



0000024674

Decision folder

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

APR 24 2001

1
2 WILLIAM A. MUNDELL
CHAIRMAN
3 JIM IRVIN
COMMISSIONER
4 MARC SPITZER
COMMISSIONER
5

DOCKETED BY *sd*

6 IN RE THE APPLICATION OF WILLIAMSON
ENVIRONMENTAL ENGINEERS, INC. FOR: (1)
7 APPROVAL OF THE SALE AND TRANSFER OF
THE OVERGAARD WASTEWATER SYSTEM TO
8 THE OVERGAARD TOWNSITE DOMESTIC
WASTEWATER IMPROVEMENT DISTRICT; (2)
9 CANCELLATION OF THE CERTIFICATE OF
CONVENIENCE AND NECESSITY OF
10 WILLIAMSON ENVIRONMENTAL ENGINEERS,
INC.; AND (3) DECLARATION OF NON-
JURISDICTION.

DOCKET NO. W-03261A-01-0269

DECISION NO. 63604

OPINION AND ORDER

11 DATE OF HEARING: April 12, 2001

12 PLACE OF HEARING: Phoenix, Arizona

13 PRESIDING JUDGE: Marc E. Stern

14 APPEARANCES: Snell & Wilmer, by Mr. Jeffrey W. Crockett, on behalf of
15 Overgaard Townsite Domestic Wastewater Improvement
16 District;

17 Ms. Teena Wolfe, Staff Attorney, Legal Division, on behalf of
18 the Utilities Division of the Arizona Corporation Commission.

19 **BY THE COMMISSION:**

20 On March 30, 2001 Williamson Environmental Engineers, Inc. ("Williamson" or
21 "Applicant") filed with the Arizona Corporation Commission ("Commission") an application that
22 requests the following: approval of the sale of its wastewater utility assets to the Overgaard Townsite
23 Domestic Wastewater Improvement District ("District"); the cancellation of Williamson's Certificate
24 of Convenience and Necessity ("Certificate") to provide wastewater utility service to the Overgaard
25 Townsite in Navajo County, Arizona; and an acknowledgement that the District will not be regulated
26 by the Commission.

27 On April 6, 2001, the Commission, by Procedural Order, scheduled a hearing on
28 Williamson's application.

1 On April 11, 2001, the Commission's Utilities Division ("Staff") filed its report
2 recommending approval of Williamson's sale of its wastewater utility assets and the cancellation of
3 the Applicant's Certificate.

4 On April 12, 2001, the matter came on for hearing before a duly authorized Administrative
5 Law Judge of the Commission at its offices in Phoenix, Arizona. Applicant appeared through its
6 President. The District and Staff appeared with counsel. Williamson and/or the District provided
7 notice of the application and hearing pursuant to the Procedural Order. Two property owners made
8 public comment in support of the application. No one appeared in opposition. At the conclusion of
9 the hearing, the matter was taken under advisement pending submission of a recommended Opinion
10 and Order to the Commission.

11 * * * * *

12 Having considered the entire record herein and being fully advised in the premises, the
13 Commission finds, concludes, and orders that:

14 **FINDINGS OF FACT**

15 1. Pursuant to authority granted by the Commission in Decision No. 60778 (April 8, 1998),
16 Williamson was granted a Certificate to provide public wastewater utility service to the Overgaard
17 Townsite, Navajo County, Arizona.

18 2. On May 1, 2000, pursuant to Arizona Law, the District was formed by a resolution of the
19 Navajo County Board of Supervisors in order to provide public wastewater service to residents in and
20 around the Overgaard Townsite.

21 3. On March 13, 2001, Williamson and the District entered into an Asset Purchase
22 Agreement whereby the District would purchase Applicant's wastewater treatment facilities.

23 4. On March 30, 2001, Williamson filed an application requesting that the Commission
24 approve the sale of its wastewater utility assets to the District and that its Certificate be cancelled.
25 The District will provide wastewater service to the former certificated service area of Applicant, if
26 the application herein is approved.

27 5. On April 10, 2001, the District filed certification that it provided notice of the application
28 and the hearing thereon pursuant to the terms of the Commission's Procedural Order.

1 6. At the present time, Applicant provides wastewater service to approximately 35 customers
2 within its certificated area, and is not charging for this service.

3 7. Applicant's system was constructed years ago by the Works Progress Administration and
4 consists of a small collection system and several septic tanks. Although the system formerly required
5 little maintenance other than having the lines and septic tanks cleaned out twice a year, its leach field
6 is on the verge of failure.

7 8. According to Decision No. 60778, the Arizona Department of Environmental Quality
8 ("ADEQ") would not allow any new connections to the system without costly repairs which could
9 have resulted in Applicant's customers having to pay bills of approximately \$100 a month or more.

10 9. ADEQ, at that time and presently, favors the formation of the District to own and operate
11 the system for the benefit of its customers.

12 10. There are no refunds due for any outstanding security deposits or main extension
13 agreements.

14 11. Williamson has not collected any fees for its wastewater service since the end of 1999,
15 and is not required to pay sales taxes by law. Applicant acknowledged owing approximately \$650 for
16 property taxes to Navajo County and will file evidence that it is current on its property taxes by April
17 17, 2001.

18 12. The District has retained a certified operator to operate the system.

19 13. The District is requesting expedited treatment of Williamson's application. The District
20 must obtain title to Williamson's wastewater utility assets before the end of April 2001 in order to
21 secure an ADEQ Water Quality Improvement Grant of \$34,000 and an additional \$100,000 from the
22 Water Infrastructure Finance Authority of Arizona during its current funding cycle. If the District
23 does not obtain title to Williamson's assets in a timely fashion, it faces an additional period of delay
24 of approximately one year to qualify for the next funding cycle to finance much needed
25 improvements, including the design and installation of a new leach field.

26 14. On April 11, 2001, Staff filed its report recommending approval of the sale and the
27 cancellation of Williamson's Certificate, conditioned upon Williamson filing proof that is current on
28 its property taxes.

1 15. On April 12, 2001, Williamson and the District filed a letter waiving their 10-day right to
2 file exceptions to the recommended Opinion and Order in this proceeding.

3 16. After the sale, Williamson's customers will receive service equal to or better than the
4 service from Applicant.

5 17. Staff's recommendation is reasonable.

6 **CONCLUSIONS OF LAW**

7 1. Applicant is a public service corporation within the meaning of Article XV of the Arizona
8 Constitution and A.R.S. §§ 40-252, 40-281 and 40-282.

9 2. The Commission has jurisdiction over Williamson and the subject matter of the
10 application.

11 3. Upon the Commission's approval of the application which will result in the transfer of
12 Williamson's wastewater treatment system to the District, the Commission will not have jurisdiction
13 over the District, which is a political subdivision of the State of Arizona pursuant to A.R.S. § 48-901,
14 et seq.

15 4. The cancellation of Williamson's Certificate and transfer of assets to the District would
16 benefit the public interest and protect the public health, safety and welfare.

17 5. Staff's recommendation should be adopted and the Certificate of Williamson should be
18 cancelled.

19 6. The Commission should rescind Decision No. 60778 and cancel Williamson's Certificate.

20 **ORDER**

21 IT IS THEREFORE ORDERED that the application of Williamson Environmental
22 Engineering, Inc. for approval of the sale of its wastewater utility assets and cancellation of its
23 Certificate of Convenience and Necessity be, and is hereby, approved subject to the filing of evidence
24 that it has paid any outstanding balance for past due property taxes to Navajo County, Arizona.

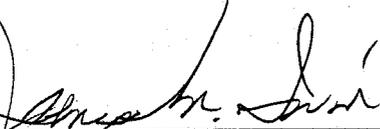
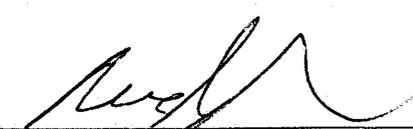
25 ...
26 ...
27 ...
28 ...

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

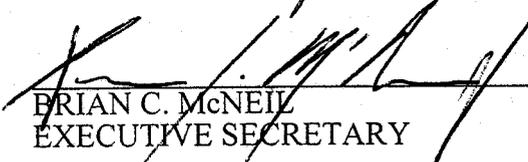
IT IS FURTHER ORDERED that Decision No. 60778 be rescinded and the Certificate of Convenience and Necessity granted therein be, and hereby is, cancelled subject to the condition that Williamson Environmental Engineering, Inc. or the Overgaard Townsite Domestic Wastewater Improvement District file with the Commission, within 30 days of the conclusion of the proposed transaction, certification that the sale of assets has taken place.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

		
CHAIRMAN	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 24th day of April, 2001.


 BRIAN C. McNEIL
 EXECUTIVE SECRETARY

DISSENT _____
MES:mlj

1 SERVICE LIST FOR:

WILLIAMSON ENVIRONEMNTAL
ENGINEERING, INC.

2 DOCKET NO.

W-3261A-01-0269

3
4 Jeffrey W. Crockett
5 SNELL & WILMER
6 One Arizona Center
7 Phoenix, AZ 85004-2202

8 Christopher Kempley, Chief Counsel
9 Legal Division
10 ARIZONA CORPORATION COMMISSION
11 1200 West Washington Street
12 Phoenix, Arizona 85007

13
14 Deborah Scott, Director
15 Utilities Division
16 ARIZONA CORPORATION COMMISSION
17 1200 West Washington Street
18 Phoenix, Arizona 85007
19
20
21
22
23
24
25
26
27
28