

ORIGINAL

NEW APPLICATION



0000149814

ARIZONA CORPORATION COMMISSION



Arizona Corporation Commission  
DOCKETED  
NOV - 6 2013

RECEIVED  
2013 NOV - 6 P 1:06  
AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY  
NR

FINANCING APPLICATION

W-03443A-13-0379

Appaloosa Water Company  
UTILITY NAME

"New Application"  
DOCKET NO(S)

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance.

IN ORDER TO PROCESS YOUR APPLICATION  
PLEASE FORWARD THE ORIGINAL  
AND THIRTEEN COPIES OF THE  
APPLICATION PLUS  
THREE PACKETS OF THE SUPPORTING  
DOCUMENTATION TO:  
  
ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL CENTER  
1200 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007

## New Financing Application

October 23, 2013

Appaloosa Water Company  
PO Box 3150  
Chino Valley AZ 86323

Authorized Person: Joseph Cordovana, President  
PO Box 3150  
Chino Valley Az 86323

In the public interest to better serve Appaloosa Water Company's customers the company has developed a project to improve and provide the safest and cleanest water possible. The company's water system is aging. The company has investigated the use of a company that provides tank cleaning to rid the current tank of any sediment, etc. that has occurred over the past 20 years. The accumulation of this common occurrence can affect the water. The company has been informed that the cleaning of the existing tank can take hours or days which is unpredictable until the tank is drained and the cleaning company can ascertain how long it will take to accomplish the cleaning. The uncertainty of how long the procedure can take for the cleaning process has brought this company to the conclusion that without an additional storage tank the company cannot provide the customers with water on a continuous basis. Customers would be subjected to long outages of water and any unforeseen problems that will interfere with the ability to perform our service. A large storage tank is needed to accomplish the task of cleaning the main tank and also giving the customers a system that not only provides the cleanest water possible but the storage tank will have the additional capacity to withstand any emergency situations.

Two standby generators that were approved in a previous financing application has been re-evaluated and the company has concluded only one is more appropriate. The standby generator installed at the main well #1 will be the most effective. #1 Well produces less arsenic and is used the most of the two wells. By using the main well that produces less arsenic the media for the arsenic will last longer reducing the cost of replacement. The standby generator insures



**APPALOOSA WATER COMPANY  
COMPARATIVE BALANCE SHEET WITH PROPOSED LOAN**

	Ending Tuesday, December 31, 2013	Ending Monday, December 31, 2012
<b>Assets</b>		
<b>Current Assets</b>		
CHASE BANK	31,142.93	5,483.93
NATIONAL BANK ACCOUNT	5,000.00	5,000.00
ACCOUNTS RECEIVABLE	1,438.65	1,438.65
CUSTOMER DEPOSIT ACCOUNT	959.06	959.06
LOANS RECEIVABLE ARTESIAN HOLDINGS LLC	648.20	648.20
LOANS RECEIVABLE JOE CORDOVANA	85,664.86	110,664.86
WIFA DEBT SERVICE RESERVE	11,488.56	5,752.56
<b>Total Current Assets:</b>	<b>136,342.26</b>	<b>129,947.26</b>
<b>Fixed Assets</b>		
OPERATING PLANT AND EQUIPMENT	195,225.37	195,225.37
ADVANCES IN AID OF CONSTRUCTION BOOK	525,558.90	525,558.90
ADVANCES IN AID OF CONSTRUCTION TAX BAS	9,931.43	9,931.43
LAND	3,160.96	3,160.96
OFFICE EQUIPMENT	2,611.67	2,611.67
PLANT AND EQUIPMENT	701,295.88	701,295.88
WELLS	88,130.00	88,130.00
ACCUMULATED DEPRECIATION	(618,170.00)	(583,623.00)
<b>Total Fixed Assets:</b>	<b>907,744.21</b>	<b>942,291.21</b>
<b>Other Assets</b>		
LAND HELD FOR FUTURE PLANT USE	60,000.00	60,000.00
<b>Total Other Assets:</b>	<b>60,000.00</b>	<b>60,000.00</b>
<b>Total Assets:</b>	<b>1,104,086.47</b>	<b>1,132,238.47</b>
<b>Liabilities and Owner's Equity</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
SALES TAX PAYABLE	908.48	908.48
SOCIAL SECURITY PAYABLE	986.75	986.75
FUTA PAYABLE	42.00	42.00
CUSTOMER DEPOSIT PAYABLE	3,300.00	3,300.00
<b>Total Current Liabilities:</b>	<b>5,237.23</b>	<b>5,237.23</b>
<b>Other Liabilities</b>		
NOTES PAYABLE WIFA	175,218.03	183,174.03
ADVANCE IN AID OF CONSTRUCTION	481,768.54	488,768.54
HOOKUP FEES PAYABLE	17,036.00	25,836.00
BUSINESS LINE WELLS FARGO	94,520.62	94,520.62
BUSINESS LINE CHASE	94,858.49	94,858.49
<b>Total Other Liabilities:</b>	<b>863,401.68</b>	<b>887,157.68</b>
<b>Total Liabilities:</b>	<b>868,638.91</b>	<b>892,394.91</b>
<b>Owner's Equity</b>		
NET INCOME	1,717.33	6,113.33
COMMOM STOCK	2,000.00	2,000.00
RETAINED EARNINGS BEG YR	(130,625.69)	(130,625.69)
Paid in Capital	362,355.92	362,355.92
<b>Total Owner's Equity:</b>	<b>235,447.56</b>	<b>239,843.56</b>
<b>Total Liabilities and Owner's Equity:</b>	<b>1,104,086.47</b>	<b>1,132,238.47</b>

**APPALOOSA WATER COMPANY**  
**COMPARATIVE INCOME STATEMENT FOR OPERATIONS**  
**WITH PROJECTED INCOME AND PROPOSED LOAN**  
**for 12 Periods of Fiscal Year Ending Tuesday, December 31, 2013**

	PRO FORMA WITH PROPOSED LOAN Year	for Year Ending Monday, December 31, 2012	Change
<b>Net Income (Loss)</b>			
<b>Operating Income (Loss)</b>			
<b>Gross Profit (Loss)</b>			
<b>Income</b>			
WATER SALES	155,000.00	136,972.84	18,027.16
SERVICE ESTABLISHMENT FEES	300.00	525.00	(225.00)
ARSENIC FEES	0.00	10,728.88	(10,728.88)
OFFICE ADMINISTRATIVE FEES	300.00	375.00	(75.00)
CREDITS AND ADJUSTMENTS	(4,059.00)	(803.18)	(3,255.82)
PREPAY/OVERPAYS	0.00	1,754.10	(1,754.10)
LATE FEES	250.00	265.30	(15.30)
<b>Total Income:</b>	<b>151,791.00</b>	<b>149,817.94</b>	<b>1,973.06</b>
<b>Cost of Sales</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Gross Profit (Loss):</b>	<b>151,791.00</b>	<b>149,817.94</b>	<b>1,973.06</b>
<b>Operating and Non-Cash Expenses</b>			
<b>Operating Expenses</b>			
PAYROLL	50,000.00	50,000.05	(0.05)
PAYROLL TAXES	3,825.00	2,571.63	1,253.37
ALARM AND SECURITY	150.00	116.50	33.50
BAD DEBTS	0.00	487.71	(487.71)
BANK CHARGES	465.00	456.63	8.37
COMPUTER SUPPORT	300.00	363.00	(63.00)
INSURANCE	2,600.00	2,519.18	80.82
OFFICE SUPPLIES	500.00	508.46	(8.46)
POSTAGE AND DELIVERY	1,500.00	1,435.45	64.55
PROF FEE ENGINEERING	2,000.00	2,000.00	0.00
PROF FEE ACCOUNTING	3,600.00	2,950.00	650.00
PROF FEE LEGAL	2,500.00	1,500.00	1,000.00
RENT	6,000.00	6,000.00	0.00
REPAIRS & MAINTENANCE	4,500.00	4,450.45	49.55
SUPPLIES	700.00	673.42	26.58
REAL PROPERTY TAXES	7,000.00	3,723.28	3,276.72
TAXES/LICENSES/FEES	20,000.00	19,826.36	173.64
SURVEYING	0.00	425.00	(425.00)
TELEPHONE	2,500.00	2,482.62	17.38
UTILITIES	15,000.00	11,601.19	3,398.81
WATER ANALYSIS EXPENSE	7,000.00	6,848.00	152.00
LOAN INTEREST WIFA	5,000.00	1,272.22	3,727.78
<b>Total Operating Expenses:</b>	<b>135,140.00</b>	<b>122,211.15</b>	<b>12,928.85</b>
<b>Non-Cash Expenses</b>			
Depreciation Expense	34,547.00	34,547.00	0.00
<b>Total Non-Cash Expenses:</b>	<b>34,547.00</b>	<b>34,547.00</b>	<b>0.00</b>
<b>Total Operating and Non-Cash Expenses:</b>	<b>169,687.00</b>	<b>156,758.15</b>	<b>12,928.85</b>
<b>Total Operating Income (Loss):</b>	<b>(17,896.00)</b>	<b>(6,940.21)</b>	<b>(10,955.79)</b>
<b>Other Income</b>			
SALES TAX INCOME	16,000.00	15,606.79	393.21
SALES TAX ACCTNG CREDIT	0.00	76.95	(76.95)
RETURNED CHECK CHARGES	0.00	(233.20)	233.20
INTEREST EARNED	0.00	0.55	(0.55)
<b>Total Other Income:</b>	<b>16,000.00</b>	<b>15,451.09</b>	<b>548.91</b>
<b>Other Expenses</b>			
INTEREST EXPENSE 3 STATES	2,500.00	2,397.55	102.45
<b>Total Other Expenses:</b>	<b>2,500.00</b>	<b>2,397.55</b>	<b>102.45</b>

APPALOOSA WATER COMPANY  
COMPARATIVE INCOME STATEMENT FOR OPERATIONS  
WITH PROJECTED INCOME AND PROPOSED LOAN  
for 12 Periods of Fiscal Year Ending Tuesday, December 31, 2013

	PRO FORMA WITH PROPOSED LOAN Year	for Year Ending Monday, December 31, 2012	Change
Total Net Income (Loss):	<u>(4,396.00)</u>	<u>6,113.33</u>	<u>(10,509.33)</u>

# PUMP TECH

Statewide Service

Bill Roberts

Owner

Lic. No. ROC183316 & ROC183317

Bonded ~ Insured

P.O. Box 1076 ~ Mayer, AZ 86333

928-632-4594 ~ 928-636-8008 ~ Fax: 928-632-4593

September 23, 2013

To: Joe Cordovana (Appaloosa Meadows Water)  
P.O. Box 3150  
Chino Valley, AZ 86323  
928-237-6128

From: Ed Popplewell (Pump Tech)

Re: Estimates - Transfer pump, Booster Upgrade, Standby Generator

## Transfer pump - new tank to filter system

1	10 HP CR32-2 Grundfos Pump Tech	\$ 4,544.36
1	10 HP 480V 3 phase pumping panel	995.00
1	Misc. electrical materials	2,875.00
1	Misc. plumbing materials	<u>2,300.00</u>
		10,714.36
	Tax	680.36
	Labor	<u>3,200.00</u>
	<b>Estimated Total for Transfer Pump</b>	<b>\$14,594.36</b>

## Booster Upgrade

2	15 HP Goulds BF1M5F0 Pump & Motor	\$ 6,544.00
2	15 HP 480V 3 phase pumping panel	1,862.98
4	Bolt and gasket kits	123.75
1	Misc. electrical (boxes, conduit, wire, etc.)	250.00
1	Misc. plumbing (flanges, pipe, fittings, etc.)	<u>550.00</u>
		9,330.73
	Tax	592.50
	Labor	<u>1,360.00</u>
	<b>Estimated Total for Booster Upgrade</b>	<b>\$ 11,283.23</b>

## Standby Generator

1	70KW 3 phase 227/480 Volt propane generator With 100 amp automatic transfer switch	\$30,401.14
1	100 AMP 3 phase 480 volt outdoor panel band	2,168.84
1	Misc. electrical materials	<u>1,250.35</u>
		\$33,820.33
	Tax	2,147.59
	Labor	<u>1,900.00</u>
	<b>Estimated Total for Standby Generator</b>	<b>\$37,867.92</b>

If you have any questions give me a call.  
Thank you.

Bill Roberts  
Pump Tech

# Tri-City Fence Co.

P.O. Box 1874 Chino Valley, AZ 86323  
 928-710-9448  
 Contractors License ROC 049897

TO: Appaloosa Water Company

DATE: Sept 21 2012

## INVOICE

QUANTITY	DESCRIPTION	PRICE
3'	218' of 6" Brown Fence Block with 10x	
74	8x16 columns @ 24' o/c or less. Rebar #5	
74	uprights Grouted 6' o/c or less Bond Beam at	
65	top of wall with #4 Rebar Grouted Solid.	
218'	Footing - 12x18 with 1 # 5 Rebar at	
	Bottom. 9 course wall (Approx 6') Depending on	
	Grade of Ground. Where Steps occur a	
	4" high Block will count as course of Block	
	(8 1/2) to (9) courses as grade changes	
	218' @ 42 <sup>00</sup> per Ft. Base price	9156 <sup>00</sup>
	plus tax	9705 <sup>00</sup>
	Tear out slump Block to make 10' opening	
	Saw cut tear Down haul Away 2- new Columns	800 <sup>00</sup>
50% Down when Job is started		<b>TOTAL 10,505</b>



# USA Tank Storage Systems

5897 Hwy 59 Goodman, MO 64843  
Tel: (866) 700-2500 - Fax: (417) 845-5592

**To: Joe Cordovana**  
Appaloosa Water Company  
PO Box 3150  
Chino Valley, AZ 86323  
**Phone:** 928-237-6128  
**Fax:**  
**Cell:**  
**E-Mail:** -

**Date:** October 08, 2013  
**Quotation Number:** Q082013-87-R1

**Project Location:** Chino Valley, AZ  
**Quotation Valid Until:** November 07, 2013  
**Sales Person:** Richard Russ

## QUOTATION

Description	
<b>ONE(1) NEW 33.85' X 31.76' CARBON STEEL POTABLE WATER STORAGE TANK</b>	
Labor, materials and equipment to erect (1) 33.85' diameter X 31.76' high, Potable Water tank; Total Nominal Capacity 213,750 gallons; Usable volume of approximately 207,020 gallons; Design according to AWWA D103-09; Specific gravity of 1.0; 12" Freeboard; Seismic use group III; Wind conditions 100 mph; 25 psf deck load; 2:12 Slope Roof Without Center Columns, Supported With A Standard Deck Structure; Flat Steel Floor; Importance factor 1.5; Site Class D; Material - Carbon Steel; Wage Type - Non Union, Non Prevailing; and Equipped as follows:	
<ul style="list-style-type: none"> <li>1 - Asphalt impregnated fiber board and polyethylene sheeting as required</li> <li>1 - Deck Manway with curb -- Size = 24 inch</li> <li>1 - Exterior Ladder with Cage &amp; Climb Prevention</li> <li>3 - Flange -- Misc. = up to 8 inches</li> <li>1 - Mushroom roof vent -- Standard = 20 inch</li> <li>1 - Overflow pipe with downcomer and flap valve -- Size = 8 inch</li> <li>1 - Partial Guardrail</li> <li>1 - Shell manway in first ring -- Size = 24 inch</li> <li>1 - Weir Cone -- Size = 8 inch</li> </ul>	
Fabrication: Tank PE Stamp Required: Foundation Type: Heater Required: Insulation: Construction:	Shop Locate And Cut Yes Grade Band No No Bolted
Approval Drawings # Of Sets: 3 Calculations Required: Yes Foundation PE Stamp: No Disinfection Required: No Material: Carbon Steel Shipping Weight: 39,852 lbs.	
COATING: Thermal Bond 579 (interior surface 5-7mils; Exterior 4-6mils; Topcoat 3-4mils) Color to be determined. the exterior tank color can be chosen from five standard colors with an interior color of standard white. Other customer requested exterior color can be matched if customer can provide paint spec. and/or color chip.	
Customer to verify that codes & loads quoted are suitable for location.	
Please see our attached "Terms and Conditions"	

<b>TOTAL MATERIAL</b>	<b>\$63,483.00</b>
<b>TOTAL ERECTION</b>	<b>\$27,600.00</b>
<b>EST. FREIGHT</b>	<b>\$4,004.00</b>
<b>INSULATION</b>	<b>\$0.00</b>



# USA Tank Storage Systems

5897 Hwy 59 Goodman, MO 64843  
Tel: (866) 700-2500 - Fax: (417) 845-5592

## QUOTATION

HEATER

FOUNDATION INSTALLATION

FOUNDATION DESIGN

TANK TOTAL

	\$0.00
	\$0.00
	\$0.00
	\$95,087.00

### DRAWING SCHEDULE/TANK DELIVERY SCHEDULE

- Approval drawings 2 to 3 weeks (if required)
- Final drawings 1 to 2 weeks prior to shipment of tanks
- Tank delivery 10 to 12 weeks after approval of drawings & settlement of all details

NOTE: If the time frames noted above are not satisfactory, we will make every effort to improve them. Please contact USA Tank to discuss possible options.



## TERMS AND CONDITIONS

1. **SITE CONDITIONS:** Buyer will provide a suitable, clear, safe, dry leveled compacted and staging area adjacent to the tank foundation and provide and maintain a graveled or hard surface access roadway from a public road to erection site, so that loaded trucks can be driven to a point adjacent of tank foundation. If work is located inside building or enclosed area, it must be noted in the Contract. Free access to work site must be provided by Buyer during daylight hours on all working days including Saturday, Sunday, U.S. holidays and country or region specific holidays if outside U.S. If 8 hour, 5 day week is required, Buyer must specify. The price for work described is based on erection being performed during the months of April through October unless otherwise noted. Increased cost for work accomplished November through March may be at Buyer's expense.
2. **FOUNDATIONS:** Top of foundation must be within 2 feet of grade. If higher or on structures, price will be adjusted. It is the Buyer's responsibility to provide a level and true foundation. Buyer is responsible for establishing center lines on foundations or structures. If USA Tank or erection contractor finds inaccuracies or deficiencies in foundation work done by others or is required to alter the tanks to make them fit, the Buyer shall be notified and if Buyer instructs Erector to make necessary changes, erection contractor shall be reimbursed for the cost of material and labor used. In any event, the Buyer will reimburse erection contractor for the cost of lost time by the erection crew and equipment. For liquid tanks, unless noted in Contract, Buyer will provide compacted level finish grade of gravel and/or sand prior to unloading and beginning of tank erection. Buyer agrees to hold and save USA Tank harmless from and against any claim, demand, action or cause of action that may be asserted by any person arising out of or regarding Buyer's failure to provide a level and true foundation including, but not limited to, injury or death suffered by any person whether by third party action or actions otherwise covered under applicable Workers' Compensation laws.
3. **EXCLUSIONS:** This Contract does not include unloading, hauling, grouting, or washing, painting (other than touch-up on erection scratches), welding, load lines or other systems installation unless stated as being included. The responsibilities of USA Tank will not include liability for demurrage. Also excluded are costs from delays caused by others, local construction licenses or fees, permits, taxes or any items or services not specifically mentioned. USA Tank will not be responsible for damage to personnel, automobiles, or machines within 100 feet of erection site. If union labor is specified, the erection crew will be members of the N.T.D. Boilermakers. Specifically excluded are cost for an operating engineer, crane, field office, sanitary facilities, trash dumpster, or the employment of members of any union other than N.T. D. Boilermakers.
4. **CONTINUOUS OPERATION:** Buyer will ensure all operations are continuous, scheduled and completed in accordance of suggested sequence throughout erection and finishing with a completed water test and inspection. If lost time occurs due to delays caused by others for any reason, Buyer will reimburse for additional travel and cost of lost time by the erection crew and equipment. USA Tank will not be liable for any reason whatsoever for any indirect, incidental, special or consequential damages.
5. **INSPECTION:** Buyer inspection and acceptance of interior and exterior must be performed during and prior to erection crew leaving jobsite. Delay caused by Buyer will be charged to Buyer.
6. **CHANGES:** If the Buyer orders extra work or makes changes by altering, adding to, or deducting from the work set forth in this quote, the price and any completion date quoted will be adjusted accordingly. The price adjustment will include costs of engineering, shipping, manufacturing performed, materials purchased, extra erection expense, extra supervisor and administration expense.
7. **OBSTRUCTION AND UNFORESEEN CONDITIONS:** Should concealed, unusual, unexpected, and/or unrecorded conditions be encountered which interfere with normal erection procedures, USA Tank will advise Buyer of conditions encountered. If Buyer instructs USA Tank to perform the necessary work to overcome such conditions, Buyer will reimburse USA Tank for the extra cost and time incurred. In any event, the Buyer will reimburse USA Tank for the cost of lost time.
8. **BUYER'S RESPONSIBILITY:** Buyer will supply, if required, 120 volt/60 Amp AC current at no cost, within 10 feet of tank foundation and necessary utilities including, but not limited to, the necessary sanitary facilities and palatable drinking water as required for the performance of the contract. Buyer will ensure all tank parts are within 50 feet of tank foundation with no interfering objects. USA Tank will be allowed access for a truck to be placed and operated at the erection site. If winter erection requires heating the tank interior to cure painting and caulking, it will be furnished by buyer. Foundation will be clean and clear of any obstruction, material, or equipment. Adequate clearance will be provided around the tank foundation area as well as overhead. Minimum clearance of six(6) feet is required between tanks, eight feet overhead. USA Tank will supply and install blind flanges for all nozzles for performing Hydro-Test. Buyer responsible for Hydro-Test, if a leak is disclosed during the hydro-test, a USA Tank service personnel will be dispatched immediately. If USA Tank is to provide Hydro-Test, buyer shall have water available within 24 hours' notice and begin filling water tank. Buyer shall provide water for Hydro-test and any subsequent fillings after that. Buyer is responsible for emptying and disposing of water after testing. Disinfections if required shall be the responsibility of others. Buyer shall furnish water quality test. Buyer is to blind flange all nozzles for water testing. Buyer responsible for supplying trash dumpster at job site and for disposing of contents of dumpster.
9. **BUYER'S INSURANCE:** The Buyer will obtain insurance and indemnify USA Tank against loss by fire, lightning, removal, and all extended coverage perils, theft, vandalism, and malicious mischief, earthquake, negligence, breach of contract and any other insurance which the Buyer deems necessary upon the work covered by the Contract, for the full insurable value thereof. Additional expense by theft will be reimbursed to USA Tank by Buyer. Cost of security guards, if required, to be paid by Buyer.



## TERMS AND CONDITIONS

10. **CANCELLATION OF ORDER:** All orders cancelled within 30 days of order placement will be subject to a 10% cancellation charge. Orders cancelled after 30 days will be subject to a cancellation charge of 10% of materials or, 10% of materials charge plus the cost of work performed from date of order placement to cancellation date, whichever is greater. Cancellation must be received in writing, either physically or electronically.

11. **PAYMENT TERMS:** Terms of Payment: 30% of material, freight and labor on Purchase Order due with the purchase order, balance due on shipment of tank parts or upon manufacture of tank(s), if shipment is delayed by customer. Balance of order due upon completion of erection. When erection of tank(s) requires more than two weeks for completion, progressive payments will be required with payment due upon receipt of invoice. We reserve the right to delay tank erection if payment on tank invoice is not paid in accordance with stated terms. No retainages unless previously agreed upon (this retainage would be held until completion of tank(s) not completion of total project. USA Tank defines "substantial completion" as ready to hydrostat/leak test tank in the event that water is not available at the time of tank erection completion to begin final testing. All terms of payment are subject to approval by our Credit Department. Past Due Invoices will be charged a service charge of 1.5% per month.

12. **NOTE:** Any items or specifications not specifically mentioned above are not a part of this quotation. This quotation represents our complete offering. If there are any conflicts between your requirements or the plans and specifications and what we have quoted, our quotation shall govern.

**EXCEPTIONS and CLARIFICATIONS:**

\* Unless otherwise noted, Foundation Design by others. If Foundation Design is required, customer is to supply Geotechnical Soils Report. Unless otherwise noted, All foundation work shall be done by others.

\* This quote does not include disinfection at jobsite.

\* Unless otherwise noted, USA Tank Storage Systems has quoted our standard design, fabrication, accessories (perimeter handrails, ladders, etc.) and coatings.

\* No bonds (i.e. bid/payment), permits, sales and/or use tax included.

\* Orders placed between the dates of October and March shall require a revised labor quote to be based on Winter Weather Conditions.

\* Pricing does not include piping, valves, brackets, or elbows unless specifically mentioned in accessories area.

\* Customer to provide level tank site within 2' grade.

\* Customer is responsible for unloading of tank materials at site and locating them within 50 feet of the tank foundation. USA Tank recommends the use of a 10,000 lb forklift for off-loading.

**Please sign, date and return via fax or mail if you like to place an order for this quote.**

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Date**

JC'S & SON CONTRACTING  
PO BOX 3150  
CHINO VALLEY AZ 86323

October 23, 2013

SITE PROPASAL APPALOOSA WATER COMPANY:

For preparation of Lot, PAD, Engineering Survey, Contract Fee

Estimated Cost.....30,662.49

PUBLIC NOTICE  
OF  
AN APPLICATION FOR AN ORDER

AUTHORIZING THE ISSUANCE OF Financing (security)

BY Appaloosa Water Company (company)

Included as an Insert ~~With~~ the 11/1/2013 Billing.

Appaloosa Water Co. ("Company") filed an Application with the Arizona Corporation Commission ("Commission") for an order authorizing Applicant to issue \$295,000 (gross proceeds) of Financing (security to be issued). The application is available for inspection during regular business hours at the office of the Commission in Phoenix, Arizona, and the Company's offices in Chino Valley Arizona.

Intervention in the Commission's proceedings on the application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon applicant and which, at a minimum, shall contain the following information:

1. The name, address and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding.
3. Whether the proposed intervenor desires a formal evidentiary hearing on the application and the reasons for such a hearing.
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, the 15<sup>th</sup> day after this notice.

# PUMP TECH

Statewide Service

Bill Roberts

Owner

Lic. No. ROC183316 & ROC183317

Bonded ~ Insured

P.O. Box 1076 ~ Mayer, AZ 86333

928-632-4594 ~ 928-636-8008 ~ Fax: 928-632-4593

September 23, 2013

To: Joe Cordovana (Appaloosa Meadows Water)  
P.O. Box 3150  
Chino Valley, AZ 86323  
928-237-6128

From: Ed Popplewell (Pump Tech)

Re: Estimates – Transfer pump, Booster Upgrade, Standby Generator

## Transfer pump – new tank to filter system

1	10 HP CR32-2 Grundfos Pump Tech	\$ 4,544.36
1	10 HP 480V 3 phase pumping panel	995.00
1	Misc. electrical materials	2,875.00
1	Misc. plumbing materials	<u>2,300.00</u>
		10,714.36
	Tax	680.36
	Labor	<u>3,200.00</u>
	<b>Estimated Total for Transfer Pump</b>	<b>\$14,594.36</b>

## Booster Upgrade

2	15 HP Goulds BF1M5F0 Pump & Motor	\$ 6,544.00
2	15 HP 480V 3 phase pumping panel	1,862.98
4	Bolt and gasket kits	123.75
1	Misc. electrical (boxes, conduit, wire, etc.)	250.00
1	Misc. plumbing (flanges, pipe, fittings, etc.)	<u>550.00</u>
		9,330.73
	Tax	592.50
	Labor	<u>1,360.00</u>
	<b>Estimated Total for Booster Upgrade</b>	<b>\$ 11,283.23</b>

## Standby Generator

1	70KW 3 phase 227/480 Volt propane generator With 100 amp automatic transfer switch	\$30,401.14
1	100 AMP 3 phase 480 volt outdoor panel band	2,168.84
1	Misc. electrical materials	<u>1,250.35</u>
		\$33,820.33
	Tax	2,147.59
	Labor	<u>1,900.00</u>
	<b>Estimated Total for Standby Generator</b>	<b>\$37,867.92</b>

If you have any questions give me a call.  
Thank you.

Bill Roberts  
Pump Tech

# Tri-City Fence Co.

P.O. Box 1874 Chino Valley, AZ 86323

928-710-9448

Contractors License ROC 049897

TO: Appaloosa Water Company

DATE: Sept. 21 2012

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## INVOICE

QUANTITY	DESCRIPTION	PRICE
5'	218' of 6" Brown Fence Block with 10x	
74	8x16 columns @ 24' o/c. or less. Rebar #5	
74	uprights Grouted 6' o/c. or less Bond Beam at	
65	top of wall with #4 Rebar Grouted Solid.	
218'	Footing - 12x18 with 1# 5 Rebar at	
	Bottom. 9 course wall (Approx 6') depending on	
	Grade of Ground. Where Steps occur a	
	4" high Block will count as course of Block	
	(8 1/2) to (9) courses as grade changes	
	218' @ 42 <sup>00</sup> per ft. Base price	9156 <sup>00</sup>
	plus tax	9705 <sup>00</sup>
	tear out slump Block to make 10' opening saw cut tear Down haul Away 2- new Columns	800 <sup>00</sup>
	50% Down when Job is started	
	<b>TOTAL</b>	<b>10,505</b>



# USA Tank Storage Systems

5897 Hwy 59 Goodman, MO 64843  
Tel: (866) 700-2500 - Fax: (417) 845-5592

**To: Joe Cordovana**  
Appaloosa Water Company  
PO Box 3150  
Chino Valley, AZ 86323  
**Phone:** 928-237-6128  
**Fax:**  
**Cell:**  
**E-Mail:** -

**Date:** October 08, 2013  
**Quotation Number:** Q082013-87-R1

**Project Location:** Chino Valley, AZ  
**Quotation Valid Until:** November 07, 2013  
**Sales Person:** Richard Russ

## QUOTATION

Description	
<b>ONE(1) NEW 33.85' X 31.76' CARBON STEEL POTABLE WATER STORAGE TANK</b>	
Labor, materials and equipment to erect (1) 33.85' diameter X 31.76' high, Potable Water tank; Total Nominal Capacity 213,750 gallons; Usable volume of approximately 207,020 gallons; Design according to AWWA D103-09; Specific gravity of 1.0; 12" Freeboard; Seismic use group III; Wind conditions 100 mph; 25 psf deck load; 2:12 Slope Roof Without Center Columns, Supported With A Standard Deck Structure; Flat Steel Floor; Importance factor 1.5; Site Class D; Material - Carbon Steel; Wage Type - Non Union, Non Prevailing; and Equipped as follows:	
<ul style="list-style-type: none"> <li>1 - Asphalt impregnated fiber board and polyethylene sheeting as required</li> <li>1 - Deck Manway with curb -- Size = 24 inch</li> <li>1 - Exterior Ladder with Cage &amp; Climb Prevention</li> <li>3 - Flange -- Misc. = up to 8 inches</li> <li>1 - Mushroom roof vent -- Standard = 20 inch</li> <li>1 - Overflow pipe with downcomer and flap valve -- Size = 8 inch</li> <li>1 - Partial Guardrail</li> <li>1 - Shell manway in first ring -- Size = 24 inch</li> <li>1 - Weir Cone -- Size = 8 inch</li> </ul>	
<ul style="list-style-type: none"> <li>Fabrication: Shop Locate And Cut</li> <li>Tank PE Stamp Required: Yes</li> <li>Foundation Type: Grade Band</li> <li>Heater Required: No</li> <li>Insulation: No</li> <li>Construction: Bolted</li> </ul>	<ul style="list-style-type: none"> <li>Approval Drawings # Of Sets: 3</li> <li>Calculations Required: Yes</li> <li>Foundation PE Stamp: No</li> <li>Disinfection Required: No</li> <li>Material: Carbon Steel</li> <li>Shipping Weight: 39,852 lbs.</li> </ul>
<p>COATING: Thermal Bond 579 (interior surface 5-7mils; Exterior 4-6mils; Topcoat 3-4mils) Color to be determined. the exterior tank color can be chosen from five standard colors with an interior color of standard white. Other customer requested exterior color can be matched if customer can provide paint spec. and/or color chip.</p> <p>Customer to verify that codes &amp; loads quoted are suitable for location.</p>	
Please see our attached "Terms and Conditions"	

<b>TOTAL MATERIAL</b>	<b>\$63,483.00</b>
<b>TOTAL ERECTION</b>	<b>\$27,600.00</b>
<b>EST. FREIGHT</b>	<b>\$4,004.00</b>
<b>INSULATION</b>	<b>\$0.00</b>



# USA Tank Storage Systems

5897 Hwy 59 Goodman, MO 64843  
Tel: (866) 700-2500 - Fax: (417) 845-5592

## QUOTATION

HEATER

FOUNDATION INSTALLATION

FOUNDATION DESIGN

TANK TOTAL

	\$0.00
	\$0.00
	\$0.00
	\$95,087.00

### DRAWING SCHEDULE/TANK DELIVERY SCHEDULE

- Approval drawings 2 to 3 weeks (if required)
- Final drawings 1 to 2 weeks prior to shipment of tanks
- Tank delivery 10 to 12 weeks after approval of drawings & settlement of all details

NOTE: If the time frames noted above are not satisfactory, we will make every effort to improve them. Please contact USA Tank to discuss possible options.



## TERMS AND CONDITIONS

1. **SITE CONDITIONS:** Buyer will provide a suitable, clear, safe, dry leveled compacted and staging area adjacent to the tank foundation and provide and maintain a graveled or hard surface access roadway from a public road to erection site, so that loaded trucks can be driven to a point adjacent of tank foundation. If work is located inside building or enclosed area, it must be noted in the Contract. Free access to work site must be provided by Buyer during daylight hours on all working days including Saturday, Sunday, U.S. holidays and country or region specific holidays if outside U.S. If 8 hour, 5 day week is required, Buyer must specify. The price for work described is based on erection being performed during the months of April through October unless otherwise noted. Increased cost for work accomplished November through March may be at Buyer's expense.
2. **FOUNDATIONS:** Top of foundation must be within 2 feet of grade. If higher or on structures, price will be adjusted. It is the Buyer's responsibility to provide a level and true foundation. Buyer is responsible for establishing center lines on foundations or structures. If USA Tank or erection contractor finds inaccuracies or deficiencies in foundation work done by others or is required to alter the tanks to make them fit, the Buyer shall be notified and if Buyer instructs Erector to make necessary changes, erection contractor shall be reimbursed for the cost of material and labor used. In any event, the Buyer will reimburse erection contractor for the cost of lost time by the erection crew and equipment. For liquid tanks, unless noted in Contract, Buyer will provide compacted level finish grade of gravel and/or sand prior to unloading and beginning of tank erection. Buyer agrees to hold and save USA Tank harmless from and against any claim, demand, action or cause of action that may be asserted by any person arising out of or regarding Buyer's failure to provide a level and true foundation including, but not limited to, injury or death suffered by any person whether by third party action or actions otherwise covered under applicable Workers' Compensation laws.
3. **EXCLUSIONS:** This Contract does not include unloading, hauling, grouting, or washing, painting (other than touch-up on erection scratches), welding, load lines or other systems installation unless stated as being included. The responsibilities of USA Tank will not include liability for demurrage. Also excluded are costs from delays caused by others, local construction licenses or fees, permits, taxes or any items or services not specifically mentioned. USA Tank will not be responsible for damage to personnel, automobiles, or machines within 100 feet of erection site. If union labor is specified, the erection crew will be members of the N.T.D. Boilermakers. Specifically excluded are cost for an operating engineer, crane, field office, sanitary facilities, trash dumpster, or the employment of members of any union other than N.T. D. Boilermakers.
4. **CONTINUOUS OPERATION:** Buyer will ensure all operations are continuous, scheduled and completed in accordance of suggested sequence throughout erection and finishing with a completed water test and inspection. If lost time occurs due to delays caused by others for any reason, Buyer will reimburse for additional travel and cost of lost time by the erection crew and equipment. USA Tank will not be liable for any reason whatsoever for any indirect, incidental, special or consequential damages.
5. **INSPECTION:** Buyer inspection and acceptance of interior and exterior must be performed during and prior to erection crew leaving jobsite. Delay caused by Buyer will be charged to Buyer.
6. **CHANGES:** If the Buyer orders extra work or makes changes by altering, adding to, or deducting from the work set forth in this quote, the price and any completion date quoted will be adjusted accordingly. The price adjustment will include costs of engineering, shipping, manufacturing performed, materials purchased, extra erection expense, extra supervisor and administration expense.
7. **OBSTRUCTION AND UNFORESEEN CONDITIONS:** Should concealed, unusual, unexpected, and/or unrecorded conditions be encountered which interfere with normal erection procedures, USA Tank will advise Buyer of conditions encountered. If Buyer instructs USA Tank to perform the necessary work to overcome such conditions, Buyer will reimburse USA Tank for the extra cost and time incurred. In any event, the Buyer will reimburse USA Tank for the cost of lost time.
8. **BUYER'S RESPONSIBILITY:** Buyer will supply, if required, 120 volt/60 Amp AC current at no cost, within 10 feet of tank foundation and necessary utilities including, but not limited to, the necessary sanitary facilities and palatable drinking water as required for the performance of the contract. Buyer will ensure all tank parts are within 50 feet of tank foundation with no interfering objects. USA Tank will be allowed access for a truck to be placed and operated at the erection site. If winter erection requires heating the tank interior to cure painting and caulking, it will be furnished by buyer. Foundation will be clean and clear of any obstruction, material, or equipment. Adequate clearance will be provided around the tank foundation area as well as overhead. Minimum clearance of six(6) feet is required between tanks, eight feet overhead. USA Tank will supply and install blind flanges for all nozzles for performing Hydro-Test. Buyer responsible for Hydro-Test, if a leak is disclosed during the hydro-test, a USA Tank service personnel will be dispatched immediately. If USA Tank is to provide Hydro-Test, buyer shall have water available within 24 hours' notice and begin filling water tank. Buyer shall provide water for Hydro-test and any subsequent fillings after that. Buyer is responsible for emptying and disposing of water after testing. Disinfections if required shall be the responsibility of others. Buyer shall furnish water quality test. Buyer is to blind flange all nozzles for water testing. Buyer responsible for supplying trash dumpster at job site and for disposing of contents of dumpster.
9. **BUYER'S INSURANCE:** The Buyer will obtain insurance and indemnify USA Tank against loss by fire, lightning, removal, and all extended coverage perils, theft, vandalism, and malicious mischief, earthquake, negligence, breach of contract and any other insurance which the Buyer deems necessary upon the work covered by the Contract, for the full insurable value thereof. Additional expense by theft will be reimbursed to USA Tank by Buyer. Cost of security guards, if required, to be paid by Buyer.



# TERMS AND CONDITIONS

10. **CANCELLATION OF ORDER:** All orders cancelled within 30 days of order placement will be subject to a 10% cancellation charge. Orders cancelled after 30 days will be subject to a cancellation charge of 10% of materials or, 10% of materials charge plus the cost of work performed from date of order placement to cancellation date, whichever is greater. Cancellation must be received in writing, either physically or electronically.

11. **PAYMENT TERMS:** Terms of Payment: 30% of material, freight and labor on Purchase Order due with the purchase order, balance due on shipment of tank parts or upon manufacture of tank(s), if shipment is delayed by customer. Balance of order due upon completion of erection. When erection of tank(s) requires more than two weeks for completion, progressive payments will be required with payment due upon receipt of invoice. We reserve the right to delay tank erection if payment on tank invoice is not paid in accordance with stated terms. No retainages unless previously agreed upon (this retainage would be held until completion of tank(s) not completion of total project. USA Tank defines "substantial completion" as ready to hydrostat/leak test tank in the event that water is not available at the time of tank erection completion to begin final testing. All terms of payment are subject to approval by our Credit Department. Past Due Invoices will be charged a service charge of 1.5% per month.

12. **NOTE:** Any items or specifications not specifically mentioned above are not a part of this quotation. This quotation represents our complete offering. If there are any conflicts between your requirements or the plans and specifications and what we have quoted, our quotation shall govern.

**EXCEPTIONS and CLARIFICATIONS:**

\* Unless otherwise noted, Foundation Design by others. If Foundation Design is required, customer is to supply Geotechnical Soils Report. Unless otherwise noted, All foundation work shall be done by others.

\* This quote does not include disinfection at jobsite.

\* Unless otherwise noted, USA Tank Storage Systems has quoted our standard design, fabrication, accessories (perimeter handrails, ladders, etc.) and coatings.

\* No bonds (i.e. bid/payment), permits, sales and/or use tax included.

\* Orders placed between the dates of October and March shall require a revised labor quote to be based on Winter Weather Conditions.

\* Pricing does not include piping, valves, brackets, or elbows unless specifically mentioned in accessories area.

\* Customer to provide level tank site within 2' grade.

\* Customer is responsible for unloading of tank materials at site and locating them within 50 feet of the tank foundation. USA Tank recommends the use of a 10,000 lb forklift for off-loading.

**Please sign, date and return via fax or mail if you like to place an order for this quote.**

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Date**

JC'S & SON CONTRACTING  
PO BOX 3150  
CHINO VALLEY AZ 86323

October 23, 2013

SITE PROPASAL APPALOOSA WATER COMPANY:

For preparation of Lot, PAD, Engineering Survey, Contract Fee

Estimated Cost.....30,662.49