-55-10/01 (Rev.)

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 204088

SECTION 4. WELL CONSTRUCTION DESIGN (AS BUILT) (attach additional page if needed)

Borehole			Installed Casing													
DEPTH FROM SURFACE		BOREHOLE DIAMETER (inches)	DEPTH FROM SURFACE		OUTER DIAMETER (inches)	MATERIAL TYPE (X)				PERFORATION TYPE (X)						SLOT SIZE IF ANY (inches)
FROM (feet)	TO (feet)		FROM (feet)	TO (feet)		STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED	IF OTHER TYPE, DESCRIBE	
0	20	17½	0	20	12¾	X				X						
0	1204	12¼	0	496	8⅝	X				X						
			496	1184	8⅝	X								X		2½" X ¼
			1184	1204	8⅝	X				X						

COPY

Installed Annular Material											
DEPTH FROM SURFACE		ANNULAR MATERIAL TYPE (X)								FILTER PACK		
					BENTONITE							
FROM (feet)	TO (feet)	NONE	CONCRETE	NEAT CEMENT OR CEMENT GROUT	CEMENT-BENTONITE GROUT	GROUT	CHIPS	PELLETS	IF OTHER TYPE OF ANNULAR MATERIAL, DESCRIBE	SAND	GRAVEL	SIZE
0	20		✓									
100	1204										X	3/8" Pea Gravel

DEPTH OF BORING	DEPTH OF COMPLETED WELL
Feet Below Land Surface	Feet Below Land Surface

DWR-55-55B-10/01 (Rev.)

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 204088

SECTION 5. GEOLOGIC LOG OF WELL

DEPTH FROM SURFACE FROM (feet)	TO (feet)	DESCRIPTION Describe material, grain size, color, etc. COPY	Check (X) every interval where water was encountered
0	955'	Volcanic Conglomerate	✓
955	1204	Volcanic Conglomerate w/ Clay streaks	✓
		First water 495'	

P.2.

SDPTD Form 5/8/03

Suggested Elapsed time t ~~hr~~ (min)	Actual Elapsed Time t ~~hr~~ (min)	Depth to water (nearest 0.1 ft)	Drawdown S (unadjusted to nearest 0.1 ft)	Pumping rate Q (at least 3 steps) (gpm)	EC (µmhos)	Cl⁻ (mg/l)	Temp. ___°F or ___°C	Date in this table is for: ☐ Pumped Well ☐ Observation Well Remarks
5		[illegible]					.	
6		[illegible]					.	
7		[illegible]					.	[illegible]
8		[illegible]					.	
9		[illegible]					.	
10		[illegible]					.	
11		[illegible]					.	
12		[illegible]					.	
13		57[illegible]					.	
14		57[illegible]					.	
15		[illegible]					.	
16		[illegible]					.	
17		[illegible]					.	
18		[illegible]					.	
19		[illegible]					.	
20		[illegible]					.	
21		57[illegible]					.	
22		57[illegible]-10					.	
23		57[illegible]					.	
24		57[illegible]		200 gpm			.	
							.	
								Max possible duration. water level or quality did not stabilize for any 24 period
			[4]	0				Begin recovery data next page Flow meter reading at end of pumped period: _____ gals

[1] starting pumping rate Q .
[2] minimum length of step period of constant pumping rate
[3] minimum mandatory Chloride (Cl⁻) measurement/sampling at end of every step
[4] Use same ending drawdown figure as start for recovery

e.1

SDPTD Form SB/03

Suggested elapsed time t (min)	Actual elapsed time t (min)	Depth To Water (nearest 0.1 ft)	Recovery Drawdown S (unadjusted to nearest 0.1 ft)	Pumping rate Q (gpm)	EC (µmhos)	Cl⁻ (mg/l)	Temp. ___°F or °C	Data in this table is for: ☐ Pumped Well ☐ Observation Well Remarks
0	0	442.0'		0			.	~~Pump off and recovery~~
1	.5	71-4"		0			.	
1.5		72-10"		0			.	
2		77-6"		0			.	
2.5		77-0"		200			.	
3		80-5"		0			.	[illegible]
4		[illegible]		0			.	turbid
5		79-10"		0			.	
6		80-10"		0			.	
7		[illegible]		200			.	16 sec/55
8		70-9		0			.	increased flow
10		73-4"		200			.	clear flow
15		502-6"		0			.	15 sec/5 m
20		510-0"		0			.	
25		512-11"		0			.	
30		516-10"		200			.	weaker
40		519-3"		0			.	Target
50		519-9"		0			.	flow is clear
60	61	522-1"		0			.	
70		522-7"		0			.	
80		[illegible]		0			.	
90		[illegible]		0			.	
100		[illegible]		0			.	
150		[illegible]		0			.	
200		[illegible]		0			.	
250		[illegible]		0			.	☐ 80% recovery achieved ☐ 90% recovery not achieved

END TEST Date:_____ Time of day: _____

ADDITIONAL REMARKS: _____

Person in charge of pump test (print): _____

Signature: _____

The signature above indicates that the data reported on this form is accurate and true to the best of the person's knowledge who operated this pump test.

APPENDIX B

HISTORICAL WATER CONSUMPTION TABLES

Historical Water Consumption/ Wildhorse Subdivision

Address	Cogsdale Acct #	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	Totals
9543 S. Andalusian	1007582	0	0	0	0	0	2210	0	0	0	0	0	0	0	2210
9414 Polo Ct.	1007583	3170	4042	5080	4232	4081	3338	3208	8016	3729	3640	3316	3120	3745	48151
9313 S. Uppilian Ct.	1007584	6990	5260	7960	1200	2200	6800	7610	1410	2410	3990	2140	3500	6450	54740
9250 S. Andalusian	1007585	1890	1090	3940	3520	2610	1800	1290	2360	2080	2590	1750	1300	1270	25100
9291 S. Uppilian Ct.	1007586	3550	3420	5090	1690	2080	1930	21490	1420	3750	980	330	1340	2380	48230
9384 S. Polo Ct.	1007587	5330	9850	4540	0	0	16640	10100	6160	5092	4760	5550	5390	5110	80530
9131 Andalusian Ct.	1007588	5127	4108	5218	5284	6162	12739	3116	4191	6289	3082	3704	3966	2736	67500
9327 S. Andalusian Ct.	1007589	4840	9740	10880	3220	4110	3590	2390	2940	2590	3900	2330	9080	3900	51830
9155 Polo Ct.	1007590	31170	31280	32990	28690	19440	17060	13270	17890	15320	12960	18640	27140	24940	288000
9136 E. Andalusian	1007591	8160	12380	17340	7320	6252	7880	14350	8440	8400	9220	12380	7400	8890	129570
9116 Andalusian Cir	1007592	31413	30849	30774	29516	20900	15132	12853	9268	5622	5082	7526	8788	11705	217830
6084 E. Andalusian Ct.	1007593	8200	13922	35840	6545	8590	10261	10167	6884	8375	7352	6404	5362	7518	132877
6036 Andalusian Way	1007594	19176	22497	24009	24850	23181	34620	18152	19842	15975	13426	14691	16908	14301	247710
9295 S. Bryerly Dr.	1007595	17840	16410	14100	7240	10230	14920	13130	10920	7490	5470	5180	8110	8190	141030
9280 S. Bryerly Dr.	1007596	11480	21490	21090	11300	18200	10120	10550	11420	9240	7980	6960	7910	8610	153840
6190 Uppilian Way	1007597	3597	3668	4169	3930	2800	3189	1966	2656	2134	2908	3124	3111	3953	38221
6152 Uppilian Way	1007598	3859	5934	6617	3184	3408	3468	3468	8062	3865	3206	2946	4808	1746	43278
6120 Uppilian Way	1007599	6787	7482	17908	10488	7532	9788	7321	8159	5489	8716	8418	6080	10181	117862
6010 S. Uppilian Ct.	1007600	18990	82400	51170	13800	90080	94619	35800	39685	23500	8870	9320	15890	12850	495520
9545 Swiss Cir	1007601	7803	8527	34668	4316	4800	5316	3063	3030	3380	3998	2220	3468	13614	103888
9585 S. Uppilian Way	1007602	2330	2700	2460	1280	1500	1720	1140	1400	1440	1650	1360	1920	1230	20730
9520 Swiss Ct.	1007603	13750	14480	15980	10949	14449	13380	10100	12790	9600	12070	9830	7900	9980	149270
9620 S. Uppilian Ct.	1007604	24487	28871	48907	30191	22882	27119	20167	10881	8585	8279	6080	13882	18533	268487
9213 Andalusian Way	1007607	0	980	1810	3080	4420	3380	3800	3410	1530	4010	3750	4100	3930	35530
9291 S. Uppilian Ct.	1007608	17380	19620	22890	6760	11540	14360	14280	16230	14830	14810	12840	18390	13530	190530
9091 Bryerly	1007609	3190	8670	3400	3830	4330	2520	3160	3660	3140	3770	2386	5380	3130	45170
9103 S. Bryerly	1007610	7327	7664	8011	7761	4276	7462	3163	6977	2681	2756	2539	5401	6234	75794
9150 S. Shire Place	1007611	9410	9650	10170	4010	8010	10140	6560	3700	1370	4130	3210	5910	13100	80230
9504 Morgan	1007612	5188	4183	5047	4572	4332	7459	9605	4966	4682	5066	8012	12400	8418	84004
9140 S. Shire Place	1007613	12270	33883	12439	6418	10168	7735	8077	8868	9168	13639	10960	14549	16895	185319
9913 S. Bryerly Ct.	1007614	6130	4580	4370	8010	2870	3150	3810	3830	3130	3229	3360	3540	4030	48035
9568 S. Swiss Ct.	1007617	0	0	0	0	0	7430	7890	9460	10850	6609	4288	8470	8140	61280
5801 Uppilian Way	1007618	7864	10797	11356	6212	3160	5433	6837	5387	5915	6780	5906	11604	11083	102184
5882 S. Uppilian Ct.	1007619	5194	6473	10184	3986	1500	3772	4599	3339	5864	2648	3466	4195	10986	68634
9961 S. Bryerly Dr.	1007620	5270	4540	5870	2430	3400	3010	3130	1780	1580	2750	3710	3570	4000	52010
9205 S. Bryerly Dr.	1007621	8060	7600	9840	0	0	0	3580	6270	8090	6080	5720	6980	6830	67970
9245 S. Bryerly Dr.	1007622	3860	4520	3960	800	2400	2916	3130	1880	1890	4520	3650	2970	4340	38930
9089 S. Bryerly Dr.	1007623	9470	7010	10130	5190	11990	10800	11090	12750	10711	16398	6860	8620	7390	165640
9554 Morgan Cir.	1007624	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9230 S. Bryerly Dr.	1007625	1720	780	1630	1130	1920	2040	1170	1830	1070	1690	1460	1880	2790	23010
9920 S. Bryerly Dr.	1007626	19510	12800	17530	23900	10900	14920	11760	29408	10613	8060	24030	19900	8480	214860
9008 S. Bryerly Dr.	1007627	1800	1130	2610	3630	2180	940	1540	1740	1880	3310	10130	10710	8340	51970
6911 E. Bryerly	1008229	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9413 Andalusian West	1008230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9180 Andalusian Way	1008231	4560	4737	7413	3680	3540	8883	8087	7180	3793	3180	3478	3465	3032	49988
9145 Shire Place	1008232	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9061 E. Bryerly Dr.	1008233	3576	5884	6359	6012	8320	5696	8240	8807	10049	8141	8109	7237	6438	88930
5273 Uppilian Place	1008381	8876	8590	7323	11811	7602	18008	17947	30009	8590	16051	7881	8817	9104	184610
9001 Morgan Cir.	1008384	0	0	0	0	0	0	0	0	0	0	0	770	15154	15154
9519 Swiss Dr.	1008561	4543	6621	5921	3431	6190	8303	4547	4569	4509	5111	2977	3816	4683	60624
6139 Uppilian Way	1008508	5148	16163	6390	3978	8400	3804	3163	9627	3122	4128	3024	3284	5130	59132
6099 Molly Dr.	1008583	3811	4182	4608	3937	4680	4340	3519	9681	4543	4678	3770	4764	4307	59079
6157 Molly Dr.	1008587	4262	2917	2496	790	0	0	0	0	0	0	0	0	0	10537
6150 Uppilian Way	1008620	63	0	0	0	0	27	0	0	0	94	130	26	0	230
6136 Bryerly Dr.	1008631	2366	8585	5801	0	0	0	0	0	0	582	2815	3479	1617	23239
6170 Bryerly Dr.	1008634	1735	23781	16689	6480	7720	5924	14971	7084	6360	6046	5147	6577	5616	126610
6061 Bryerly Ct.	1008640	10733	30066	12144	6977	4510	8359	10191	9819	5459	6744	3485	3776	37619	134750
6151 Uppilian Way	1009198	6590	1360	1470	360	1340	0	4590	1380	3640	4680	4830	4360	5270	42000
Monthly Totals		412878	554056	639967	307224	541620	452894	440647	373410	295666	334440	287785	463054	479356	5244217
# yeR (non-zero)		50	50	50	47	46	49	50	50	49	51	51	52	51	697
Monthly Average/yeR (non-zero)		272	365	421	216	344	293	294	246	198	203	186	229	301	287

Pueblo Del Sol Water Company Large Lots 2011 Water Records

Consumption Gallons 2011

	January	February	March	April	May	June	July	August	September	October	November	December	Total
101	1,840,540	1,976,200	1,861,120	3,590,420	3,388,400	5,158,840	3,635,300	2,347,420	2,665,730	3,249,700	2,229,920	1,520,930	33,457,520
102	529,440	357,300	345,749	662,360	664,700	1,083,720	779,440	502,020	570,170	684,700	496,370	354,220	7,026,180
103	728,220	620,408	697,720	1,095,440	1,078,428	1,518,320	1,280,050	802,040	849,360	1,010,430	719,289	565,060	10,970,720
104	600,070	593,300	614,990	987,100	1,052,620	1,450,410	1,235,660	688,930	906,530	976,400	765,730	533,760	10,415,490
161	308,750	330,310	309,690	560,970	506,530	807,620	657,110	411,360	460,910	527,010	391,780	247,970	5,519,610
162	246,310	229,670	265,330	545,420	447,080	683,790	432,940	354,490	356,930	434,900	296,260	205,400	4,508,120
163	377,440	318,590	333,418	556,080	474,760	723,510	520,730	364,710	396,580	472,230	344,810	256,180	5,118,550
164	482,460	446,045	435,895	709,650	805,910	1,095,400	803,720	516,750	596,680	747,180	539,220	374,670	7,533,580
165	406,790	362,330	394,908	784,260	748,050	1,098,780	746,890	537,350	635,200	670,310	524,760	386,770	7,188,350
166	306,930	248,920	284,310	451,940	406,680	753,870	412,300	318,970	383,000	412,320	350,980	270,490	4,550,670
Total													96,288,790

# of Customer 2011

	January	February	March	April	May	June	July	August	September	October	November	December	Average #
101	264	265	264	265	265	265	265	265	264	264	266	265	265
102	69	69	69	71	70	69	69	69	69	69	70	69	69
103	117	117	117	118	117	117	118	117	117	118	117	117	117
104	78	78	79	80	79	79	79	80	79	79	79	80	79
161	40	40	40	40	40	40	40	40	40	40	40	40	40
162	41	41	41	41	41	42	41	41	42	41	41	41	41
163	49	49	50	49	49	49	49	50	49	49	49	49	49
164	58	60	60	60	60	60	60	61	60	60	61	60	60
165	48	48	48	48	48	48	48	48	48	48	49	48	48
166	39	39	39	39	39	39	39	39	40	39	40	39	39
Total													808

Average Consuption per Customer (gallons)

	January	February	March	April	May	June	July	August	September	October	November	December	Average GPD/Unit
101	6,972	7,457	7,050	13,549	12,786	19,460	13,718	8,839	10,097	12,309	8,415	5,739	346
102	7,615	5,178	5,011	9,329	9,496	15,706	11,296	7,276	8,263	9,923	7,091	5,134	278
103	6,224	5,303	5,963	9,283	9,217	12,977	10,848	6,855	7,253	8,563	6,199	4,830	256
104	7,693	7,606	7,785	12,339	13,451	18,360	15,641	8,612	11,475	12,359	9,693	6,672	361
161	7,719	8,258	7,742	14,024	12,663	20,191	16,428	10,284	11,523	13,175	9,795	6,199	378
162	6,008	5,602	6,471	13,303	10,904	16,281	10,560	8,646	8,736	10,598	7,226	5,010	300
163	7,703	6,502	6,668	10,940	9,689	14,766	10,627	7,284	8,093	9,637	7,037	5,228	285
164	7,973	7,434	7,265	11,828	13,432	18,257	13,395	8,471	9,945	12,453	8,840	6,245	344
165	8,474	7,549	8,227	16,339	15,418	22,891	15,560	11,195	13,150	13,965	10,709	8,058	430
166	7,872	6,383	7,290	11,588	10,428	19,330	10,569	8,179	8,329	10,572	8,775	6,936	318
Average													327

101	PDS Village - Unit A	4 acre lot
102	PDS Village - Unit B	4 acre lot
103	Huachuca Mountain Village - Unit A	1 acre lot
104	Huachuca Mountain Village - Unit B	1 acre lot
161	Mountain Shadows - Phase A	4 acre lot
162	Mountain Shadows - Phase B	4 acre lot
163	Mountain Shadows - Phase C	4 acre lot
164	Mountain Shadows - Phase D	4 acre lot
165	Mountain Shadows - Phase E	4 acre lot
166	Mountain Shadows - Phase F	4 acre lot

APPENDIX C

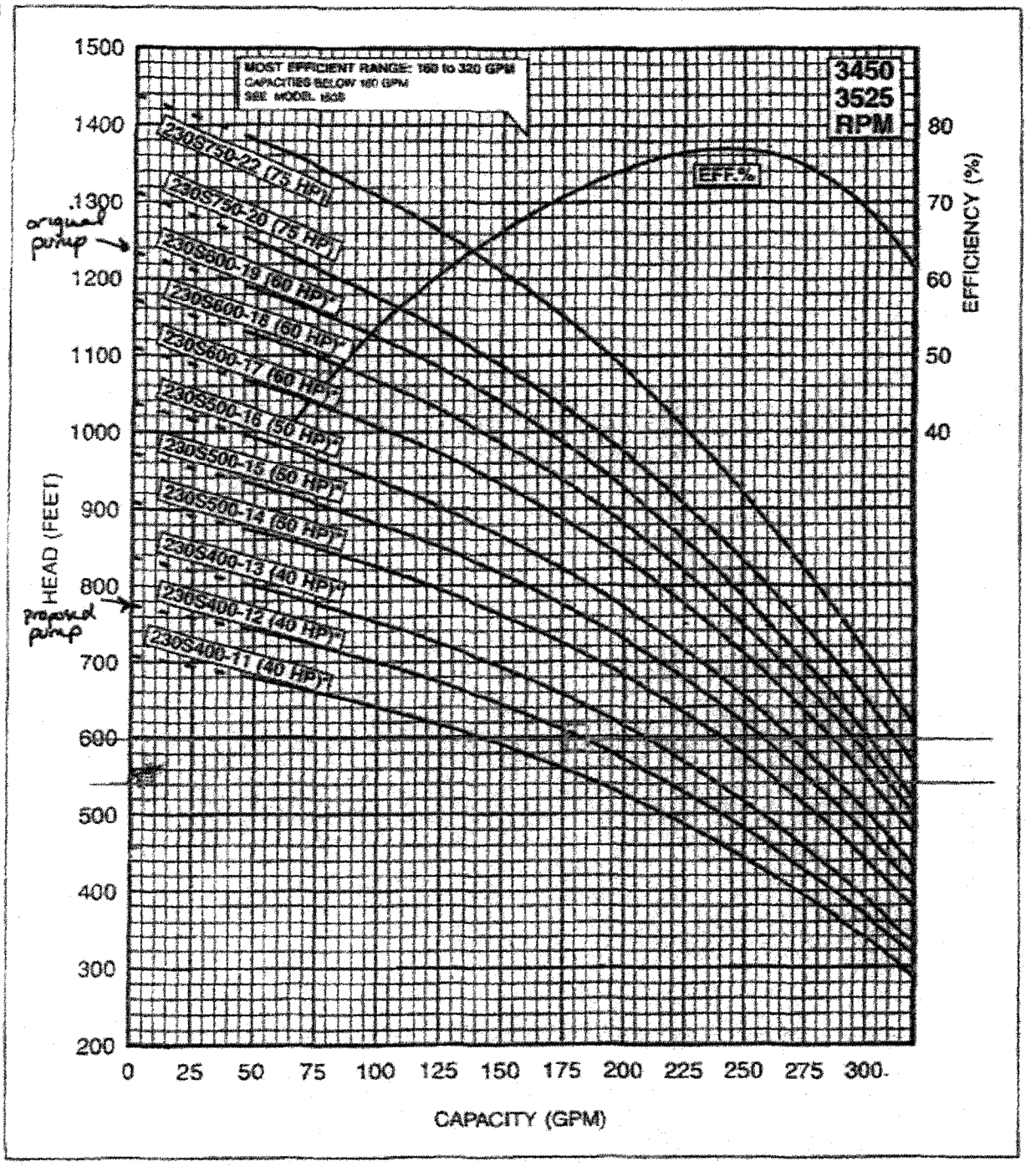
WELL PUMP INFORMATION

Kings Ranch Well Pump Sizing Scenarios -Base on 2004 Pump Testing

	Exist Cond.	Current DD		Long-Term DD	
Flow (gpm)	125	150	150	150	150
Static Water Level below ground surface (ft)	440	440	440	440	440
Drawdown (ft)	40	40	40	100	100
Column pipe size (inch)	3	3	4	3	4
Pump setting (feet)	660	660	660	660	660
Discharge Static Head (ft)	16	16	16	16	16
Minor and Losses through column pipe (ft)	47	64	20	64	20
TDH (ft)	543	560	516	620	576

MODEL 230S 230 GPM PERFORMANCE CURVES

FLOW RANGE: 160 -320 GPM **OUTLET SIZE: 3" NPT** **NOMINAL DIA. 6"**



SPECIFICATIONS SUBJECT TO CHANGE WITHOUT NOTICE.
4" MOTOR STANDARD, 7.5 HP/3450 RPM
6" MOTOR STANDARD, 10-60 HP/3450 RPM.
8" MOTOR STANDARD, 75 HP/3525 RPM.
* Alternate motor sizes available.

Performance conforms to ISO 9906 Annex A
@ 8 ft. min. submergence.

GRUNDFOS

Kings Ranch Well Pump Sizing Scenarios -Base on 2004 Pump Testing

	Exist Cond.	Current DD		Long-Term DD		Old pump
Flow (gpm)	125	150	150	150	150	230
Static Water Level below ground surface (ft)	440	440	440	440	440	440
Drawdown (ft)	40	40	40	100	100	250
Column pipe size (inch)	3	3	4	3	4	4
Pump setting (feet)	660	660	660	660	660	660
Discharge Static Head (ft)	16	16	16	16	16	16
Minor and Losses through column pipe (ft)	47	64	20	64	20	39
TDH (ft)	543	560	516	620	576	745

> 660!

DESCRIPTION OF PROPOSED FACILITIES FOR

THE EXPANSION OF LIBERTY'S CC&N

The proposed facilities consists of 10,353 lineal feet of 8" PVC pipe with multiple 8" valves and tees; 4,742 lineal feet of 6" PVC pipe with multiple 6" valves and tees; and 13 fire hydrants to serve 87 residential lots.

The proposed facilities also include a well, 100,000 gallon storage tank and booster as described in the KINGS RANCH SUBDIVISION WATER MASTER PLAN UPDATE by WestLand Resources dated June 4, 2012.

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 9
(Statement of Financial Condition)

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02465A

Bella Vista Water Company, Inc.
12725 W. Indian School Rd., Ste. D101
Avondale, AZ 85392

RECEIVED

MAY 14 2013

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012

FOR COMMISSION USE

ANN 04	12

5-15-13

COMPANY NAME
BELLA VISTA WATER CO., INC.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 13,313	$ 420,243
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	461,985	503,060
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies		
162	Prepayments	3,250	3,078
174	Miscellaneous Current and Accrued Assets	230,273	165,275
	TOTAL CURRENT AND ACCRUED ASSETS	**$ 708,821**	**$ 1,091,657**
	FIXED ASSETS		
101	Utility Plant in Service	$ 29,048,509	$ 28,605,152
103	Property Held for Future Use		
105	Construction Work in Progress	(1,561,083)	185,608
108	Accumulated Depreciation - Utility Plant	12,037,479	12,795,138
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	$ 15,449,948	$ 15,995,622
	TOTAL ASSETS	**$ 16,158,769**	**$ 17,087,278**

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

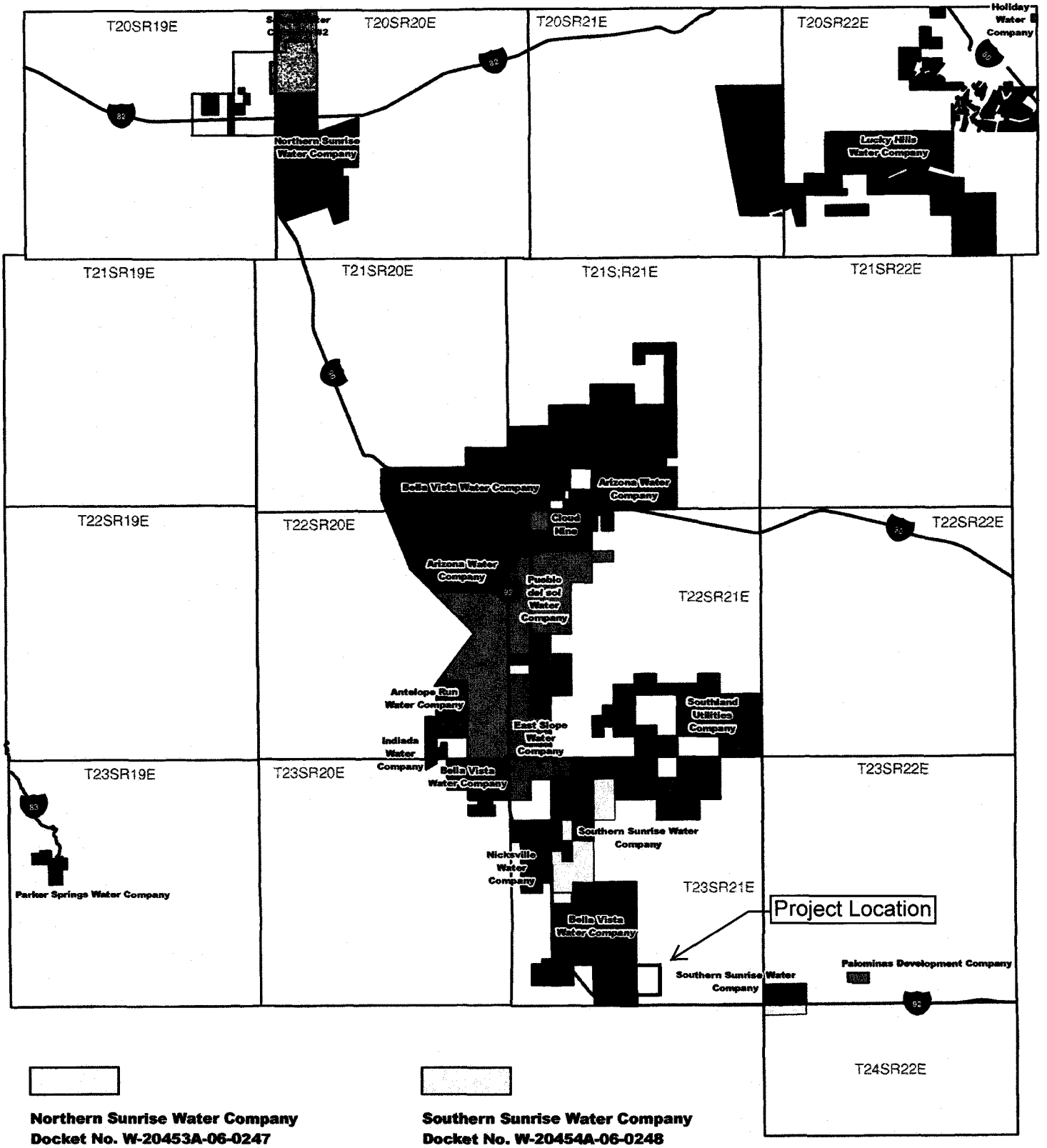
COMPANY NAME
BELLA VISTA WATER CO., INC.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$ -	$ -
232	Notes Payable (Current Portion)	125,978	131,366
234	Notes/Accounts Payable to Associated Companies	(358,648)	(1,058,251)
235	Customer Deposits	232,471	143,112
236	Accrued Taxes	96,727	39,582
237	Accrued Interest	21,643	24,229
241	Miscellaneous Current and Accrued Liabilities	34,379	71,358
	TOTAL CURRENT LIABILITIES	$ 152,551	$ (648,605)
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	1,050,118	916,052
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	8,857,722	9,433,945
255	Accumulated Deferred Investment Tax Credits	211,054	211,054
271	Contributions in Aid of Construction	546,045	927,728
272	Less: Amortization of Contributions	299,895	320,487
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	$ 9,314,925	$ 10,252,239
	TOTAL LIABILITIES	$ 10,517,594	$ 10,519,686
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 1,520,080	$ 1,520,080
211	Paid in Capital in Excess of Par Value	377,948	377,948
215	Retained Earnings	3,743,147	4,669,564
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	$ 5,641,175	$ 6,567,592
	TOTAL LIABILITIES AND CAPITAL	**$ 16,158,769**	**$ 17,087,279**

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 10
(Map of Service Area)



Northern Sunrise Water Company
Docket No. W-20453A-06-0247
Application for Extension

Southern Sunrise Water Company
Docket No. W-20454A-06-0248
Application for Extension

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 11
(Water Line Extension Agreement dated August 17, 2006)

WATER LINE EXTENSION AGREEMENT

THIS AGREEMENT, entered into this **17th** day of **August, 2006** by and between **Bella Vista Water Co., Inc** ("Utility") and **Dunafon Development, LLC** ("Developer") provides for the financing, construction and installation of certain water utility facilities in order to provide water service to certain property known as **Kinjockity Ranch Estates** ("Development").

WITNESSETH:

WHEREAS, Utility is an Arizona public service corporation authorized to provide public utility water service within a designated area of Cochise County, Arizona pursuant to its Certificate of Convenience and Necessity ("CC&N") issued by the Arizona Corporation Commission ("Commission"); and

WHEREAS, Developer owns and intends to develop certain real property in Cochise County, Arizona, which is located partially within Utility's certificated service area, said property being more particularly described in Appendix "A" attached hereto and incorporated herein by this reference ; and

WHEREAS, Utility intends to file an Application for an Extension of Certificate of Convenience and Necessity to extend its CC&N to include the entire Development within its CC&N; and

WHEREAS, under such circumstances the Commission's rules and regulations provide that Utility may require Developer to advance funds for the construction and installation of such facilities, said advance being known as an Advance-In-Aid-of-Construction; and

WHEREAS, Developer is willing to finance, design, construct and install any and all Utility Plant Additions (as defined below) Utility reasonably determines must be designed, constructed, installed and connected to Utility's water system in order to permit Utility to deliver adequate water service to the Development.

NOW; THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

I. Utility Plant Additions; Cost; Payment; Cost Revisions; Risk of Loss; Acceptance of Utility Plant Additions; Temporary Use of Utility Plant Additions.

A. Utility Plant Additions: Developer will finance, design, construct, or cause to be constructed, in accordance with applicable Utility standards, all on-site water utility plant set forth on the specific plans and engineering drawings attached hereto as Appendix "B"

or, if such plans are not attached, then in the general plans described on Appendix "B" attached hereto, which plans, as approved by the Arizona Department of Environmental Quality ("ADEQ") and Utility, are incorporated herein by reference and hereinafter referred to as the "Utility Plant Additions." Utility Plant Additions will be designed and constructed with sufficient capacity to accommodate the water service requirement of the Development, without adversely impacting water service to other customers of Utility. Upon the request of Utility, the Utility Plant Additions or any portion thereof, shall be oversized, provided Utility shall be responsible for and pay the incremental increase in costs and expenses related to the oversizing. Additionally, all of said plans and specifications shall be approved in writing by Utility before being submitted to ADEQ, or its designee, or the Commission for approval. Approval by Utility will not be unreasonably withheld or delayed. All construction required by this Agreement shall be performed in a workmanlike manner and consistent with the rules, regulations, orders and requirements of the Commission, ADEQ and any other public agency having jurisdiction thereover, including, but not limited to, traffic control, compaction, safety, pavement removal and replacement, sloping, shielding, shoring, OSHA regulations and Arizona Department of Health Services Bulletins No. 8 and No. 10 and shall avoid inconveniences, discomfort, loss, damage and injury to persons and property, including the provision of adequate dust control measures during the construction. Developer shall comply with the inspection and testing requirements of Utility and any governmental agency having jurisdiction over the construction, installation and connection of the Utility Plant Additions. Unless otherwise expressly set forth in Appendix B, all materials and equipment furnished under this Agreement will be new. The Utility Plant Additions will be of good quality, free from faults and defects and guaranteed for a period of two (2) years from the date of their acceptance by Utility. Should any portion of the Utility Plant Additions need replacement or repair within two (2) years from the date of completion due to construction methods or material failure, Developer shall replace such portion of the Utility Plant Additions at no cost to Utility. Unless otherwise mutually agreed, Developer shall secure a Performance Bond and a Labor and Material Bond. Developer shall maintain adequate insurance and provide evidence of insurance acceptable to Utility.

B. Cost. Developer shall pay all costs arising out of this Agreement, including, but not limited to, the costs of engineering, computer modeling, analysis, materials, labor, storage facilities, well development costs, well site security, surveying, transportation, equipment, known or unknown, present or future regulatory fees, special assessments, excise charges, taxes (excluding property taxes) or surcharges, necessary permits, easements, inspections, administrative overhead, approvals, testing, corrections, insurance, bonds, and legal fees, including those arising from applying for an Application for an Extension of Certificate of Convenience and Necessity to extend the CC&N to include the entire development. The cost of construction of the Utility Plant Additions is estimated to be **($2,628,456.00) Two Million Six Hundred Twenty-Eight Thousand Four Hundred and Fifty-Six Dollars and 00/100** as more fully detailed in Appendix "C", attached hereto and incorporated herein by reference.

C. Payment. The Developer will cause the Utility Plant Additions to be constructed and shall make payment therefor directly to the Developer's contractor(s), employees,

agents, applicable governmental agencies, and, as agreed herein, to Utility. Upon execution of this Agreement, Developer shall pay Utility: i) eight percent (8%) of the total estimated cost of the construction, as set forth in Section I.B above, up to a maximum of TEN THOUSAND DOLLARS ($10,000) as and for Utility's cost of administrative overhead incurred in connection with this Agreement and ii) any monetary costs set forth in Appendix "C" as payable to Utility. Cost attributable to taxes/regulatory fees as specified in Section V.B. and all other costs payable to Utility hereunder shall be due and payable within ten (10) days of Utility billing for the expense.

D. Legal Costs: Upon execution of this Agreement, Developer shall advance to Utility the sum of $7,500 for anticipated legal costs associated with the CC&N expansion effort and other regulatory or governmental approvals, and will be obligated to provide additional funds and/or deposits as necessary to satisfy any additional requirements by any and all regulatory entities. Utility shall refund any remaining portion of the advance, or shall invoice the Developer for any balance due to Utility, within 30 days following the Commission's order granting or denying the CC&N expansion. Developer shall remit payment for any balance due within 10 days of receipt of Utility's invoice.

E. Risk of Loss: All risk of loss shall be with Developer until written acceptance by Utility of the Utility Plant Additions, excepting loss caused by Utility's negligence or intentional malfeasance. Developer shall repair or cause to be repaired promptly, at no cost to Utility, all damage to the Utility Plant Additions caused by construction operations until all construction under this Agreement has been completed and accepted in writing by Utility, excepting damage caused by Utility 's negligence or intentional malfeasance.

F. Cost Revisions. Developer acknowledges the estimate set forth in Section I.B is non-binding and hereby agrees to pay the actual cost of the Utility Plant Additions. The Utility reserves the right to revise the cost estimate contained in Appendix "C".

G. Acceptance of Utility Plant Additions: No Utility Plant Additions will be deemed accepted unless accepted in writing by Utility. Developer will support all Utility Plant Additions by providing the following documentation to Utility, **prior to the commencement of service, and** not later than sixty (60) days after construction is completed:

(1) copies of all bills, invoices and other statements of expenses incurred by Developer, covering all costs of materials, equipment, supplies, construction and installation of the Utility Plant Additions **(final cost summary page may be acceptable at the Utility's discretion in lieu of copies of bills and invoices, etc.);**

(2) lien waivers and releases from contractors, subcontractors and vendors for materials, labor, equipment, supplies and construction included in Utility Plant Additions;

(3) receipts, specifying exact amounts or payments in full by Developer to all contractors, subcontractors or vendors for all materials, equipment, supplies, labor and other costs of construction of the Utility Plant Additions;

(4) "as-built" drawings, **including a copy on disk**, certified as to correctness by an engineer registered in the State of Arizona and approved by Utility, and showing the location and respective sizes of Utility Plant Additions; and

(5) all easements, bills of sale, deeds and other evidences of ownership, and/or right to operate, maintain, repair and replace the Utility Plant Additions requested by Utility.

H. Temporary Use of Utility Plant Additions: Developer irrevocably consents to Utility's use of all or any portion of the Utility Plant Additions, without cost to Utility, prior to formal acceptance thereof. Any water service provided by Utility to the Development prior to written acceptance of the Utility Plant Additions as provided herein is provided on a temporary basis only, subject to termination on ten (10) days written notice that temporary service will no longer be available until Developer meets all conditions precedent to acceptance of the Utility Plant Additions.

II. Service; Applicable Rates

A. Service. Notwithstanding any reference to fire protection facilities contained in Appendices "B" or "C" hereto, the Utility Plant Additions are being installed primarily for the purpose of providing domestic water service to the Development. However, under certain operating conditions, those facilities may provide limited fire protection service to an appropriate fire protection agency, but **NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, ARE BEING MADE BY UTILITY AS TO EITHER THE AVAILABILITY OR ADEQUACY OF FIRE PROTECTION SERVICE, AND UTILITY EXPRESSLY DISCLAIMS ANY RESPONSIBILITY OR OBLIGATION TO PROVIDE WATER AT A SPECIFIC PRESSURE OR GALLONS-PER-MINUTE FLOW RATE AT ANY FIRE STANDPIPE, OR FIRE HYDRANT, OR FOR FIRE PROTECTION SERVICE AND DEVELOPER SO UNDERSTANDS AND AGREES. IN THE EVENT FIRE PROTECTION SERVICE IS INTERRUPTED, IRREGULAR, DEFECTIVE, OR FAILS FROM CAUSES BEYOND THE UTILITY'S CONTROL OR THROUGH ORDINARY NEGLIGENCE OF ITS EMPLOYEES, SERVANTS OR AGENTS, THE UTILITY WILL NOT BE LIABLE FOR ANY INJURIES OR DAMAGES ARISING THEREFROM.**

B. Applicable Rates. It is mutually understood and agreed that the charges for water service to said Development shall be at the applicable rates of Utility, which are currently on file with the Commission. Those rates are subject to change from time to time upon application of utility and as approved by the Commission.

III. Permits and Licenses; Easements; Title

A. Permits and Licenses. Developer agrees to obtain all licenses and permits from public authorities, which may be required for the construction of facilities under this Agreement.

B. Easements. Prior to commencement of service, Developer will obtain and convey to Utility, perpetual easements necessary for the operation and maintenance of water lines, mains and appurtenant facilities, in the name of Utility, and in a form acceptable to Utility similar to that set forth in Appendix D.

C. Title. All materials installed, facilities constructed and equipment provided in connection with construction of facilities under this Agreement and the completed facilities as installed shall become the sole property of Utility when installed and accepted by Utility, and full legal and equitable title thereto shall be then vested in Utility, free and clear of any liens, without the requirement of any written document of transfer to Utility or acceptance by Utility. Developer agrees to execute or cause to be executed promptly such documents as Counsel for Utility may request to evidence good and merchantable title to said facilities free and clear of all liens.

IV. Commencement of Performance and Time of Completion

Commencement of Performance and Time of Completion. It is estimated that Developer shall start the work to be performed under this Agreement in **September, 2006** and complete the work to be performed under this Agreement not later than **May, 2007.** It is mutually understood and agreed that these commencement and completion dates are estimates only and no liability shall arise from failure to complete the facilities in accordance with said estimated dates.

V. Amount of Advance; Refund; Transfer

A. Amount of Advance. Based on the estimated costs contained in Section I.B., Utility's cost of administrative overhead **contained in Section I.C.,** and estimated legal fees contained in Section I.D., the advance by the Developer shall be a total of **$2,645,956** in value of plant being installed ("Advance"). Of the Advance, $ **-0-** shall be a non-refundable contribution with the balance refundable pursuant to this Section V. If the actual construction cost is revised pursuant to Section I.F, or Section 1.G, or if the legal costs exceeds the $7,500 deposit referenced in Section I.D, the Advance, including the tax impact, shall be adjusted accordingly.

B. Taxes/Regulatory Fees. Developer shall be responsible for and pay any and all regulatory fees, special assessments, excise charges, taxes (excluding property taxes) or surcharges arising directly or indirectly from this Agreement or any undertaking required hereby that is or may in the future be imposed upon Developer and/or Utility by any governmental

entity. In the event that it is determined by Utility, the Internal Revenue Service, the Arizona Department of Revenue or any other governmental entity having authority to impose such fees, assessments, excise charges, taxes or surcharges that there is an additional amount due and owing to the construction or construction costs advanced by Developer, said additional costs shall be billed to Developer and shall be due and payable within ten (10) days. Unless otherwise permitted by Utility's tariffs or by rule, regulation or Order of the Commission, Utility, when making refunds pursuant to this Section V, will also refund a pro rata portion of the estimated income taxes actually paid to Utility; said refund to be computed at the same percentage used to calculate the estimated income tax in the first instance.

C. Computation of Refund. Refunds of the Advance hereunder shall be made by Utility on or before the 31st day of August of each year commencing with August of **2007** covering any refunds arising from water revenues received during the preceding July 1 to June 30 period to which Utility's refund obligation applied, as provided in Section V.D. below. Any additional charge made by Utility based on any sales, privilege tax, excise tax, or regulatory assessment, shall not be included in the computation. The annual refund shall equal ten percent (10%) of the total gross annual revenue from water sales to each bona fide customer in the Development for a period of twenty (20) years. The Advance shall be refunded to the maximum amount allowed as more fully set forth in Section V.D. herein ("Maximum Refund"). Solely at the option of the Utility, the refund period may be continued on a year-by-year basis until reimbursement of the Maximum Refund has been accomplished. Additionally, and solely at the option of the Utility, Utility may make additional payment(s) of any amount of annual refund up to half the Maximum Refund provided that the Development has reached half its capacity (141) out of an approximate 281 customer water connections, and up to the Maximum Refund provided that the Development has reached its capacity, which is approximately 281 customer water connections. Any refund amount that is not deliverable at the last address provided to Utility by Developer or any refund check not cashed within twelve months after being sent by regular mail to such address may, at Utility's option, be deemed a contribution-in-aid-of-construction and no longer subject to refund.

D. Maximum Refund; Interest on Advance; Limitation on Revenues. The cumulative refunds to Developer under this Agreement shall in no event exceed the amount of the Advance, as adjusted per Section V.A, less accumulated depreciation (calculated using Commission approved depreciation rates) as of the date of computation noted in Section V. C. above. No interest shall be paid by Utility on any amounts advanced. Utility shall make no refunds from any revenue received from properties other than those located within the area identified in Appendix "A".

E. Transfer of Utility Plant Additions. In the event of the sale, conveyance or transfer by Utility, pursuant to the approval of the Commission, of any portion of its water system, including the facilities serving the Development and installed pursuant to the terms of this Agreement, Utility's obligation under Section V.C. hereto shall cease (except as to any payment which is then due) conditioned upon the transferee assuming, and agreeing to pay

Developer, any sums becoming payable to Developer thereafter in accordance with the provisions of Section V.C. of this Agreement.

F. Utility's Right of First Refusal. Before selling or transferring the refund obligation of Utility under this Agreement, Developer shall first give Utility, or its assigns, reasonable opportunity to purchase the same at the same price and upon the same terms as contained in any bona fide offer which Developer has received from any third person or persons which he may desire to accept.

VI. Notice

Except as otherwise required by law, any notice required or permitted under this Agreement must be in writing and must be given by either: (i) personal delivery; (ii) United States certified mail, return receipt requested, with all postage prepaid and properly addressed; (iii) any reputable, private overnight delivery service with delivery charges prepaid and proof of receipt; or (iv) by facsimile machine or telecopier. Notice sent by any of the foregoing methods must be addressed or sent to the party to whom notice is to be given, as the case may be, at the addresses or telecopy numbers set forth below:

Developer: **Dunafon Development LLC**
6245 N. Sabino Shadow Lane
Tucson, AZ 85750
Phone: 520.979.1368
Fax: 520.232.9361
Attn: Darrell Dunafon

Company: **Bella Vista Water Company, Inc.**
4055 Campus Drive
Sierra Vista, AZ 85635
Phone: 520.458.5470
Fax: 520.459.6680
Attn: Carol Allen

Any party may change its address or telecopy number for purposes of delivery and receipt of notices by advising the other parties in writing of the change. Notice provided by the methods described above will be deemed to be received: (i) on the day of delivery, if personally delivered; (ii) on the date which is three (3) days after deposit in the United States mail, if given by certified mail; (iii) on the next regular business day after deposit with an express delivery service for overnight, "same day", or "next day" delivery service; or (iv) on the date of transmittal, if given on a regular business day and during regular business hours by facsimile machine or telecopy. No notice will be effective unless provided by one of the methods described above.

VII. Miscellaneous.

Before this Agreement shall become effective and binding upon either Utility or Developer, it must be approved by the Commission or its authorized representative. In the event that it is not so approved this Agreement shall be null and void and of no force or effect whatsoever.

This Agreement may not be modified or amended except in writing signed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

Developer shall indemnify and hold harmless Utility, its officers, directors, members, agents and employees from and against claims or expenses, including penalties and assessments and attorney's fees to which they or any of them may be subjected by reason of injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence of Developer, its agents, servants, employees, contractors or subcontractors in the execution of Developer's obligations under this Agreement or in connection therewith. In case any suit or other proceeding shall be brought on account thereof, Developer will assume the defense at Developer's own expense and will pay all judgments rendered therein. The provisions of this Paragraph shall survive termination of this Agreement.

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and expressly supersedes and revokes all other prior or contemporaneous promises, representations and assurances of any nature whatsoever with respect to the subject matter hereof. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damage claimed or portion of the amount payable under this Agreement, then all litigation and collection expenses, witness fees, court costs, and attorneys fees shall be paid to the prevailing party. Nothing herein shall preclude non-binding arbitration if the parties so elect in the event of a dispute hereunder. The remedies provided in this Agreement in favor of Utility shall not be deemed its exclusive remedies but shall be in addition to all other remedies available at law or in equity.

No waiver by Utility of any breach by Developer of any provision of this Agreement nor any failure by Utility to insist on strict performance by Developer of any provision of this Agreement shall in any way be construed to be a waiver of any future or subsequent breach by Developer or bar the right of Utility to insist on strict performance by Developer of the provisions of this Agreement in the future. Developer is an independent contractor and not an agent or employee of Utility. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Bella Vista Water Co., Inc. ("Utility")
4055 Campus Drive
Sierra Vista, AZ 85635

By _____

Title Manager

Dunafon Development LLC ("Developer")
6245 N. Sabino Shadow Lane
Tucson, AZ 85750

By _____

Its: Partner

APPROVED

FEB 22 2009

ACC DIRECTOR
UTILITIES DIVISION

APPENDIX A

LEGAL DESCRIPTION OF DEVELOPMENT

Kinjockity Ranch Estates

Water distribution lines constructed to serve 281 residential lots located in all of Section 33 that is bordered to the North by Hwy 92, and the Northwest Quarter of Section 34 and the Northern half of the Southwest Quarter of Section 34, Township 23 South, Range 21 East of the Gila and Salt River Meridian, Cochise County, Arizona.

APPENDIX B

PLANS OR
DESCRIPTION OF UTILITY PLANT ADDITIONS

Kinjockity Ranch Estates – Plans attached

APPENIX C

ESTIMATED COST OF UTILITY PLANT ADDITIONS

Kinjockity Ranch Estates

WATER DISTRIBUTION SYSTEM

Item #	Description	Quantity	Measure	Unit Price	Total Cost
1	8" PVC	41,450	LF	$28.50	$1,181,325
2	6" PVC	15,317	LF	$20.50	$313,999
3	8" DIP	3,020	LF	$35.00	$105,700
4	6" DIP	538	LF	$31.00	$16,678
5	8" Valves & Fittings	Multiple			$149,100
6	6" Valves & Fittings	Multiple			$66,250
7	Fire Hydrants	15	ea	$3,000.00	$45,000
8	1" Single Services	55	ea	$396.67	$21,817
9	1" Double Services	113	ea	$596.67	$67,424
10	8" Pressure Reducing Valve	4	ea	$750.00	$3,000
11	5000 Gal Hydropneumatic Tank	1	ea	$23,000.00	$23,000
12	101,376 Gallon Storage Tank	1	ea	$95,000.00	$95,000
13	Concrete Slab - 101,376 gal tank	55	yards	$500.00	$27,500
14	429,177 Gallon Storage Tank	1	ea	$250,000.00	$250,000
15	Concrete Slab - 429,177 gal tank	105	yards	$500.00	$52,500
16	Well Pump	1	ea	$10,222.00	$10,222
17	Main Pump	1	ea	$4,459.00	$4,459
18	Hydro Pump	1	ea	$3,333.00	$3,333
19	Chlorinator	1	ea	$15,500.00	$15,500
20	Misc Well Head Piping	1	ea	$5,000.00	$5,000
21	6" Gate Valve	29	ea	$850.00	$24,650
22	8" Gate Valve	50	ea	$950.00	$47,500
23	Valve Box with Steel Lid	79	ea	$500.00	$39,500
24	Masonry Security Fencing w/ gates	2	ea	$25,000.00	$50,000
25	Allen Bradley Controls	1	lot	$10,000.00	$10,000
26				SUB-TOTAL #1	$2,628,456
27	Computer Modeling - Design Report				
28				SUB-TOTAL #2	$2,628,456
29	8% (of sub-total #1) Inspection Fee (No more than $10,000)				$10,000
30	Legal Fee Deposit, CC&N Extension				$7,500
31				TOTAL	$2,645,956

APPENDIX D

FORM OF EASEMENT

APR 0 5 2013

FIRST AMENDMENT

TO

WATER LINE EXTENSION AGREEMENT

BETWEEN

BELLA VISTA WATER COMPANY, INC. (dba LIBERTY UTILITIES)

AND

K RANCH LLC

This First Amendment to the Water Line Extension Agreement ("First Amendment") is made this 14 day of May, 2013, by and between BELLA VISTA WATER COMPANY, INC. dba Liberty Utilities ("Liberty Utilities" or "Utility"), an Arizona corporation, its successors-in-interest and assigns, and K RANCH LLC ("K-Ranch" or "Developer"), an Arizona limited liability company, its successors-in-interest and assigns.

RECITALS

WHEREAS, Liberty Utilities and Dunafon Development, LLC entered into a Water Line Extension Agreement ("LXA") on August 17, 2006 for the extension of water utility service to certain real property located in Cochise County, Arizona; and

WHEREAS, K-Ranch, as the successor-in-interest to Dunafon Development, LLC, has been recognized by Liberty Utilities as an assignee under the LXA, subject to all the rights and responsibilities of its predecessor, Dunafon Development, LLC; and

WHEREAS, Liberty Utilities and K-Ranch desire to amend the LXA to update its terms to more accurately reflect current conditions so that K-Ranch can finalize its development plans and begin to receive water utility service from Liberty Utilities; and

WHEREAS, K-Ranch has recently amended the Kings Ranch subdivision ("Development") lot count for the development from 281 lots to 303 lots of which lot numbers six (6) and one hundred ten (110) are designated for commercial use. These commercial use lots have been factored into the updated Master Water Report and are included as part of this LXA. In addition lot numbers thirty two (32), thirty three (33) and two hundred six (206) are classified as storm water recharge basin lots and will not have homes and/or structures constructed on them; therefore water service will not be provided. If a change in classification occurs in the future, these three lots (32, 33, 206) will be required to enter into a separate agreement for water service; and

Initials

WHEREAS, pursuant to this First Amendment, K-Ranch has agreed to provide Liberty Utilities sufficient storage and a potable well that has sufficient pumping capacity to serve its entire Development at build-out. Pursuant to the pumping calculations set forth in the water master plan update (dated June 4, 2012) prepared for K-Ranch, this potable well in its then operating condition did not provide enough water to meet the Development's demands at full build-out. Subsequently, K-Ranch has improved this potable well and had it validated per Liberty Utilities requirements. This potable well currently meets the demands of the Development at full build-out; and

WHEREAS, K-Ranch has been informed by Liberty Utilities that the Utility cannot serve any lot outside of the Utility's current CC&N boundary, and agrees that there will be no home or any other structure built that would require a water service connection constructed on a lot that is currently outside the Utility's current CC&N boundary, until the ACC approves the necessary CC&N expansion request; and

WHEREAS, The Parties hereby agree to the incorporation of the Recitals set forth above as part of the terms and conditions of this First Amendment to the Agreement.

NOW, THEREFORE in consideration of the mutual covenants herein contained, the sufficiency and adequacy of which is hereby acknowledged, the Parties agree to the following:

AGREEMENT

1. Appendix "A" to the Agreement is hereby deleted in its entirety and replaced with a new Appendix "A," attached hereto and incorporated by reference. The two legal descriptions, which are in metes and bounds, depict that portion of the Kings Ranch at Coronado subdivision ("Development") currently inside Utility's CC&N, and that portion of the Development that will be subject to an Application for Extension of CC&N filed with the Commission.

2. Section I.A is deleted in its entirety and hereby replaced as follows:

A. Utility Plant Additions. Developer has financed, designed, and constructed, in accordance with applicable Utility standards, all on-site water utility plant set forth on the specific plans and engineering drawings attached hereto as Appendix "B", which plans, as approved by the Arizona Department of Environmental Quality ("ADEQ') and Utility, are incorporated herein by reference and hereinafter referred to as the "Utility Plant Additions." Appendix "B" shall delineate between Utility Plant Additions constructed inside Utility's CC&N boundary, and Utility Plant Additions constructed outside Utility's CC&N, as well as segregating the associated costs of the Well Site and Reservoir & Booster Station Site. Utility Plant Additions will be designed and constructed with sufficient capacity to accommodate the water service requirements of the entire Development. Developer has provided Utility with a Master Water Report, dated June 4, 2012, to outline the necessary well, booster and storage capacity to serve the entire Development at build-out. In the event it is determined within the applicable

Initials

warranty period that there is not enough capacity, Developer shall be responsible to advance funds Utility, or alternatively construct the necessary plant, in order to ensure sufficient capacity to serve. All construction shall have been performed in a workmanlike manner and consistent with the rules, regulations, orders and requirements of the Commission, ADEQ and any other public agency having jurisdiction thereover, including, but not limited to, traffic control, compaction, safety, pavement removal and replacement, sloping, shielding, shoring OSHA regulations and Arizona Department of Health Services Bulletins No. 8 and No. 10 and shall avoid inconveniences, discomfort, loss, damage and injury to person and property, including the provision of adequate dust control measures during construction. The Utility Plant Additions will be of good quality, free from faults and defects and guaranteed by K-Ranch for a period of two (2) years from the date of their Final Acceptance (see paragraph 5 below) by Utility. All other Utility Plant Additions shall also be of good quality, free from faults and defects and guaranteed by K-Ranch for a period of two (2) years from the date of their individual Final Acceptance which Final Acceptance shall occur per paragraph 5 below which states the Final Acceptance criteria to be restated in paragraph I.G of the Agreement. Should any portion of the Utility Plant Additions need replacement or repair within two (2) years from the date of Final Acceptance due to construction methods or material failure, Developer shall replace such portion at no cost to Utility. Developer shall maintain adequate insurance and provide evidence of same acceptable to Utility. The Developer agrees that any contractor working on utility owned infrastructure shall be licensed, bonded and adequately insured and meet utility insurance requirements and qualifications prior to actually working on utility owned infrastructure.

New source testing shall be required for all wells, at Developer's costs, that are included in the Master Water Report. Test results shall be provided to Utility within 5 days after completion.

For areas of the Development that will not have paved completed streets at the time of Final Acceptance, Developer is responsible to raise and collar all valve cans to paved street grade at the time of pavement construction. In addition, if any existing Utility infrastructure requires modification due to final paving, Developer is responsible to pay for all required modifications. The Developer shall present to Utility new construction plans for Utility's approval prior to commencing any modification. All modifications to facilities shall conform to Utility's current standards and specifications, and shall also conform to any and all governing agency regulations. All modifications to the Well Site and Reservoir & Booster Station Site shall carry a two (2) year warranty by Developer which starts at project modification completion. All other modifications to Utility's facilities shall carry a two-year warranty by Developer, which starts at Final Acceptance. The Developer agrees that any contractor working on utility owned infrastructure shall be licensed, bonded and adequately insured and meet utility insurance requirements and qualifications prior to actually working on utility owned infrastructure.

Initials

3. Section I.B is hereby deleted in its entirety and replaced as follows:

B. Cost. Developer shall pay all costs arising out of this Agreement, including but not limited to, the costs of engineering, computer modeling, analysis, materials, labor, storage facilities, well development costs, well site security, surveying, transportation, equipment, known or unknown, present or future regulatory fees, special assessments, excise charges, taxes (excluding property taxes) or surcharges, necessary permits, easements, inspections, administrative overhead, approvals, testing, corrections, insurance, bonds, and legal fees, including those arising from applying for an Application for Extension of Certificate of Convenience and Necessity to include the entire Development. The estimated cost of construction of the Utility Plant Additions is **$3,033,986.48**, as more fully detailed in Appendix "C", attached hereto and incorporated by reference. Appendix "C" shall delineate the costs for Utility Plant Additions within the CC&N, and costs for Utility Plant Additions outside the CC&N, as well as segregating the associated costs of the Well Site and Reservoir & Booster Station Site.

4. Section I.D is hereby deleted in its entirety and replaced as follows:

D. Administrative and Legal Costs. Upon execution of the First Amendment, Developer shall advance to Utility the sum of **$7,500** for administrative costs. Developer shall also advance to Utility, upon execution of the First Amendment; **$7,500** for legal costs associated with the CC&N expansion effort and other regulatory or government approvals, and will be obligated to provide additional funds and/or deposits as necessary to satisfy any additional requirements by any and all regulatory entities, including expansion efforts at the Commission. Once the CC&N application process is underway, Utility shall provide Developer a monthly accounting of legal costs associated with the CC&N expansion, and shall invoice Developer once the initial $7,500 deposit has a remaining balance of $2,500 or less. It is agreed to that the Utility shall never be in a negative account balance position. All unused CC&N expansion funds shall be returned to Developer after the Commission approves the expansion request and all items required by the Commission are completed. In the event Developer does not pay an invoice for costs related to the CC&N expansion within fifteen (15) days after receipt, Utility may cease moving forward with obtaining approval of the expansion from the Commission, and may withdraw its application. All costs advanced by Developer to Utility under this paragraph shall be made part of the refundable Advance set forth in Section V.A.

5. Section I.G is hereby deleted in its entirety and replaced as follows:

G. Acceptance of Utility Plant Additions. No Utility Plant Additions will be deemed accepted unless accepted in writing by Utility. "Operational Acceptance" by the Utility shall occur at the time the Developer has provided all of the following items to the Utility as required by this Agreement: (i) all fees, costs, and funds required under this Agreement; (ii) the Approval to Construct the Facilities; and (iii) recorded copies of all required Deeds and Easements. The Utility shall assume operational responsibilities for the Facilities only after receipt of the above. "Final Acceptance" of the Utility Plant Additions for the well site, reservoirs, booster sites and other utility

Initials

infrastructure in areas that are currently included within utility's CC&N area and certain agreed upon utility infrastructure located outside the utility's current CC&N more specifically known as the eastern well, reservoir and booster station site, shall occur only after the Utility receives all of the following as otherwise required by this Agreement, unless mutually agreed otherwise: (i) all items required for Operational Acceptance; (ii) approved Final Inspection by Utility, including all punch list items; (iii) all invoices; (iv) all lien waivers; (v) copies of all permits and licenses; (vi) all required evidences of title, including a Bill of Sale; (vii) the "as-built" plans; and (viii) AutoCAD digital file of the approved construction drawings; (ix) address list for all lots included in the development (if available), list of lot numbers and list of property tax parcel numbers (if available from the County Assessor). For infrastructure to be transferred over to utility that is currently located outside the utility's current CC&N (not including the eastern site which contains a well, reservoir and booster), Final Acceptance shall occur after all prior stated items (i through ix) are completed; and (x) Commission approval of an Application for Extension of Utility's CC&N to include those portions of the Development currently outside the CC&N.

In the event K-Ranch is unable to supply Utility all of the required invoices, a final cost breakdown, stamped and signed by an Arizona certified Engineer will be accepted; however, in the event that during any future rate cases for Utility the ACC deems the cost breakdown insufficient and requires Utility to remove it from its books, all Advance in Aid of Construction refunds due under this Agreement will immediately cease.

6. The following paragraph is hereby added as Section I.I:

I. <u>Well Site.</u>

(1) Before Final Acceptance from the Utility, K-Ranch shall make any and all necessary upgrades, repairs, and/or replacements to the existing eastern well site (including pump and appurtenances) so it will be designed and constructed to supply sufficient capacity to accommodate the water service requirements of the entire Development at build-out as well as being in good operating condition as required by Utility. Pursuant to the Westland Resources Water Master Plan Update dated June 4th, 2012, the new well pump will be required to provide a minimum of 162 gpm to provide sufficient capacity for the entire Development.

(2) The new upgrades to the existing eastern well site (including pump and appurtenances) shall be constructed, tested, and inspected to the satisfaction of the Utility and any governing agency as outlined in Section 2.A. This shall include, but not be limited to, conformance with the Utility's requirements, specifications, pump testing, chlorination testing, and bacteriological testing. All testing results must be sent to the Utility for review and approval.

(3) At such time that any well is upgraded to the necessary pumping capacity, it shall carry a two (2) year warranty by Developer starting at the time of

Initials

Utility's Final Acceptance of this upgrade. K-Ranch is required to make all necessary upgrades to the existing well site, prior to any water meter being released, to ensure that it has sufficient capacity for the entire Development at build out. After all necessary improvements are completed; K-Ranch shall be responsible to have the well site retested to the satisfaction of Liberty Utilities.

(4) To protect Utility in the event of a sudden well site failure within the two year warranty period that cannot be immediately addressed by Developer in a satisfactory manner approved by Utility, the Utility and Developer agree that the following will be done; Developer warrants that it shall pay Liberty Utilities for all funds necessary to repair and/or replace necessary items to restore the well site to the same operating condition that it was in prior to the failure or to serve the existing connections by other means on a temporary basis not to exceed three (3) weeks in length (unless otherwise agreed to in writing by Utility) in a expeditiously manner in the event the well site suddenly fails or decreases in pumping capacity to a level that it may not be able to serve the existing customer base. In an emergency situation as determined by Utility, Developer warrants that it will pay Utility its requested amount within five (5) business days from written notification by Utility. In the event Developer fails to reimburse Utility for payment of requested costs, the Developer acknowledges that Utility can stop accepting any additional homes from receiving utility service from that point in time. In addition Developer further agrees that Liberty Utilities has a right to place a lien on Developer's project known as Kings Ranch to aid in its collection its associated funds necessary to make Liberty Utilities whole. Developer agrees that Liberty Utilities is entitled to receive all legal costs, filing costs, costs to collect including a carrying cost of unpaid funds that equal ten percent (10%) annually, interest carry from the first day payment was due.

7. The following paragraph is hereby added as Section III.D

D. Adequate Water Supply. Developer shall obtain from the Arizona Department of Water Resources a Certificate of Adequate Water Supply (CAWS) for the Development.

8. Section IV is hereby deleted in its entirety and replaced as follows:

The Development received its Approval to Construct from the Arizona Department of Environmental Quality on June 27, 2006. The majority of the infrastructure was initially constructed under the guidance of Dunafon Development, LLC which was mainly completed in 2007.

9. Section V.A is hereby deleted in its entirety and replaced as follows:

A. Amount of Advance. Based on the costs contained in Section I.B, and Utility's estimated costs of administrative overhead and estimated legal fees contained in Section I.D, the estimated advance by the Developer shall be a total of **$3,048,986.48** in value of plant being installed ("Advance").

Initials

10. The following numbers in Section V.C shall be deleted and replaced as follows:

"2007" shall be changed to "2013"
"141" shall be changed to "152"
"281" customers shall be "300" (303 platted lots, less 3 storm water recharge basin use lots)

11. Section VI shall be amended as follows:

Developer: K Ranch, LLC
1601 Paseo San Luis, Suite 202
Sierra Vista, AZ 85635
Attn: Karol George

Utility: Bella Vista Water Company
dba Liberty Utilities
Attn: Development Services
12725 W. Indian School Rd, Suite D-101
Avondale, AZ 85392

12. The following paragraph is hereby added as a new Section VIII - CC&N Extension.

Utility will submit an application to the Commission to extend Utility's current CC&N to include that portion of the Development currently outside the CC&N, provided that Developer has given Utility all documents and information required. Such information will include, but is not limited to, the Master Water Report, costs of facilities within the proposed expansion area, approvals to construct and approvals of construction, and CAWS. Developer shall be responsible for all costs associated with the CC&N extension, including but not limited to all legal costs for processing the application at the Commission. Utility shall provide Developer at least thirty days (30) days notice prior to filing a CC&N extension application with the Commission.

Each party represents that it is a sophisticated commercial party capable of understanding all of the terms of this First Amendment, that it has had an opportunity to review this First Amendment with its counsel, and that it executes this First Amendment with full knowledge of the terms of the First Amendment.

END OF FIRST AMENDMENT

Initials

IN WITNESS WHEREOF, the Parties have executed this First Amendment.

Bella Vista Water Company, Inc. dba Liberty Utilities
an Arizona public service corporation

By: Gregory S. Sorensen
Title: VP and General Manager

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 15th day of May, 2013 by Gregory S Sorensen, VP General Manager of Bella Vista Water Company dba Liberty Utilities, an Arizona corporation, on behalf of the corporation.

Nancy Kinnaman
Name

Notary Public
Title

NANCY KINNAMAN
Notary Public - Arizona
Maricopa County
My Comm. Expires Sep 22, 2016

My Commission expires: 9-22-2016

Initials SC

K Ranch LLC
an Arizona limited liability company

By: Karol George
Manager

STATE OF ARIZONA)
) ss.
County of Cochise)

The foregoing instrument was acknowledged before me this 9TH. day of April, 2013 by Karol George, Manager of K Ranch, LLC, an Arizona limited liability company, on behalf of the company.

Blanca A. Hightower
Name

OFFICE MANAGER
Title

Notary Public State of Arizona
Cochise County
Blanca A Hightower
My Commission Expires
05/29/2013

My Commission expires: 05/29/2013

Initials

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 12
(Water Use Data Sheet)

COMPANY NAME: Bella Vista Water Co., Inc.	
Name of System: Bella Vista South System	ADEQ Public Water System Number: 02007

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED	GALLONS PURCHASED
JUNE '12	9,170	116,590,080	119,427,487	
JULY '12	9,198	107,555,841	98,670,450	
AUGUST '12	9,206	84,607,630	95,590,370	
SEPTEMBER '12	9,209	86,873,636	86,615,780	
OCTOBER '12	9,200	81,611,704	95,524,160	
NOVEMBER '12	9,204	84,376,537	79,979,990	
DECEMBER '12	9,208	74,197,263	72,471,340	
JANUARY '13	9,216	65,930,536	76,665,670	
FEBRUARY '13	9,220	66,307,664	63,578,950	
MARCH '13	9,224	60,151,821	82,296,980	
APRIL '13	9,225	80,853,607	96,072,255	
MAY '13	9,228	92,643,047	113,712,276	
	TOTALS →	1,001,699,366	1,080,605,708	

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 13
(Cumulative Plant Cost Projections.)

Kings Ranch at Coronado Subdivision
Plant
Projected Years

Exhibit
Schedule 1a
Page 1

Line No.	Account	Description	AIAC Spread	Depreciation Rate	Year 1 Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation	Balance	A/D Balance
5	301	Organization		0.00%	$ -		$ -	$ -	$ -	$ -	$ -
6	302	Franchises		0.00%			-	-	-	-	-
7	303	Land and Land Rights		0.00%			-	-	-	-	-
8	304	Structures and Improvements		3.33%	13,300	484	13,784	13,784	230	13,784	230
9	305	Collecting and Impounding Rese		2.50%		-	-	-	-	-	-
10	306	Lake, River and Other Intakes		2.50%		-	-	-	-	-	-
11	307	Wells and Springs		3.33%		-	-	-	-	-	-
12	308	Infiltration Galleries and Tun		6.67%		-	-	-	-	-	-
13	309	Supply Mains		2.00%		-	-	-	-	-	-
14	310	Power Generation Equipment		5.00%		-	-	-	-	-	-
15	311	Pumping Equipment		12.50%	46,479	1,692	48,171	48,171	3,011	48,171	3,011
16	320	Water Treatment Equipment		3.33%		-	-	-	-	-	-
17	330	Distribution Reservoirs and St		2.22%	26,970	982	27,952	27,952	310	27,952	310
18	331	Transmission and Distribution		2.00%		-	-	-	-	-	-
19	331	Transmission and Distribution (AIAC)		2.00%	421,674	15,349	437,022	437,022	4,370	437,022	4,370
20	333	Services (AIAC)		3.33%		-	-	-	-	-	-
21	334	Meters and Meter Installations (AIAC)		8.33%	28,710	1,045	29,755	29,755	1,239	29,755	1,239
22	335	Hydrants		2.00%		-	-	-	-	-	-
23	335	Hydrants (AIAC 50%)		2.00%	40,716	1,482	42,198	42,198	422	42,198	422
24	336	Backflow Prevention Devices		6.67%		-	-	-	-	-	-
25	339	Other Plant and Miscellaneous		6.67%		-	-	-	-	-	-
26	340	Office Furniture and Equipment		6.67%		-	-	-	-	-	-
27	341	Transportation Equipment		20.00%		-	-	-	-	-	-
28	342	Stores Equipment		4.00%		-	-	-	-	-	-
29	343	Tools, Shop and Garage Equipme		5.00%		-	-	-	-	-	-
30	344	Laboratory Equipment		10.00%		-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%		-	-	-	-	-	-
32	346	Communication Equipment		10.00%		-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%		-	-	-	-	-	-
34	348	Other Tangible Plant		10.00%		-	-	-	-	-	-
35							-	-	-	-	-
36							-	-	-	-	-
39		Totals			$ 577,848	$ 21,034	$ 598,882	$ 598,882	$ 9,582	$ 598,882	$ 9,582
41		Composite Rate with 1/2 yr convention							1.60%		
42		CIAC							$ 16,000		
43		Amortization							$ 256		
44		Depreciation net of Amortization							$ 9,326		
46		Licenses, Taxes, Permits	0%			$ 21,034					
47		Engineering and Contingency	0%			-					
48		Total				$ 21,034					

Kings Ranch at Coronado Subdivision
Plant
Projected Years

Exhibit
Schedule 1a
Page 2
Witness: Bourassa

Line No.	Account	Description	AIAC Spread	Depreciation Rate	Year 2 Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation	Balance	A/D Balance
5	301	Organization		0.00%			$ -	$ -	$ -	$ -	$ -
6	302	Franchises		0.00%			-	-	-	-	-
7	303	Land and Land Rights		0.00%			-	-	-	-	-
8	304	Structures and Improvements		3.33%		-	-	-	459	13,784	689
9	305	Collecting and Impounding Rese		2.50%		-	-	-	-	-	-
10	306	Lake, River and Other Intakes		2.50%		-	-	-	-	-	-
11	307	Wells and Springs		3.33%		-	-	-	-	-	-
12	308	Infiltration Galleries and Tun		6.67%		-	-	-	-	-	-
13	309	Supply Mains		2.00%		-	-	-	-	-	-
14	310	Power Generation Equipment		5.00%		-	-	-	-	-	-
15	311	Pumping Equipment		12.50%		-	-	-	6,021	48,171	9,032
16	320	Water Treatment Equipment		3.33%		-	-	-	-	-	-
17	330	Distribution Reservoirs and St		2.22%		-	-	-	621	27,952	931
18	331	Transmission and Distribution		2.00%	-	-	-	-	-	-	-
19	331	Transmission and Distribution (AIAC)		2.00%		-	-	-	8,740	437,022	13,111
20	333	Services (AIAC)		3.33%		-	-	-	-	-	-
21	334	Meters and Meter Installations (AIAC)		8.33%	-	-	-	-	2,479	29,755	3,718
22	335	Hydrants		2.00%		-	-	-	-	-	-
23	335	Hydrants (AIAC 50%)		2.00%		-	-	-	844	42,198	1,266
24	336	Backflow Prevention Devices		6.67%		-	-	-	-	-	-
25	339	Other Plant and Miscellaneous		6.67%		-	-	-	-	-	-
26	340	Office Furniture and Equipment		6.67%		-	-	-	-	-	-
27	341	Transportation Equipment		20.00%		-	-	-	-	-	-
28	342	Stores Equipment		4.00%		-	-	-	-	-	-
29	343	Tools, Shop and Garage Equipme		5.00%		-	-	-	-	-	-
30	344	Laboratory Equipment		10.00%		-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%		-	-	-	-	-	-
32	346	Communication Equipment		10.00%		-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%		-	-	-	-	-	-
34	348	Other Tangible Plant		10.00%		-	-	-	-	-	-
35							-	-	-	-	-
39		Totals			$ -	$ -	$ -	$ -	$ 19,164	$ 598,882	$ 28,746

Line No.		
41	Composite Rate with 1/2 yr convention	3.20%
42	CIAC	$ 48,000
43	Amortization	$ 1,536
44	Depreciation net of Amortization	$ 17,628

Line No.			
46	Licenses, Taxes, Permits	0%	$ -
47	Engineering and Contingency	0%	-
48	Total		$ -

Kings Ranch at Coronado Subdivision
Plant
Projected Years

Exhibit
Schedule 1a
Page 3

Line No.	Account	Description	AIAC Spread	Depreciation Rate	Year 3 Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation	Balance	A/D Balance
5	301	Organization		0.00%			$ -	$ -	$ -	$ -	$ -
6	302	Franchises		0.00%			-	-	-	-	-
7	303	Land and Land Rights		0.00%			-	-	-	-	-
8	304	Structures and Improvements		3.33%		-	-	-	459	13,784	1,148
9	305	Collecting and Impounding Rese		2.50%		-	-	-	-	-	-
10	306	Lake, River and Other Intakes		2.50%		-	-	-	-	-	-
11	307	Wells and Springs		3.33%		-	-	-	-	-	-
12	308	Infiltration Galleries and Tun		6.67%		-	-	-	-	-	-
13	309	Supply Mains		2.00%		-	-	-	-	-	-
14	310	Power Generation Equipment		5.00%		-	-	-	-	-	-
15	311	Pumping Equipment		12.50%		-	-	-	6,021	48,171	15,053
16	320	Water Treatment Equipment		3.33%		-	-	-	-	-	-
17	330	Distribution Reservoirs and St		2.22%		-	-	-	621	27,952	1,551
18	331	Transmission and Distribution		2.00%	-	-	-	-	-	-	-
19	331	*Transmission and Distribution* (AIAC)		2.00%	-	-	-	-	8,740	437,022	21,851
20	333	Services (AIAC)		3.33%		-	-	-	-	-	-
21	334	Meters and Meter Installations (AIAC)		8.33%	-	-	-	-	2,479	29,755	6,196
22	335	Hydrants		2.00%		-	-	-	-	-	-
23	335	Hydrants (AIAC 50%)		2.00%		-	-	-	844	42,198	2,110
24	336	Backflow Prevention Devices		6.67%		-	-	-	-	-	-
25	339	Other Plant and Miscellaneous		6.67%		-	-	-	-	-	-
26	340	Office Furniture and Equipment		6.67%		-	-	-	-	-	-
27	341	Transportation Equipment		20.00%		-	-	-	-	-	-
28	342	Stores Equipment		4.00%		-	-	-	-	-	-
29	343	Tools, Shop and Garage Equipme		5.00%		-	-	-	-	-	-
30	344	Laboratory Equipment		10.00%		-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%		-	-	-	-	-	-
32	346	Communication Equipment		10.00%		-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%		-	-	-	-	-	-
34	348	Other Tangible Plant		10.00%		-	-	-	-	-	-
35							-	-	-	-	-
39		Totals			$ -	$ -	$ -	$ -	$ 19,164	$ 598,882	$ 47,910

41	Composite Rate with 1/2 yr convention	3.20%
42	CIAC	$ 57,600
43	Amortization	$ 1,843
44	Depreciation net of Amortization	$ 17,321

46	Licenses, Taxes, Permits	0%	$ -
47	Engineering and Contingency	0%	-
48	Total		$ -

Kings Ranch at Coronado Subdivision
Plant
Projected Years

Exhibit
Schedule 1a
Page 4

Line No.	Account	Description	AIAC Spread	Depreciation Rate	Year 4 Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation	Balance	A/D Balance
5	301	Organization		0.00%			$ -	$ -	$ -	$ -	$ -
6	302	Franchises		0.00%			-	-	-	-	-
7	303	Land and Land Rights		0.00%			-	-	-	-	-
8	304	Structures and Improvements		3.33%		-	-	-	459	13,784	1,607
9	305	Collecting and Impounding Rese		2.50%		-	-	-	-	-	-
10	306	Lake, River and Other Intakes		2.50%		-	-	-	-	-	-
11	307	Wells and Springs		3.33%	-	-	-	-	-	-	-
12	308	Infiltration Galleries and Tun		6.67%		-	-	-	-	-	-
13	309	Supply Mains		2.00%		-	-	-	-	-	-
14	310	Power Generation Equipment		5.00%		-	-	-	-	-	-
15	311	Pumping Equipment		12.50%		-	-	-	6,021	48,171	21,075
16	320	Water Treatment Equipment		3.33%		-	-	-	-	-	-
17	330	Distribution Reservoirs and St		2.22%	-	-	-	-	621	27,952	2,172
18	331	Transmission and Distribution		2.00%	-	-	-	-	-	-	-
19	331	Transmission and Distribution (AIAC)		2.00%	-	-	-	-	8,740	437,022	30,592
20	333	Services (AIAC)		3.33%		-	-	-	-	-	-
21	334	Meters and Meter Installations (AIAC)		8.33%	-	-	-	-	2,479	29,755	8,675
22	335	Hydrants		2.00%		-	-	-	-	-	-
23	335	Hydrants (AIAC 50%)		2.00%		-	-	-	844	42,198	2,954
24	336	Backflow Prevention Devices		6.67%		-	-	-	-	-	-
25	339	Other Plant and Miscellaneous		6.67%		-	-	-	-	-	-
26	340	Office Furniture and Equipment		6.67%		-	-	-	-	-	-
27	341	Transportation Equipment		20.00%		-	-	-	-	-	-
28	342	Stores Equipment		4.00%		-	-	-	-	-	-
29	343	Tools, Shop and Garage Equipme		5.00%		-	-	-	-	-	-
30	344	Laboratory Equipment		10.00%		-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%		-	-	-	-	-	-
32	346	Communication Equipment		10.00%		-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%		-	-	-	-	-	-
34	348	Other Tangible Plant		10.00%		-	-	-	-	-	-
35							-	-	-	-	-
39		Totals			$ -	$ -	$ -	$ -	$ 19,164	$ 598,882	$ 67,074

Line No.		
41	Composite Rate with 1/2 yr convention	3.20%
42	CIAC	$ 73,600
43	Amortization	$ 2,355
44	Depreciation net of Amortization	$ 16,809

Line No.			
46	Licenses, Taxes, Permits	0%	$ -
47	Engineering and Contingency	0%	-
48	Total		$ -

Kings Ranch at Coronado Subdivision
Plant
Projected Years

Exhibit
Schedule 1a
Page 5

Line No.	Account	Description	AIAC Spread	Depreciation Rate	Year 5 Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation	Balance	A/D Balance
5	301	Organization		0.00%			$ -	$ -	$ -	$ -	$ -
6	302	Franchises		0.00%			-	-	-	-	-
7	303	Land and Land Rights		0.00%			-	-	-	-	-
8	304	Structures and Improvements		3.33%		-	-	-	459	13,784	2,066
9	305	Collecting and Impounding Rese		2.50%		-	-	-	-	-	-
10	306	Lake, River and Other Intakes		2.50%		-	-	-	-	-	-
11	307	Wells and Springs		3.33%		-	-	-	-	-	-
12	308	Infiltration Galleries and Tun		6.67%		-	-	-	-	-	-
13	309	Supply Mains		2.00%		-	-	-	-	-	-
14	310	Power Generation Equipment		5.00%		-	-	-	-	-	-
15	311	Pumping Equipment		12.50%	-	-	-	-	6,021	48,171	27,096
16	320	Water Treatment Equipment		3.33%		-	-	-	-	-	-
17	330	Distribution Reservoirs and St		2.22%		-	-	-	621	27,952	2,792
18	331	Transmission and Distribution		2.00%		-	-	-	-	-	-
19	331	*Transmission and Distribution* (AIAC)		2.00%	-	-	-	-	8,740	437,022	39,332
20	333	Services (AIAC)		3.33%		-	-	-	-	-	-
21	334	Meters and Meter Installations (AIAC)		8.33%	-	-	-	-	2,479	29,755	11,154
22	335	Hydrants		2.00%		-	-	-	-	-	-
23	335	Hydrants (AIAC 50%)		2.00%		-	-	-	844	42,198	3,798
24	336	Backflow Prevention Devices		6.67%		-	-	-	-	-	-
25	339	Other Plant and Miscellaneous		6.67%		-	-	-	-	-	-
26	340	Office Furniture and Equipment		6.67%		-	-	-	-	-	-
27	341	Transportation Equipment		20.00%		-	-	-	-	-	-
28	342	Stores Equipment		4.00%		-	-	-	-	-	-
29	343	Tools, Shop and Garage Equipme		5.00%		-	-	-	-	-	-
30	344	Laboratory Equipment		10.00%		-	-	-	-	-	-
31	345	Power Operated Equipment		5.00%		-	-	-	-	-	-
32	346	Communication Equipment		10.00%		-	-	-	-	-	-
33	347	Miscellaneous Equipment		10.00%		-	-	-	-	-	-
34	348	Other Tangible Plant		10.00%		-	-	-	-	-	-
35							-	-	-	-	-
39		Totals			$ -	$ -	$ -	$ -	$ 19,164	$ 598,882	$ 86,238

41	Composite Rate with 1/2 yr convention	3.20%
42	CIAC	$ 112,000
43	Amortization	$ 3,584
44	Depreciation net of Amortization	$ 15,580

46	Licenses, Taxes, Permits	0%	$ -
47	Engineering and Contingency	0%	-
48	Total		$ -

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
FOR AN EXTENSION OF AN EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
IN COCHISE COUNTY, ARIZONA

Exhibit 14
(Certificate of Assured Water Supply)

ARIZONA DEPARTMENT OF WATER RESOURCES
Office of Assured and Adequate Water Supply
500 North Third Street, Phoenix, Arizona 85004-3921
Telephone 602 417-2465
Fax 602 417-2467

October 6, 2005

Janet Napolitano
Governor

Herbert R. Guenther
Director

Mr. Roy Tanney
Arizona Department of Real Estate
2910 N. 44th Street
Phoenix, Arizona 85018

Water Adequacy Report #22-401824.0000
Subdivision Name: Kinjockity Ranch
Owner: Dunafon Development, LLC
Number of lots: 281
County: Cochise
Township 23 S **Range** 21 E **Sections** 32, 33, 34

Water provided by: Bella Vista Water Company
Water Type: Groundwater
Current water depth: 422
Estimated 100-year depth: 452 - 560
Current decline rate: 1:38
Basin: Upper San Pedro

Dear Mr. Tanney:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, and to determine if the water supply is of adequate quality. Information available to the Department indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-715 *et seq.* Therefore, the Department of Water Resources finds the water supply to be adequate to meet the subdivision's projected needs. Any change to the subdivision or its water supply plans may invalidate this decision.

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Cochise County Recorder is being officially notified of the developer's compliance with the law. Because of the possibility that a future court proceeding could result in a legal determination that water withdrawn from wells in this area is surface water, the Department recommends that your office include the following statement in all promotional material and contracts for sale of lots in the subdivision:

> **"Pursuant to A.R.S. § 45-108 and A.A.C. R12-15-715 *et seq.*, the Department has determined that the water supply for the Kinjockity Ranch subdivision is adequate, *i.e.* that the water supply is physically, continuously and legally available to satisfy the applicant's 100-year projected water demand, and that the water supply is of suitable water quality. However, the legal availability of the water withdrawn from wells in this area may be the subject of court action in the future as part of a determination of surface water rights. Whether future court action will have an effect on the legal availability of the water supply for the proposed subdivision cannot be determined at this time."**

If you have any questions, please contact D. Holden at (602) 417-2448.

Sincerely,

Frank Putman
Assistant Director

FPAD/fp
700280

cc: Cochise County Planning and Zoning
Cochise County Recorder
Darrell Dunafon
Alan R. Dulaney, AD

Celebrating 25 Years

RE: Question on revising 100 year water adequacy letter to reflect new ownership and subdivision name

Doug W. Dunham (dwdunham@azwater.gov)
Thu 6/09/11 1:09 PM
'Michael Cerepanya' (mgcerepanya@hotmail.com)
'Larry Saunders' (keg_lsaunders@msn.com)

Michael-

The water report we issued for Kinjockity Ranch is applicable to all subsequent owners of the subdivision. There is no ownership change requirement in the water adequacy program outside of the AMA's. The only issue would be substantive changes to the plat. And in that we are primarily concerned with increases in the number of lots or increase in water demand that would require a re-review of the available water supply. Even in that case a 10% change is allowable without the need for a new water report. If you do have minor changes to the plat we can issue a confirmation that it does not require a new water report.

Douglas W. Dunham, Manager

Recharge, Assured & Adequate Water Supply Programs

Water Management Division

Arizona Department of Water Resources

3550 North Central Avenue

Phoenix, AZ 85012

Phone: (602) 771-8590

Fax: (602) 771-8689

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
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IN COCHISE COUNTY, ARIZONA

Exhibit 15
(ADEQ Approvals to Construct)

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT
WATER FACILITIES

ADEQ File No: 20060433	**LTF No:** 40072
System Name: Bella Vista Water Co	**System Number:** 02007
Project Owner: Dunafon Dvlmp, Llc	
Address: 6254 N. Sabino Shadow Ln., Tucson, AZ 85750	
Project Location: Sierra Vista	**County :** Cochise
Description: WATER SYSTEM FOR 281 LOTS OF KINJOCKITY RANCH DEVELOPMENT CONSISTING OF A NEW WELL (ADWR #55-204088), 100,000-GAL AND 400,000-GAL STORAGE TANKS, 5,000-GAL HYDROPNEUMATIC TANK, BOOSTER PUMPS, AND DISTRIBUTION SYSTEM.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 5 continued on page 2 through 2

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Southern Regional Office located in Tucson. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin.Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: JDI

By: _____ 6/27/06
Kwame A. Agyare., P.E. Date
Manager, Drinking Water and
Wastewater Engineering Review
Water Quality Division

cc File No 20060433
Regional Office Southern
Owner Dunafon Dvlmp, Llc
County Health Department Cochise
Engineer Blaine Reely
Planning and Zoning/Az Corp Commission
Engineering Review Database - Fe021

5. Water storage tanks and hydropneumatic tank shall comply with AWWA D103 and ASME Code for Unfired Pressure Vessels respectively. They shall also be disinfected to AWWA or Engineering Bulletin No. 8 standards and the sites shall be graded to drain away from the tanks.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov

Janice K. Brewer
Governor

Patrick J. Cunningham
Acting Director

October 1, 2010

Ken Komenda
Kings Ranch LLC
10092 S. Wilderness Rd.
Hereford AZ 85615

Re: Kings Ranch Estates
Time Extension for Approval to Construct Water Facilities (ATC)
ADEQ File No. 20060433
New LTF #53254

Dear Komenda:

Your request dated September 28, 2010 for a time extension of the above referenced ATC is approved and the time limit to begin construction is extended up to June 27, 2011. All the work should be consistent with the plans and specifications approved by ADEQ and the approval certificate issued on June 27, 2006. Please be advised that time extensions are not automatic or certain. If this time extension approval expires, a new ATC may be required to be obtained.

If you have any questions, please call (602) 771-4677.

Sincerely,

Janak Desai

Janak Desai, P.E., Manager
Drinking Water Facilities Review Unit
Water Quality Division

JD:ce

cc: Michael G. Cerepanya MGC Consulting LLC
4536 E. Miller Canyon Rd, Hereford AZ 85615

APPLICATION OF BELLA VISTA WATER COMPANY, INC.
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Exhibit 16
(Water Conservation Statement)

WATER CONSERVATION STATEMENT

Kings Ranch at Coronado has been platted as a Conservation Easement Subdivision, originally platted as Kinjockity Ranch. It encompasses 840.72 acres of which 50.76% or 426.72 acres is set aside as a conservation easement which is left in its natural state. This allows for water recharge and limits the amount of water usage in over half the site. The Conservation Easement is held by Arizona Conservation Easement Stewards, Inc. (A.C.E.S.) to protect the integrity of the easement.

The owners of the project have partnered with Cochise County to be part of its pilot Storm Water Recharge Program and has deeded to Cochise County 3 lots to be used for storm water recharge. They have also entered into an agreement with Cochise County and A.C.E.S. to allow for portions of the Conservation Easement to be used for Storm Water Recharge.

Additionally, the owners have recorded the **AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR KINGS RANCH AT CORONADO** on February 16, 2012 with the following section on water conservation:

Section 10.36 Water Conservation Measures. The Developer and the Association recognize that water resources within Cochise County are extremely valuable and shall be conserved. All homes built on any Lot are encouraged to make use of either grey water irrigation or rainwater harvesting. All landscaping plans shall include xeriscaping. All construction shall include water-conserving plumbing fixtures.

All landscaping shall consist of low water use, drought tolerate plants as defined by Cochise County and/or the Arizona Department of Water Resources and/or the University of Arizona. Hot water re-circulating systems shall be installed and maintained in each home. Evaporative coolers as the sole source of air conditioning shall be prohibited, provided, however, that dual systems shall be allowed. Any evaporative cooler shall employ reasonable water recirculation technology.

The Association shall formulate other rules and regulations for the conservation of water. Each Owner shall be required to maintain the water conservation measures set forth herein after construction of the home. Grading and drainage may be modified so as to allow use of natural drainage to irrigate trees and other landscaping provided such modifications to drainage do not have an adverse impact upon any adjacent Property or Lot.