

ORIGINAL



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Company Name: **TONTO VILLAGE WATER CO.** Test Year Ended:

Pending Rate Application: **W-01580-04-0672**

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## Response to Third Insufficiency (2/07/2005)

Dear Sir:

In order to meet the requirements of this insufficiency, the Company contacted the Payson Water Department and worked through Mr. Mike Plough who is a water hydrologist working for the City of Payson.

Mr. Plough recommended Mr. Douglas Thorne, who is also employed by the City of Payson, contact us about serving as our certified operator. I met with Mr. Thorne and found him very well qualified to work with the Tonto Village Water Company as the certified operator for the following reasons.

1. Mr. Thorne has Class 4 certification, the highest available from DEQ, for water treatment, water distribution, wastewater collection, and wastewater treatment
2. He lives in Star Valley, a community about 5 miles out of Payson and about 15 minutes from Tonto Village. There are no certified operators living in Tonto Village.
3. He is very familiar with the kind of equipment the Company is using and able to service the existing equipment in a timely manner.
4. He has worked in the Payson Water Department for many years and is familiar with the suppliers and contractors available in the area to perform work for the Company.

His normal responsibilities will be to visit Tonto Village at least once a month and make certain the water system is operating properly and in compliance with current rules and regulations. It is expected that this will take a maximum of three (3) hours normally though we will pay for two (2) additional hours per month to cover emergencies.

However, because of many years of lack of service, the Tonto Village Water Company wellsites are not in compliance and need extensive repairs and servicing. Mr. Thorne is a person who is able to guide the work of getting the Tonto Village Water Company into compliance.

On February 20, 2005, the Tonto Village Water Company hired Mr. Douglas Thorne, effective March 1, 2005, to be the Company's Certified Operator. The nominal rate of pay is \$30.00 per hour. Because of the increased work load expected while getting the wellsites into compliance, the Company will be paying him for a minimum of 10 hours per month, to be worked as his schedule allows. Commencing March 1, 2005, he will be paid \$300.00 per month with any additional hours to be paid at the same rate and in 1/2 hour increments. The expectation is that it may take as long as 1 year to bring all the wellsites fully into compliance.

When the wellsites are in compliance, his hours will be reduced to 5 hours per month and he will be paid \$150.00 per month to perform the normal duties of a Certified Operator.

As per the sufficiency requirement for "two separate cost statements", the Tonto Village Water Company was not able to obtain two separate cost statements because efforts to locate other certified operators failed and time was running out. Further, there are fewer certified operators available now than in past years because some operators did not meet the requirement for 30 professional development hours (PDH) to have their certifications renewed.

While the "letter of the law" of the insufficiency has not been met, the cause for the insufficiency has been met and the Company is very hopeful that within one year, the Company will be fully in compliance.

Sincerely,

Ronald Standage  
Manager

February 21, 2005

Arizona Corporation Commission

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