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BEFORE THE ARIZONA CORPORATION COMMISSION

2018 OCT -3 P 12:49

COMMISSIONERS

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JUSTIN OLSON

Arizona Corporation Commission

DOCKETED

OCT - 3 2018

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
LAKE VERDE WATER COMPANY, INC, FOR
APPROVAL OF A RATE INCREASE

DOCKET NO. W01557A-18-0222

We would like to request investigation into two items which we consider significant:

- A. On June 9, 2015, Lake Verde Water Company (LVWC) docketed their Estimate for Emergency Funding (see Attachment A) in the amount of \$168,700. Their Emergency Funding request included several items that were funded through the WIFA loan and several items which were purchased used. Of importance in their Emergency Funding Request, they requested, a new well drilled - \$8,000; well pump and motor - \$3,000; electrical wiring and equipment - \$7,500. To date, a new well has not been drilled despite the fact that LVWC has been collecting the emergency surcharge of \$45.90 per customer since approximately September, 2015, a total of three years. This totals ~\$104,101.20. In ACC's Staff Report, Table 10, Staff submits:

Lower Well Site	Unused and not useful	Note Used and useful plant yard	Company has not removed old plant equipment that is no longer used and useful from lower plant site nor has the Company cleaned the site of all debris and tripping hazards as was ordered. Removal of old plant equipment and clean-up of site should be done immediately	Decision No. 75159
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We believe that both LVWC and Staff have erred. LVWC has erred in the fact that they have collected ~\$104,000 since 2015 and have claimed that they would install a backup well. To this date, LVWC has not drilled a backup well as promised. Staff has erred in requiring that LVWC dismantle the lower well site, leaving LVWC customers with no backup water source. Although the lower well site is not

useful, we believe that minimal cost would be required to determine its viability and possible refurbishment. It would cost LVWC ~\$400 to video the well and determine its viability. It is well known, due to its close proximity to Verde River, wells within the area are shallow. According to ADWR, the well was drilled at a depth of 100' and water level was 65' (see Attachment B). Of significance, is that the well already has a connection to feed the entire system. We understand that there is no treatment system tied to this well, but in an emergency situation, it could be a viable source.

B. In Decision No. 75159, the Order states:

IT IS FURTHER ORDERED that the emergency surcharge approved herein shall be interim and that funds collected through the emergency surcharge rate are subject to true-up and refund pending the Decision resulting from the permanent rate case application Lake Verde Water Company, Inc. is required to file pursuant to this Decision.


Staff did not address the true-up and refund. We believe LVWC intentionally requested an extension in order to collect another year of emergency surcharge funding. A true-up and refund should be researched and provided to its customers.

Respectfully Submitted by,

Samuel Jocewicz



Norm Rask



On this 2nd day of October, 2018, this document was mailed to the following:

Brenda McDonald
Morgan Dubs
Lake Verde Water Company, Inc.
P.O. box 2777
Camp Verde, AZ 86322

Andy Kvesic, Director
Legal Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Attachment A



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2015 JUN -9 A 11: 57

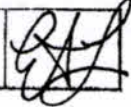
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JUN 09 2015

Lake Verde Water Corp.

Docket No W-01557A-15-0079
W-01557A-15-0080
Estimate for Emergency Funding

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Arsenic removal and business upgrades:

Arsenic equipment removal Bid:	\$ 30,000.00
Security Fence:	\$ 5,000.00
2- Pumps 7.5 HP.	\$ 3,500.00
1- Well Drilled	\$ 8,000.00
1 -Well Pump and Motor	\$ 3,000.00
Electrical wiring and equipment	\$ 7,500.00
1- 30,000 storage tank	\$ 33,000.00
Materials for tank and building pads	\$ 2,750.00
Concrete and Finish for building 4 yards minimum	\$ 1,500.00
1- 12'x 16' *Wood Building	\$ 3,000.00
ADEQ Permits (estimate)	\$ 2,500.00
County Permits (estimate)	\$ 1,500.00
Accounting and billing system	\$ 2,250.00
Property Survey:	\$ 2,500.00
One Full time office employee @ \$15.00 an hour, 40 hr. per week	\$ 20,800.00
One part time employee for repairs \$25.00 an hr., 8 hr. per week	\$ 10,400.00
One part time Water operator @ \$25.00 an hour, 24 hr. per week	\$ 31,200.00
Office space rent \$600.00 a month	\$ 7,800.00

Total Estimate needed for emergency rate adjustment

\$ 168,700.00

*Building is for the housing of the pumps and Electrical Equipment,
And also the Arsenic removal system. This is to protect the equipment
from the environment and to extend equipment life.

Lake Verde Water Corp.

Docket No W-01557A-15-0079

Estimate for Arsenic Removal

Arsenic Removal Bid:	\$ 30,000.00
*Building 12'X 16'	\$ 3,000.00
Concrete Slab	\$ 1,500.00
Total	\$ 34,500.00

*Building will be used for more than one purpose. It will be used also used for tool storage and chlorine pump and tank storage as well as well as the electrical room. This will also house the 2 pumps for the water system.

Media replacement takes roughly 2 hours for removal and refill. So the arsenic removal system should be down no longer than 2 hours. The service to customers will not be interrupted due to the new 30,000 gal. storage tank that is proposed for install.

Lake Verde Water Corp.

Docket No W-01557A-15-0079

Annual Cost Breakdown

Media Cost with a 25% bypass	\$ 4800.00
Media removal and replacement	\$ 400.00
Dump Fee	\$ 500.00
Total	\$ 5700.00

Attachment B



Director
Thomas Buschatzke

ADWR
Arizona Department of Water Resources
ARIZONA DEPARTMENT OF WATER RESOURCES

eGovernment



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Well Registry Information

Registration Number **55- 643828**

General	Construction	Status	Owner	Driller	Pump Data
Well Construction Information					
Well Depth (ft)	100	Water Level (ft b/s)	65		
Casing Depth (ft)	40	Casing Diameter (in)	8	Casing Type	Z - OTHER - BLACK STEEL - IRON - SEAMLESS
Well Data					
No. of Holes		Irrigated Acres	0	Acre Ft Annum	Intended Capacity (GPM) 0
Pump Completion Report					
Tested Capacity(GPM)	21	Pump Capacity(GPM)	21	Draw Down (ft)	0
Pump Type	0 - NO PUMP CODE LISTED	Power Type	0 - NO POWER CODE LISTED	Method of Discharge	X - NONE
Place of Use					
Township	N/S	1/2 T	Range	E/W	1/2 R
			Section	160 Acre	40 Acre
				10 Acre	Cadastral
No records to display.					

Well Registry is ADWR's well database containing reported information on well status, location and construction.

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