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Yuma, Arizona 85367
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Joshua J. Meyer
Attorney at Law

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AZ CORP COMMISSION
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Sedona Office:

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September 25, 2003

Docket Control Center
ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
Phoenix, AZ 85007-2996

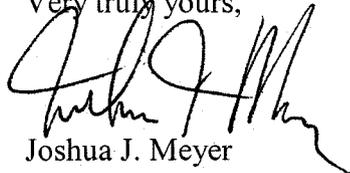
Re: The Links at Coyote Wash Utilities, L.L.C.
Application for a Certificate of Convenience and Necessity to Provide Sewer Service

Ladies/Gentlemen:

Enclosed please find the original and 13 copies of the Application for a Certificate of Convenience and Necessity to Provide Sewer Service by The Links at Coyote Wash Utilities, L.L.C. Also enclosed is a Cover Sheet as required. Please file the enclosed documents as appropriate.

If you have any questions regarding this application, please do not hesitate to contact me.

Very truly yours,



Joshua J. Meyer

Encl.

NEW APPLICATION

ORIGINAL

1 Joshua J. Meyer
2 Arizona State Bar No. 014552
3 11593 S. Fortuna Road
4 Yuma, Arizona 85367
5 Telephone (928) 342-7300
6 Facsimile (928) 342-9346

7 Attorney for Applicant

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Arizona Corporation Commission
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SEP 26 2003

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BEFORE THE ARIZONA CORPORATION COMMISSION

8 IN THE MATTER OF THE APPLICATION
9 OF THE LINKS AT COYOTE WASH
10 UTILITIES, L.L.C. FOR A CERTIFICATE
11 OF CONVENIENCE AND NECESSITY TO
12 PROVIDE SEWER SERVICE

Docket No.: **SW-04210A-03-0712**

**APPLICATION FOR CERTIFICATE
OF CONVENIENCE AND NECESSITY
TO PROVIDE SEWER SERVICE**

13 Applicant, by and through undersigned counsel, hereby makes application for a
14 Certificate of Convenience and Necessity to provide sewer service as follows:

15 A. The name, address and telephone of the Applicant is:

16 The Links at Coyote Wash Utilities, L.L.C.
17 4400 E. Highway 80
18 Yuma, AZ 85365
19 (928) 726-5920

20 B. N/A

21 C. The name, address and telephone number of the management contact is:

22 Glen T. "Spike" Curtis
23 4400 E. Highway 80
24 Yuma, AZ 85365
25 (928) 726-5920

D. The name, address and telephone number of the attorney for the Applicant is:

Joshua J. Meyer
11593 S. Fortuna Road
Yuma, AZ 85367
(928) 342-7300

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E. The name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality is:

Richard Miller
Sunstate Environmental Technology
4221 E. 30th Place
Yuma, AZ 85365
(928) 341-9685

F. The name, address and telephone number of the on-site manager is:

Richard Miller
Sunstate Environmental Technology
4221 E. 30th Place
Yuma, AZ 85365
(928) 341-9685

G. The Applicant is an Arizona limited liability company.

H. N/A.

I. N/A.

J. N/A.

K. There are no managers. The only member of the limited liability company is G-12, L.L.C. Attached as Exhibit A are the Articles of Organization of the Applicant.

L. The Applicant has no other public utility interests.

M. The legal description for the area for which the CC&N is requested is attached as Exhibit B.

N. Attached as Exhibit C is a map with the area requested and all other utilities within the area shaded.

O. Attached as Exhibit D is the Proforma Balance Sheet, Proforma Income Statement for the first 5 years, and the Proforma Utility Plant in Service.

P. Financing will be provided by the Applicant's only member through capital contribution.

Q. Estimated starting date of construction of the treatment facilities is October 1, 2003. Construction of the collection system has already begun. Estimated completion date of the treatment facilities is estimated to be December 15, 2003. The collection system will be completed in phases as the subdivision develops.

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- R. Attached as Exhibit E is the proposed Tariff.
- S. 1. The right to use the right of ways was reserved on the subdivision plat before the right of ways were dedicated to the City of Wellton. As a result, no franchise agreement is needed.
2. The Arizona Department of Environmental Quality no longer issues an Approval to Construct permit for sewer treatment facilities. Instead, that approval is included in the Aquifer Protection Permit, a copy of which is attached as Exhibit F.
3. N/A.
4. N/A.
5. N/A.
6. A copy of the Applicant's estimated property taxes will be supplemented when available.
- T. 1. The number of customers to be served in the first 5 years are:
- Residential:**
- First Year 171; Second Year 271; Third Year 371; Fourth Year 471; Fifth Year 504.
- Commercial:**
- First Year 1; Second Year 2; Third Year 5; Fourth Year 8; Fifth Year 10.
- Industrial:**
- None
- Irrigation:**
- First Year 1 (golf course); Second Year 1; Third Year 1; Fourth Year 1; Fifth Year 1.
2. The projected annual sewage treatment, in gallons, for each of the customer classes for each of the first 5 years are:
- Residential:**
- First Year 164,160; Second Year 424,320; Third Year 616,320; Fourth Year 808,320; Fifth Year 936,000.

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Commercial:

First Year 1000; Second Year 1600 gpd; Third Year 3000 gpd; Fourth Year 6000 gpd; Fifth Year 12,000 gpd.

Industrial:

None

Irrigation:

N/A

3. The total estimated operating revenue for each of the first 5 years of operation are:

Residential:

First Year \$59,508; Second Year \$94,308; Third Year \$129,108; Fourth Year \$163,908; Fifth Year \$175,392.

Commercial:

First Year \$120; Second Year \$200; Third Year \$500; Fourth Year \$1200; Fifth Year \$2400.

Industrial:

None

Irrigation:

First Year \$320; Second Year \$800; Third Year \$1200; Fourth Year \$1600; Fifth Year \$1800.

4. The total estimated annual operating expenses for each of the first 5 years of operation are:

Residential:

First Year \$87,776; Second Year \$117,245; Third Year \$149,237; Fourth Year \$166,442; Fifth Year \$180,855.

Commercial:

First Year \$266; Second Year \$237; Third Year \$603; Fourth Year \$672; Fifth Year \$730.

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The original and 13 copies
of the foregoing mailed this
25th day of September, 2003 to:

Arizona Corporation Commission
Docket Control
1200 West Washington Street
Phoenix, AZ 85007-2927

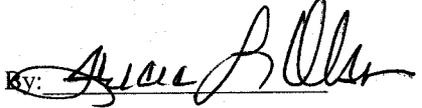
BY: 

EXHIBIT A

Articles of Organization

of

The Links at Coyote Wash Utilities, L.L.C.

EXPEDITED
AZ CORP COMMISSION
FILED

2003 JUN -4 P 3:51 ARTICLES OF ORGANIZATION

APPR. [Signature] OF

DATE APPR. 6-4-03

TERM. THE LINKS AT COYOTE WASH UTILITIES, L.L.C.

DATE TIME 4:10:36 PM -0

Pursuant to A.R.S. § 29-632 the undersigned states as follows:

1. The name of the limited liability company is The Links at Coyote Wash Utilities, L.L.C.
2. The address of the registered office in Arizona is: 11593 S. Fortuna Rd., Yuma, AZ 85367.
3. The name and address of the Statutory Agent is Joshua J. Meyer, 11593 S. Fortuna Rd., Yuma, AZ 85367
4. The life of the company shall be perpetual.
5. Management of the limited liability company is ^{reserved} vested in the member, and the name and address of the sole member at the time of formation is:

G-12, L.L.C.
4440 E Hwy 80
Yuma, AZ 85365

Dated this 4th day of June, 2003.

G-12, L.L.C.

[Signature]

By: Glen Thomas Curtis
Its: Manager

[Signature]

By: Robert Orendaine Curtis
Its: Manager

[Signature]

By: Patricia Annette Miller
Its: Manager

EXHIBIT B

Legal Description

of

Proposed Certificated Area (Requested Area)

LEGAL DESCRIPTION

PARCEL 1

The Southeast quarter (SE $\frac{1}{4}$); that part of the Southwest quarter (SW $\frac{1}{4}$) lying south of the Wellton Canal right-of-way; and that part of the Northeast quarter (NE $\frac{1}{4}$) lying south of the Interstate 8 right-of-way; of Section 7; and the Southwest quarter (SW $\frac{1}{4}$) of the Southwest quarter (SW $\frac{1}{4}$) of Section 8; all in Township 9 South (T9S), Range 18 West (R18W), Gila and Salt River Base and Meridian, Yuma County, Arizona; and

PARCEL 2

The Northwest quarter (NW $\frac{1}{4}$) and the South half (S $\frac{1}{2}$) of Section 13; and the Southeast quarter (SE $\frac{1}{4}$) of Section 14; all in Township 9 South (T9S), Range 19 West (R19W), Gila and Salt River Base and Meridian, Yuma County, Arizona.

EXHIBIT C

Shaded Map

of

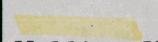
Requested Area with Other Utilities

ATTACHMENT "B"

Yuma	7 & 8	9 South	18 West
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	1 0	1 1	1 2
1 8	1 7	1 6	1 5	1 4	1 3
1 9	2 0	2 1	2 2	2 3	2 4
3 0	2 9	2 8	2 7	2 6	2 5
3 1	3 2	3 3	3 4	3 5	3 6

 Proposed Certificated area

 City of Wellton Water Service area

Type or Print Description Here:

The Southeast quarter (SE 1/4); that part of the Southwest quarter (SW 1/4) lying south of the Wellton canal right-of-way; and that part of the Northeast quarter (NE 1/4) lying south of the Interstate 8 right-of-way, all in Section 7 and the Southwest quarter (SW 1/4) of the Southwest quarter (SW 1/4) of Section 8, Township 9 South (T9S), Range 18 West (R18W), Gila and Salt River Base and Meridan, Yuma County, Arizona

ATTACHMENT "B"

Yuma	13 & 14	9 South	19 West
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

 Proposal certificated area

 City of Wellton Water Service Area

Type or Print Description Here:

The Northwest quarter (NW 1/4) and the South half (S 1/2) of Section 13, and the Southeast quarter (SE 1/4) of Section 14, all in Township 9 South (T9S), Range 19 West (R19W), Gila and Salt River Base and Meridian, Yuma County, Arizona.

EXHIBIT D

**Proforma Balance Sheet, Proforma Income Statement for the first 5 years,
and the Proforma Utility Plant in Service**

EXHIBIT D

PROFORMA BALANCE SHEET - COYOTE WASH UTILITIES, LLC

	DEBITS	CREDITS	SUBTOTALS
ASSETS			
CURRENT ASSETS			
Cash	\$ 50,000.00		
	\$ -		
Other	\$ -		
Total Current Assets			\$ 50,000.00
FIXED ASSETS			
Utility Plant in Service	\$ 932,776.80		
Accumulated Depreciation		\$ -	
Net Plant in Service			\$ 932,776.80
Other	\$ -		
TOTAL ASSETS			\$ 982,776.80
LIABILITIES & CAPITAL			
CURRENT & ACCRUED LIABILITIES			
Accounts Payable		\$ -	
Notes Payable		\$ -	
Accrued Taxes		\$ -	
Accrued Interest		\$ -	
Other		\$ -	
Total Current & Accrued Liabilities			\$ -
Long Term Debt		\$ -	\$ -
Deferred Credits			
Advances in Aid of Construction		\$ -	
Contributions in Aid of Construction		\$ 547,140.80	
Accumulated Deferred Income Tax		\$ -	
Total Deferred Credits			\$ 547,140.80
TOTAL LIABILITIES			\$ 547,140.80
Members Equity			
Contribution of Equipment (Phs. 1 WWTP)		\$ 378,136.00	
Contribution of Time/ Services		\$ 7,500.00	
Paid in Capital (incl. 1st 18 loan principle pmts.)		\$ 50,000.00	
		\$ -	
Total Equity			\$ 435,636.00
TOTAL LIABILITIES & EQUITY			\$ 982,776.80
Total Debits & Credits	\$ 982,776.80	\$ 982,776.80	

EXHIBIT D

PROFORMA INCOME STATEMENT

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Flat Rate Revenues:	\$41,100	\$80,820	\$118,050	\$152,640	\$181,110
Establishment Charges:	\$4,100	\$2,725	\$2,450	\$2,400	\$1,075
Other Revenues:	\$0	\$0	\$0	\$0	\$0
SUBTOTAL:	\$45,200	\$83,545	\$120,500	\$155,040	\$182,185
Operating Expenses					
Salaries & Wages (Plant Operations)	(\$30,100)	(\$36,000)	(\$36,000)	(\$36,000)	(\$36,000)
Purchased Sewer Treatment	\$0	\$0	\$0	\$0	\$0
Sludge Removal Expenses	(\$5,720)	(\$8,532)	(\$12,255)	(\$15,714)	(\$18,561)
Electrical Costs	(\$8,800)	(\$9,600)	(\$9,600)	(\$9,600)	(\$9,600)
Sewage Treatment & Testing (chemicals & lab costs)	(\$10,455)	(\$14,138)	(\$14,911)	(\$16,409)	(\$17,643)
Repairs & Maintenance	(\$1,500)	(\$1,800)	(\$1,800)	(\$1,800)	(\$1,800)
Office Supplies	\$0	\$0	\$0	\$0	\$0
Outside Services (billing & management)	(\$9,664)	(\$21,320)	(\$31,288)	(\$40,512)	(\$48,104)
Rent Expense	\$0	\$0	\$0	\$0	\$0
Transportation Expense	(\$992)	(\$2,275)	(\$3,268)	(\$4,190)	(\$4,950)
General Insurance	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)
Depreciation	\$ (19,281.80)	\$ (19,281.80)	\$ (33,781.80)	\$ (33,781.80)	\$ (33,781.80)
Health & Life Insurance	\$0	\$0	\$0	\$0	\$0
Income Taxes (40% rate)	\$0	(\$2,782)	(\$5,142)	(\$7,417)	(\$9,543)
Property Tax	\$0	\$0	\$0	\$0	\$0
Other Taxes	(\$650)	(\$1,200)	(\$1,200)	(\$1,200)	(\$1,200)
Miscellaneous Operating Expenses (contingencies)	(\$88,663)	(\$118,429)	(\$150,745)	(\$168,124)	(\$182,682)
TOTAL OPERATING EXPENSE	(\$43,463)	(\$34,884)	(\$30,245)	(\$13,084)	(\$497)
OPERATING INCOME (LOSS):					
Other Income/ Expenses	\$458.69	\$136.63	\$32.49	\$196.76	\$611.78
Interest Income:	\$0	\$0	\$0	\$0	\$0
Interest Expense:	(\$43,004.31)	(\$34,747.47)	(\$30,213.00)	(\$12,887.62)	\$114.57
Net Taxable Income (Loss) after interest					
Net Income:	(\$43,004)	(\$34,747)	(\$30,213)	(\$12,888)	\$115

EXHIBIT E

Proposed Tariff

PROPOSED SEWER TARIFF SCHEDULE

UTILITY: THE LINKS AT COYOTE WASH UTILITIES, L.L.C.

DOCKET NO: _____

RATES AND CHARGES

FLAT RATE (PER MONTH):

RESIDENTIAL	\$30.00
COMMERCIAL	\$30.00*

* IF A COMMERCIAL FLAT RATE IS NECESSARY, IT'LL BE CALCULATED FOR EACH COMMERCIAL CUSTOMER BY DIVIDING THE EXPECTED DESIGN DAILY SEWER FLOW RATE (AS PRESCRIBED BY TEN STATES STANDARDS) BY 1 SFE (SINGLE FAMILY EQUIVALENT). ONE SFE WILL EQUAL 262 GALLONS PER DAY (THE APPROVED DESIGN FLOW RATE PER SINGLE FAMILY UNIT BY ADEQ). THE RESULTING FACTOR WILL BE MULTIPLIED BY THE APPROVED RESIDENTIAL FLAT RATE TO GET THE COMMERCIAL FLAT RATE.

EFFLUENT SALES:

PER 1,000 GALLONS	\$2.00
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SERVICE LINE CONNECTION CHARGE:

None

SERVICE CHARGES:

1. ESTABLISHMENT (R14-2-603.D)	\$25.00
2. RECONNECTION/DELINQUENT	\$30.00
3. NSF CHECK	\$25.00
4. LATE PAYMENT PENALTY (PER MONTH)	1.5%
5. DEPOSIT INTEREST	3.50 (ANNUAL EFFECTIVE RATE)
6. DEPOSIT	2 X FLAT RATE**
7. RE-ESTABLISHMENT W/N 12 MONTHS (R14-2-603.D)	MONTHS OFF THE SYSTEM TIMES THE MINIMUM

** WILL ESTIMATE MONTHLY FLOW FROM EACH NEW COMMERCIAL CUSTOMER BASED ON DESIGN FLOW RATES PRESCRIBED BY TEN STATES STANDARDS. DEPOSIT THEN CALCULATED BY TAKING MONTHLY FLOW RATE TO DETERMINE SEWER RATE, MULTIPLY BY 2.5.

OTHER RATES AND CHARGES APPROVED BY ORDER

IN ADDITION TO THE COLLECTION OF ITS REGULAR RATES AND CHARGES, THE COMPANY WILL COLLECT FROM CUSTOMERS THEIR PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES OR USE TAX IN ACCORDANCE WITH R14-2-608.D5.

EXHIBIT F

Aquifer Protection Permit

(will be supplemented when available)

EXHIBIT G

List of Major Components of the Sewer System

SECONDARY TREATMENT PROCESS EQUIPMENT:

1. ONE (1) flow equalization system, complete with cylindrical fiberglass tank, duplex submersible grinder pumping system electro-mechanical control panel and flow control system. The flow equalization tank will be sized to serve a design flow of 69,300 gallons per day. The flow control system shall include flow metering and actuated control valve.
2. TWO (2) underground, horizontally installed, fiberglass, aeration reactors. Reactors may be installed in single or multiple vessels dependent upon hydraulic requirements.
3. ONE (1) underground, horizontally installed, fiberglass final clarifier. The clarifier will be installed in a combined vessel with other treatment units.
4. RECYCLE piping shall be installed to provide flow rate and control for mixed liquor and return activated sludge lines.
5. ONE (1) underground, horizontally installed, fiberglass, aerated, sludge holding tank.
6. ONE (1) duplex aeration system consisting of:
 - a) TWO (2) Roots rotary blower units model 59-URAI;
 - b) TWO (2) 20 HP motors;
 - c) TWO (2) intake filters;
 - d) TWO (2) inlet silencers;
 - e) TWO (2) outlet silencers;
 - f) ONE (1) control panel providing automatic switchover; and
 - g) ONE (1) variable speed drive unit.

ADVANCED TREATMENT PROCESS EQUIPMENT:

1. ONE (1) denitrification (anoxic) reactor, complete with chemical feed system for addition of a supplemental carbon source. This reactor may be installed as a single vessel or combined with other reactors dependent upon hydraulic requirements,
2. ONE (1) re-aeration reactor installed immediately ahead of the final clarifier. This reactor will be installed in the same vessel as the clarifier.

DISINFECTION EQUIPMENT:

1. ONE (1) chlorine contact basin, complete with cylindrical fiberglass tank with baffle sized to serve a design flow of 69,300 gallons per day.
2. ONE (1) tablet chlorine feed system.

3. ONE (1) tablet de-chlorination system.

ADDITIONAL EQUIPMENT:

1. ONE (1) influent lift station designed for 126,000 gpd capacity.
2. ONE (1) centralized alarm system with auto-dialer.
3. ONE (1) set basic process control equipment for process monitoring.
4. ONE (1) effluent totalizing magnetic flow meter. 5. ONE (1) influent bar screen.
6. ONE (1) manually operated lifting winch with platform base.
7. ONE (1) back-up power generator with automatic transfer switch with sufficient capacity for wastewater pumping systems at full-build out.

COLLECTION SYSTEM

1. 42 - 4 foot sewer Man-ways.
2. 2 sewer clean-outs.
2. Collection Pipe:
 - a) 4066 linear feet of 15 inch diameter sewer pipe;
 - b) 1645 linear feet of 12 inch diameter sewer pipe;
 - c) 2369 linear feet of 10 inch diameter sewer pipe;
 - d) 5074 linear feet of 8 inch diameter sewer pipe;
 - e) 1097 linear feet of 6 inch diameter sewer force main pipe; and
 - f) 515 linear feet of 2 inch diameter water service pipe.