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ORIGINAL

March 12, 2009

To: Arizona Corporation Commission
Commissioner Kristin K. Mayes
1200 W. Washington Street
Phoenix, AZ 85007

WS-03478A-08-0608

From: Gerald R. Frye

Arizona Corporation Commission

Subject: Palm Shadows Wastewater Treatment Plant
Far West Sewer & Water Company
Yuma, AZ 85367

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AZ CORP COMMISSION
DOCKET CONTROL

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Dear Chairman Mays:

Far West Water & Sewer Company (Far West) provides wastewater service to 558 customers in the Vista Del Sol Subdivision (subdivision) and, the Palm Shadows Wastewater Treatment (Plant) provides for that service. And, I am a property owner (and "winter visitor") residing in that subdivision.

Far West is seeking additional revenues, and they have requested several rate increase. One, an emergency increase of over 100% for it's customers, and the other a 3-year graduated rate of 215%. The current rate of \$21.75 could possibly go to \$74.32 per month, or \$892.00 year. This would be more than some resident's property tax. The Arizona Corporation Commission (ACC) held a public hearing concerning the emergency rate request on March 5, 2009 (ACC Docket # WS-03478A-08-0608).

Due to the requested increase, I decided to review the Plant's condition, and see how it's linked to the requested rate increase. Palm Shadows was one of seven Far West's wastewater treatment facilities named in the Arizona Department of Environmental Quality's Consent Order, Docket # P-105-06. As I reviewed the information I uncovered about the Plant, I started to realize there was something more disturbing than just a rate increase. Then I thought, the other six plants must also have their own unique problems. Therefore, I have listed the history of the Plant, followed by the questions that concern me and other residents of this subdivision. Also, I would appreciate your timely response concerning the questions.

A. Palm Shadows Plant History (road map to failure).

1. The Palm Shadows Wastewater Treatment Plant (Plant) was authorized by Arizona Department of Environmental Quality (ADEQ) on November 19, 1998, and ADEQ was the principle inspector (ADEQ documented). The Plant was designed and constructed as a basic "evaporation and percolation" type.

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2. ADEQ issued an Aquifer Protection Permit for the Plant on April 14, 1999, permitting a design flow of 200,000 gallons wastewater treatment per day, as indicated on ADEQ Consent Order, Docket No. P-105-06 (subpart enclosed).
3. On June 20, 1999, the Arizona Corporation Commission (ACC) approved Far West's certificate request for extension of lands and Plant to be incorporated into Far West's overall wastewater treatment system, ACC Docket No. WS-03478A-98-0724 (enclosed).
4. The Plant was necessary to service the newly approved Vista Del Sol Subdivision. The subdivision was developed by Palm Shadows Partnership. The partnership consisted of Brent Weidman, which at that time was the president of Far West Water & Sewer, Inc. and Jacobson Companies.
5. There are 558 lots in the subdivision, and the primary purpose was Recreational Vehicles lots for winter visitors. The Vista Del Sol subdivision is located in the city of Yuma (city), has city building codes, water, road maintenance, garbage, city taxes, police service, etc. The city annexed the land prior to authorizing the subdivision.
6. The subdivision was designed with two parcels of land contiguous to it. One on the south at a higher elevation, where the plant is located. This location requires a pump station to pump the majority of the wastewater to the Plant (forever). The pump station continually has problems (pump & motor repairs, wastewater flowing from the manhole, etc.). I know, because I live next to it. If the plant was built on the north parcel, the wastewater would have been "gravity flow" to the Plant. The soil in the north is pervious because the storm water runoff "catch basins", adjacent to the parcel, are usually dry the day after a major rain storm. But, this land is commercial so, more valuable to the developer than the south parcel.
7. The subdivision lot prices included a "predetermined" sewer capacity charge, which turned out to be \$950.00 per lot, to compensate for the Plant's construction costs (see ACC Docket and subdivision info sheet - attached). There was also a \$50.00 hook up fee for Far West. These combined, added up to \$558,000 paid by Vista Del Sol residents (after total lot sales).
8. The developer constructed the sewer lines "in the city streets" and deeded the lines to Far West. Far West financed the Plants construction, and it was 90% complete prior to the ACC's June 20, 1999, Docket approval.
9. During a discussion with Mr. Andrew Capestro (current Far West President) on March 4, 2009 (at his office located in the H & S Developers building), I asked Mr. Capestro who financed the Plant's construction. Mr. Capestro thought it might have been H & S Developers because that was fairly common at that time. I also asked Mr. Capestro what was the construction cost for the Plant.

Mr. Capestro said he did not know. And, Mr. Capestro was ~~as~~ not sure who constructed the plant (Far West, H & S Developers, or others) At this meeting Mr. Capestro also showed me ADEQ's Plant authorization, dated November 19, 1998. This meeting took place after 8 days of contacting Far West, and was only accomplished with the persistent support of an ACC employee during this time. I might also add that my initial request to obtain the above information was met with "put it in writing, our attorney will review it, and we will get back to you".

9. During the early stage of lot sales/build-out, subdivision residents were already complaining about the odors in the community. One resident contacted ADEQ, city of Yuma, developer and Far West representatives. An informal meeting was held with concerned residents and the subject was discussed. The outcome of the meeting was, nothing major was wrong with the Plant, lot sales continued as usual, and the resident was labeled a "trouble maker".

10. After numerous ADEQ citations, the Plant was issued a Closure Order. The Plant's failure to function is based solely upon the fact the "percolation ponds" were constructed on impervious clay soil (well documented by ADEQ), and did not work. ADEQ failed to verify that the site conditions were adequate prior to construction. Therefore, the Plant was "Mortally Wounded", before the first wastewater arrived. The Plant only operated for 5 ½ years before the Closure Order was issued. During the early ADEQ violation phase, the subdivision was less than 50% "build out" and, most of the residents were winter visitors in RV's, and producing minimal wastewater. There are still a total of 5 lots that cannot be utilized by the owners because of the 2006 ADEQ building moratorium. Oh, the storm water runoff "catch basins" adjacent to the Plant stay full of water for several weeks after a heavy rain storm (impervious soil). I know, because my dogs like to swim in them.

11. Far West's Closure Plan consists of pumping the Plant's wastewater, in a new sewer line, approximately 5 miles to a up-graded Foothills facility for treatment (very expensive and not green). I understand prior to the agreement, Far West was trucking wastewater to another Foothill plant. And, presumably, this put a load on the facility and would have jeopardized H & S Developers new development in the "upscale areas". Hence, the agreement with the city.

12. Currently, Far West has an agreement (for over a year) with the city to transfer around 200,000 gpd of wastewater to the city's West Dunes facility (by tanker truck). Far West pays the city around \$20,000 per month for this service. Far West's monthly sewer fees for the Plants service area customers is around \$12,000 per month.

B. Pertinent Questions:

1. Item # 4 above -

Is this an accepted practice and ethical, whereby a public utility company's president can develop a subdivision and then be the sole wastewater treatment provider?

2. Item # 6 above -

Is it common practice that a "predetermined" sewer capacity charge is included in the lot price?

Is it common practice the "predetermined" charge pays for the construction of the new wastewater treatment plant to serve that subdivision - and will be owned by that utility company?

Is the cost of sewer lines installed by the developer usually factored into the lot price?
Who inspected the sewer line installation?

3. Item # 7 above -

Is it common practice that the developer installs the sewer lines, and then Deed's them to Far West?

Did the lot purchaser actually pay for the sewer lines that were deeded to Far West?

4. Item # 6 & #8 above -

Is Far West and H & S Developers the same company?

Who financed the Plant's construction?

What were the finance fees, interest, term, etc.?

What did the Plant cost?

Were the lot's "sewer capacity charges" used to pay-off the construction loan - if not, are the customers still paying on this loan?

Is there a "paper trail" for the \$558,000 ($\$950.00 \times 558 \text{ lots} = \$530,100$ plus $\$50.00 \times 558 \text{ lots} = \$27,900$)?

If the Plant construction cost were less than the "predetermined" fee added up to, what were the remaining funds used for?

Can a private utility depreciate/amortization the cost of a plant built with customer fee charges? What about the sewer lines?

5. Item # 10 above -

Who was looking out for the customers before, during and after the plant was constructed? (Note: ACC should have a technical support team that conduct periodic reviews to new and existing systems to verify their ability to continue operating as designed.)

Is there anything about "product liability", that needs to be addressed, concerning the customer paying for a new wastewater treatment plant that failed?

Who should be responsible for correcting the Plants problem? Who pays the cost?

C. My Suggestions concerning this matter:

1. ACC and Far West should pursue a transfer of the Plant and all associated facilities to the city of Yuma. The city's West Dunes sewer line connection is approx. 7/10 of a mile from the Plant (directly west on County 12th Street). The same line the wastewater is being trucked to. The Plant is located at a higher elevation than the connection, and would be "gravity flow", very green.

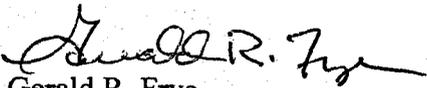
2. The subdivision residents should be compensated, in some way, to offset the dollars and related problems associated with Palm Shadows Plant. Two possible ways could be a "stand by" sewer fee, when they are away from Yuma. And, all transfer and connection costs to Yuma's sewer should be absorbed by Far West. Far West already flushed down the sewer line, several hundred thousand dollars of the customers money to the city, under their current agreement. But, in no way, should any of the subdivision residents be required to pay any additional money for the failed Plant.

3. Now the Big Picture. The major reason Far West is in such a financial problem is directly related to the building boom in the Foothills area. There was more development than the system could feasibly handle. Why, Yuma County and the city of Yuma issued too many building permits without really looking into Far West sewer capacity. They took them at their word. The county and city benefited from the property taxes and associated revenue that the "winter visitors" (and others) brought in, which gave the local economy a huge boost. You just have to look around, it's everywhere. Can you just imagine what would happen if the winter visitors decided to stay home? The greater Yuma Area needs to establish an area-wide Municipal Sewer District. Many progressive thinking areas are doing just that. It puts order and responsibility for development where it belongs.

Note: The above information was obtained in a short 10 days, prior the ACC's Emergency Rate Increase Public Hearing scheduled for March 5, 2009 (it took me a number of days to actually find out where to start my Palm Shadows search). Therefore, some information may be sketchy and a more thoroughly review is required by RUCO and ACC specialists to verify the ramifications of this information. But, a utility customer should not need to research and discover the possible failings of a system that is monitored, on their behalf, by state regulatory agencies.

Thank you for your consideration of these issues. If you have any questions concerning this matter, please contact me at the below address or call (928) 345-9543 or cell (509) 891-6304. After April 1, 2009, I can be reached at (509) 891-6304.

Sincerely,



Gerald R. Fry
9565 E. 33rd Street
Yuma, AZ 85365

cc: U.S. Senator, John McCain
Arizona Governor, Jan Brewer
Arizona Department of Environmental Quality, Director
Arizona Residential Utility Consumer Office, Director
City of Yuma, Mayor
County of Yuma, Administrator

PUBLIC NOTICE OF THE HEARING ON
FAR WEST WATER & SEWER COMPANY REQUEST FOR AN
EMERGENCY RATE INCREASE
DOCKET NO. WS-03478A-08-0608

Far West Water & Sewer Company ("Company") has requested the Arizona Corporation Commission ("Commission") to determine if an interim emergency rate increase should be granted for its sewer utility service. Far West is seeking additional annual revenues of \$2,161,788, an increase of 101.02 percent over the Company's 2007 revenues. Under the Company's proposal, residential customers would pay \$45.59 per month, an increase of \$23.84; commercial customers would pay \$91.18 per month, an increase of \$47.68, and the charge for Recreational Vehicle Parks per space would be \$11.40, an increase of \$5.96.

If you have any questions concerning how the Company's emergency rate proposal will affect your bill or have other substantive questions about this application, you may contact the Company at: 13157 E. 44th Street, Yuma, AZ 85367; Attention: Andrew Capestro, (928) 342-1238 or info@farwestwaterandsewer.com.

Commission Staff and the Residential Utility Consumer Office have not yet made their recommendations on the requested emergency request. The Commission will make a determination of whether an emergency exists and may deny the request or approve an interim rate either higher or lower than that requested based on the evidence presented at hearing.

How You Can View or Obtain a Copy of the Emergency Rate Proposal

Copies of the application and proposed tariffs are available at the Company's office at 13157 E 44th Street, Yuma, AZ 85367 and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona and its Tucson offices, 400 West Congress, Suite 218, Tucson, Arizona and on the internet via the Commission website (www.azcc.gov) using the e-docket function.

Public Hearing and Public Comment

The public hearing on the emergency request will begin at the Commission's offices at 400 West Congress Street, Room 222, Tucson, Arizona on April 6, 2009 at 10:00 a.m. Customers can attend the hearing and make public comment, or file written comments with the Commission. Written comments should be addressed to Docket Control, 1200 W. Washington, Phoenix, Arizona 85007, and should reference Docket No. WS-03478A-08-0608.

In addition, the Commission will hold a Public Comment Meeting on March 5, 2009, at 6:00 p.m., or as soon thereafter as is practical, at the Sunrise Elementary School cafeteria/multi-purpose room, 9943 28th Street, Yuma, Arizona, 85637.

About Intervention

Intervenors may intervene in this matter. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

For information about requesting intervention, visit the Commission's webpage at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>, or contact the Commission's consumer services section at 1-800-222-7000 or 602-542-4251.

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 March 10, 2009. If representation by counsel is required by Rule 31 of the rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as sign language interpreter, as well as request this document in an alternative format, by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail sbernal@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.



BEFORE THE DIRECTOR OF THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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In the Matter of:)	CONSENT ORDER
)	
Far West Water & Sewer, Inc. located at 13157)	
E. 44 th Street, Yuma, Arizona)	
)	
ADEQ Identification Number: 101816)	Docket No. <u>P-105-06</u>
)	
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To: Far West Water & Sewer, Inc. (Far West) in its capacity as owner and/or operator of the Seasons, Section 14, Palm Shadows, Villa Royale, Del Rey, Del Oro, and Marwood Wastewater Treatment Plants (WWTPs) located in Yuma County, Arizona.

RECITALS

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Far West acknowledges that no promise of any kind or nature whatsoever was made to induce it to enter into this Consent Order, and Far West has done so voluntarily.

Far West acknowledges that by entering into this Consent Order, it does not resolve any liability it may have for civil penalties for violations of any State or Federal environmental law.

By entering into this Consent Order, Far West does not admit to any civil or criminal liability, or waive any right including but not limited to the assertion of any defense available to Far West under applicable law. Further, Far West does not admit, and both the Arizona Department of Environmental Quality ("ADEQ") and Far West retain the right to controvert in any subsequent proceeding except a proceeding to implement or enforce this Consent Order, the validity of any Findings of Fact or Conclusions of Law contained in this Consent Order.

The undersigned representative of Far West certifies that he is fully authorized to execute this Consent Order on behalf of Far West and to legally bind Far West to this Consent Order.

Far West admits to the jurisdiction of the Director of ADEQ.

Except as to the right to controvert the validity of any Findings of Fact or Conclusion of Law contained in this Consent Order in a proceeding other than to enforce this Consent Order, Far West consents to the terms and entry of this Consent Order and agrees not to contest the validity or terms of this Consent Order in any subsequent proceeding.

PC

1 c. In January, 2005, ADEQ issued Far West a NOV citing various dates on
2 which the Section 14 WWTP exceeded the APP discharge limit of 10 mg/l for total nitrogen.

3 d. In March, 2006, ADEQ inspected the Section 14 WWTP and issued to Far
4 West a NOV citing additional dates on which the WWTP exceeded the APP discharge limit for
5 total nitrogen. Neither the January 2005 nor the March 2006 NOVs has been resolved.

6 5. Palm Shadows WWTP – Located at 9700 E. 40th Street (Palm Shadows Site)

7 a. On April 14, 1999, ADEQ issued Far West an APP for the Palm Shadows
8 WWTP, permitting a design flow of 200,000 gpd. The effluent from the Palm Shadows WWTP
9 is disposed of by evaporation and percolation.

10 b. On May 18, 2001, ADEQ issued Far West a NOV citing dates on which
11 the Palm Shadows WWTP exceeded the APP discharge limit of 10 mg/l for total nitrogen, and
12 for failure to notify ADEQ of the violations. ADEQ closed the NOV on February 19, 2002 after
13 Far West demonstrated compliance by implementing corrective measures and submitting a letter
14 describing the measures implemented.

15 c. During March 2006, ADEQ inspected the Palm Shadows Site and issued
16 Far West a NOV citing violation of the APP discharge limit for total nitrogen, and failure to
17 conduct verification sampling. In response, Far West submitted a March 29, 2006 letter that did
18 not address the total nitrogen violations, but outlined the reason verification sampling was not
19 done. The March 2006 NOV remains unresolved.

20 6. Seasons WWTPs – Located at 10301 E 10th Street (Seasons Site)

21 a. On December 24, 1998, ADEQ issued an individual APP for the Seasons
22 WWTP, permitting a design flow of 50,000 gpd. The effluent from the Seasons WWTP is
23 disposed of by evaporation and percolation.

24 b. On January 3, 2005, ADEQ issued Far West a NOV citing violation
25 of the APP discharge limit of 10 mg/l for nitrogen.

26 c. In 2005, Far West expanded the capacity of the Seasons WWTP from
27 50,000 gpd to 150,000 gpd without seeking a significant amendment of the APP.

28 d. In March 2006, ADEQ inspected the Seasons WWTP and issued to Far
29 West a March 14, 2006 NOV citing operation of the WWTP at a flow of 150,000 gpd without
30 first obtaining a significant APP amendment from ADEQ.

31 7. Marwood WWTP – Located at 14,00 E. 14th Street (Marwood Site)

32 a. On August 30, 1994, APP issued an individual APP for the Marwood

1 to pump raw sewage from the area serviced by the Palm Shadows WWTP to the Section 14
2 WWTP. If ADEQ requests additional information and/or data to process the NOI, Far West
3 shall submit such additional information and/or data by the deadline provided by the deadline
4 provided by ADEQ.

5 4. Within sixty (60) calendar days of receipt of Construction Authorization
6 from ADEQ, Far West shall complete expansion of the Section 14 Collection System and ensure
7 that the expansion conforms to the plans and documents approved by ADEQ in the Construction
8 Authorization.

9 5. Within thirty (30) calendar days of completing expansion of the Section
10 14 Collection System, Far West shall submit to ADEQ an administratively complete request for
11 Discharge Authorization pursuant to A.A.C. R18-9-A301(D)(f). Should ADEQ request any
12 additional information and/or data to determine whether the expanded sections of the Section 14
13 Collection System conform to the terms of the Type 4 General APP, Far West shall submit to
14 ADEQ such information and/or data by the deadline provided by ADEQ. Far West shall not
15 commence operation of the expanded sections of the Section 14 Collection System prior to
16 receipt of the Discharge Authorization from ADEQ.

17 H. Palm Shadows WWTP

18 1. Within thirty (30) calendar days of the effective date of this Consent
19 Order, Far West shall submit to ADEQ a request for a minor modification to the Palm Shadows
20 WWTP APP authorizing installation of the appropriate technology that would bring the Palm
21 Shadows WWTP in compliance with its total nitrogen APP limit. Far West shall install such
22 appropriate technology within sixty (60) days of receipt of the modified APP, and submit to
23 ADEQ written documentation confirming this task has been completed.

24 2. Within two hundred (200) calendar days of the effective date of this
25 Consent Order, Far West shall submit to ADEQ a Closure Plan for the Palm Shadows WWTP
26 pursuant to A.A.C. R18-9-A306 and Part II.E of APP No. P-103608. Should ADEQ request
27 additional information and/or data to process the Closure Plan, Far West shall submit such
28 additional information and/or data by the deadline provided by ADEQ.

29 3. Within ninety (90) calendar days of the receipt of ADEQ's written
30 approval of the Closure Plan, Far West shall complete all closure requirements associated with
31 the Palm Shadows WWTP.

1 ORIGINAL of the foregoing Consent Order was filed this 31 day of October, 2006

2 with:

3 Judith Fought, Hearing Administrator
4 Office of Administrative Counsel
5 Arizona Department of Environmental Quality
6 1110 West Washington Street
7 Phoenix, Arizona 85007-2935
8

9 COPY of the foregoing Consent Order was sent certified mail, return receipt requested, this 31
10 day of October, 2006 to:

11 Paula Capestro, President
12 Far West Water & Sewer, Inc.
13 12486 Foothills Blvd.
14 Yuma, Arizona 85367
15

16 COPIES of the foregoing Consent Order were sent by regular/interdepartmental mail, this 31
17 day of October, 2006 to the following:

18 Mark Horlings, Civil Unit Chief
19 Environmental Enforcement Section
20 Office of the Attorney General
21 1275 West Washington Street
22 Phoenix, Arizona 85007
23

24 Cynthia S. Campbell, Manager, WQCS, ADEQ

25 Robert Casey, Manager, WQEU, ADEQ

26 Michele Robertson, Manager, Groundwater Section, ADEQ

27 Asif Majeed, Manager, Wastewater, Recharge & Reuse Unit, Groundwater Section, ADEQ

28
29 Becky Brooks, Director
30 Yuma County Health Department
31 2200 West 28th Street
32 Yuma, Arizona 85364
33

34 Kathi Moore, Chief
35 CWA Compliance Office (WTR-7)
36 U.S. EPA, Region IX
37 75 Hawthorne Street
38 San Francisco, CA 94105
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BEFORE THE ARIZONA CORPORATION COMMISSION
Arizona Corporation Commission

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER

DOCKETED

JUL 21 1999

DOCKETED BY	<i>WJ</i>
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IN THE MATTER OF THE JOINT APPLICATION OF FAR WEST WATER & SEWER, INC. FOR AN ORDER EXTENDING ITS CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. WS-03478A-98-0742

DECISION NO. 61834-4

OPINION AND ORDER

DATE OF HEARING: June 9, 1999
PLACE OF HEARING: Tucson, Arizona
PRESIDING OFFICER: Jane L. Rodda
APPEARANCES: Brent Weidman, President of Far West Water & Sewer, Inc.; and Peter Breen, Staff Attorney, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. Far West Water & Sewer, Inc. ("Far West" or "Company") provides water and sewer service to approximately 9,500 and 2,000 customers, respectively in an area located near the City of Yuma.
2. On December 22, 1998, Far West filed an application to extend its sewer Certificate of Convenience and Necessity ("Certificate").
3. By Procedural Order dated April 16, 1999, the Commission set the matter for a hearing on June 9, 1999, in Tucson, Arizona.
4. Pursuant to the April 16, 1999 Procedural Order, Far West mailed notice of the

DOCKET NO. WS-03478A-98-0742

1 hearing to all of its sewer customers and to landowners in the proposed extension area.

2 5. Far West's sewer Certificate currently includes approximately 5 1/2 sections of land.

3 6. Far West is requesting that its sewer Certificate be extended to include an additional
4 one-quarter section.

5 7. The proposed extension area is to be subdivided into between 500 and 600 residential
6 lots. Far West already holds a Certificate to provide water service in the proposed extension area.

7 8. On March 29, 1999, the Commission's Utilities Division Staff ("Staff") filed its Staff
8 Report which recommended approval of the application following a hearing.

9 9. Pursuant to the April 16, 1999 Procedural Order, a hearing was held on June 9, 1999,
10 in Tucson, Arizona.

11 10. Initially, Far West has financed construction of the treatment plant, and the developer
12 will pay a predetermined fee to Far West upon the sale of lots. The developer will construct all
13 sewer lines and will deed them to the Company.

14 11. The Arizona Department of Environmental Quality ("ADEQ") reports that Far
15 West's sewer division is in substantial compliance with ADEQ regulations.

16 12. Far West has obtained the necessary Yuma County Franchise for the extension area.

17 13. With the addition of the new sewer treatment plant that is under construction to serve
18 the extension area, Staff has determined that Far West will have sufficient capacity to provide sewer
19 service in the extension area. At the time of the hearing, the treatment plant was close to 90 percent
20 complete and Far West expected to start serving customers within 90 days.

21 14. Far West is in compliance with the Commission's filing requirements and is current
22 on its property taxes.

23 15. Staff further recommended that Far West be ordered to charge its existing rates and
24 charges in the extension area.

25 CONCLUSIONS OF LAW

26 1. Far West is a public service corporation within the meaning of Article XV of the
27 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

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2. The Commission has jurisdiction over Far West and the subject matter of the application.

3. Notice of the application was provided in accordance with law.

4. There is a public need and necessity for sewer utility service in the proposed extension area.

5. Far West is a fit and proper entity to receive an extension of its sewer Certificate.

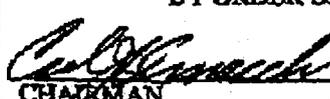
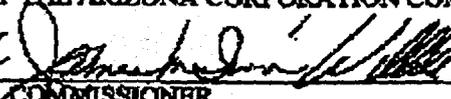
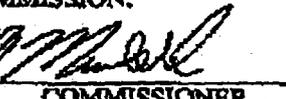
ORDER

IT IS THEREFORE ORDERED that the application of Far West Water & Sewer, Inc. to extend its Certificate of Convenience and Necessity for sewer utility service, as described in Attachment A, be and hereby is granted.

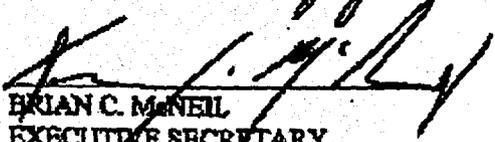
IT IS FURTHER ORDERED that Far West Water & Sewer, Inc. shall charge its existing rates and charges in the extension area until further Order of the Commission.

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 20th day of July, 1999.


 BRIAN C. McNEIL
 EXECUTIVE SECRETARY

DISSENT _____
JR:dap

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SERVICE LIST FOR: FAR WEST WATER & SEWER, INC.
DOCKET NO.: WS-03478A-98-0742

Brent H. Weidman, President
Far West Water & Sewer, Inc.
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Director, Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

DOCKET NO. WS-03478A-98-0742

ATTACHMENT A

SEWER EXTENSION AREA

NW 1/4 Section 6 Township 9 South Range 21 West Gila and Salt River Base & Meridian, Yuma County, Arizona

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DECISION NO. 61834

VISTA DEL SOL #3

Office: 9520 E. 33rd Street - Yuma, AZ 85365 Phone: (928) 342-2771 Fax: (928) 342-2816

UTILITY PACKAGE

Base Lot Price

Includes

- 1 Sewer Capacity Charge
- 2 Water Capacity Charge
- 3 Side and Rear Lot Line Retaining Walls (if needed)
- 4 Lot Leveling
- 5 Sidewalks

NOTE: Any Mexican Brick Fences are in addition to the Base Price of the lot

Mexican Brick Fence

Approximately 3' high on both sides and rear lot lines (Standard Lots)

Utility Package Price \$4,550

Standard Package Includes:

- 3 Sewer connections - Located along each side and at back of lot centered
- 4 water connections - 3 near sewer connections and 1 at front near water meter
- 2 electric 50 amp outlets mounted on redwood post near side sewer and water connections
- 1 electrical conduit for future use at back of lot centered
- 1 200 amp power pedestal at front of lot

Lot covered and graded with compacted generic ABC material and gravel

Additional Information and Fees

Individual Lot Utility Hook-up Fees to be paid by Owner at time of Hook-up. This is approximate prices only call for exact amount.

Sewer	Far West Sewer Company	(928) 342-1238	\$50.00
Water/Garbage	City of Yuma	(928) 373-5076	\$20.00
	One City Plaza (Old Yuma)	(928) 373-5077 - Fax	\$65.00 (Trash Bin)
Electrical	Arizona Public Service (APS)	(928) 782-7151 or	(800) 253-9405
Telephone	Quest	1-800-244-1111	
Cable TV	Adelphia	(928) 782-9853 or	(800) 626-6299
Natural Gas	Southwest Gas	(928) 344-2901 or	(800) 766-9722

PRICES SUBJECT TO CHANGE WITHOUT NOTICE 2/02

March 12, 2009

Note: Prior to the March 5, 2009 ACC Public Hearing, the lead Vista Del Sol salesperson verified, with a long time Jacobson Companies employee, the "sewer capacity charge" was \$950.00 per lot.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	5,273,187	5,571,770
460	Unmetered Water Revenue		
474	Other Water Revenues	216,699	153,047
	TOTAL REVENUES	5,489,886	5,724,817
	OPERATING EXPENSES		
601	Salaries and Wages	1,003,937	1,035,840
610	Purchased Water	485,037	508,700
615	Purchased Power	341,336	414,789
618	Chemicals	167,794	136,937
620	Repairs and Maintenance	167,630	115,606
621	Office Supplies and Expense	72,826	76,634
630	Outside Services	640,484	35,095
635	Water Testing	30,567	45,675
641	Rents	21,425	22,668
650	Transportation Expenses	102,455	75,869
657	Insurance - General Liability	16,521	22,580
659	Insurance - Health and Life	103,291	151,954
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	41,714	51,429
403	Depreciation Expense	980,996	899,889*
*408	Taxes Other Than Income	1,065	99
408.11	Property Taxes	259,973	243,553
409	Income Tax	45	
	TOTAL OPERATING EXPENSES	4,437,096	3,837,317
	OPERATING INCOME/(LOSS)	1,052,790	1,887,500
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	409	25,018
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	(599)	(1,977)
427	Interest Expense	(358,566)	(341,489)
	TOTAL OTHER INCOME/(EXPENSE)	(358,756)	(318,448)
	NET INCOME/(LOSS)	694,034	1,569,052
	*Depreciation	987,102	
	Amortization Ciac	(87,213)	
	Depreciation, Net	899,889	