

ORIGINAL

NEW APPLICATION



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Pineview Water Company, Inc.
5198 Cub Lake Road
Show Low, AZ 85901
Telephone: (928) 537-4858
Fax: (928) 537-2180

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Arizona Corporation Commission
DOCKETED

MAR 24 2009

BEFORE THE ARIZONA CORPORATION COMMISSION

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION OF)
PINEVIEW WATER COMPANY, INC., FOR)
AUTHORITY TO APPLY FOR A GRANT)
FROM THE WATER INFRASTRUCTURE)
FINANCE AUTHORITY (WIFA))

APPLICATION

W-01676A-09-0147

Pineview Water Company, Inc. ("Pineview" or the "Company"), by and through undersigned counsel, respectfully states the following in support of this Application:

- Pineview is an Arizona corporation duly organized and existing under the laws of the State of Arizona. Its principal place of business is 5198 Cub Lake Road, Showlow, Arizona 85901
- Pineview has been issued a Certificate of Convenience and Necessity by the Commission to provide water utility services in its certificated area in portions of Navajo County, Arizona.
- Pineview seeks herein Commission approval to obtain a grant in the amount of \$200,000. A copy of the grant application is **Attachment A**.
- The proceeds of the requested grant will be used by Pineview to finance the completion of (the "Project"), all more fully described in **Attachment B**.
- The Water Infrastructure Finance Authority of Arizona ("WIFA") has been given the authority to disburse funds as part of the Federal Economic Recovery package available to private water companies.
- Attached hereto and incorporated herein by this reference for all purposes is **Attachment C**, the form of the Pineview Board of Directors' Resolution authorizing this Application.

1 7. Pineview will provide notice of the filing of this Application in conformity with A.R.S. § 40-
2 302 in the form attached as **Attachment D** and incorporated herein by this reference. A Notice
3 of Publication will be filed with the Commission following publication.

4 8. In Pineview's opinion the purpose to which proceeds of the grant will be applied as set forth
5 above are lawful, and within its powers and are compatible with the public interest, with sound
6 financial practices, and with the proper performance by the Applicant of service as a public
7 service corporation and will not impair its ability to perform that service. The Applicant is
8 further of the opinion that the issuance of the grant as herein contemplated are reasonably
9 necessary or appropriate for the aforementioned purposes. Although the Company believes
10 there are none, to the extent that such purposes may be considered reasonably chargeable to
11 operating expenses or to income, the Applicant requests that they be permitted by the
12 Commission in the order sought hereby.

13 WHEREFORE, Pineview requests that the Commission make such inquiry or investigation
14 that the Commission may deem necessary and appropriate; set the matter for hearing only if deemed
15 necessary; make the findings required by A.R.S. § 40-301 and § 40-302 relative to the purposes of
16 issuing the grant as herein stated; and thereafter make an immediately effective order (i) authorizing
17 the Company to proceed with the grant application to WIFA, in the same manner and for the
18 purposes herein contemplated, (ii) stating that the issuance of the grant is reasonably necessary or
19 appropriate for the purposes set forth above, (iii) stating that such purposes are within those
20 permitted by A.R.S. § 40-301, and (iv) approving such purposes to the extent that they may be
21 considered reasonably chargeable to operating expenses or income.

22 Respectfully submitted this 20 day of March, 2009
23

Ronald L McDonald

Ronald L McDonald
Pineview Water Company, Inc
5198 Cub Lake Road
Show Low, AZ 85901

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Original and sixteen copies of the
foregoing mailed this 20th day
of March, 2009 with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

ATTACHMENTS

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ATTACHMENT

DESCRIPTION

- A WIFA DRINKING WATER APPLICATION
- B PROJECT SUMMARY
- C BOARD OF DIRECTORS RESOLUTION
- D FORM OF NOTICE OF PUBLICATION

ARIZONA CORPORATION COMMISSION



FINANCING APPLICATION

Pineview Water Company, Inc

UTILITY NAME

DOCKET NO(S)

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance.

IN ORDER TO PROCESS YOUR APPLICATION
PLEASE FORWARD THE ORIGINAL
AND THIRTEEN COPIES OF THE
APPLICATION PLUS
THREE PACKETS OF THE SUPPORTING
DOCUMENTATION TO:

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL CENTER
1200 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007

DRINKING WATER APPLICATION
Water Infrastructure Finance Authority of Arizona (WIFA)
Project Financial Assistance Priority List Application

SECTION 1: APPLICATION INFORMATION

APPLICATION NUMBER: 339 |  Print

- 1.1 Applicant: Pineview Water Company Job Title: General Manager
- 1.2 Contact Names: First Ronald Middle Initial: L Last: McDonald
- 1.3 Address: 5198 Cub Lake Road City: Show Low State: AZ Zip: 85901
- 1.4 Phone: (928) 537-4858 Fax: (928) 537-2180 E-Mail: pineviewwater@hotmail.com
- 1.5 County in Which Project is Located: Navajo
- 1.6 Number of Connections to System: 1137 Population Served by the System: 3411
- 1.7 Average Monthly Fee (Base + Use): \$45.76
- 1.8 Existing Debt (principal only) Payable by System Users: \$759,678.51
- 1.9 Median Household Income: \$22,000.00
- 1.10 ADEQ System Identification Number (PWS #): AZ0409022
- 1.11 Are you ACC Regulated? Yes No
- 1.12 Has this project received prior year WIFA funding?
- No
- Yes, request is for a multi-year construction project that received assistance in a previous funding cycle
- Yes, request is to construct a project that received TA funds in a previous funding cycle
- Yes, request is for additional financial assistance to offset actual costs of justified overruns
- 1.13 Is your company registered with the E-Verify Program? Yes No
(You will be required to provide proof of participation prior to the execution of a loan or grant agreement.)

SECTION 2: PROPOSED DRINKING WATER FINANCIAL ASSISTANCE PROJECT

- 2.1 Project Title/Name: Gravity Flow System Project
- 2.2 Type of loan required during this funding cycle? Design \$0.00 and/or Construction \$200,000.00
- 2.3 Briefly summarize below the problem *(Mail or upload any supporting documentation)*
- The ACC approved the debt for this project in August 2006. The Company obtained WIFA loan# 920098-06 in August 2006. Prior to purchasing the materials for the project Hurricanes Katrina and Rita occurred. This resulted in way higher material costs. It also resulted in higher labor costs due to so many construction companies leaving AZ to work in the areas damaged by the hurricanes. We completed as much of the project as possible with the funds we had.
- 2.4 Briefly summarize below the Solution
- Our preferred solution would be to obtain a grant to complete the project. Obtaining an additional loan would require ACC debt authorization, which will most likely require a rate increase. As you know this will take at least a year and this project is already in its third year.
- 2.5 Project Purpose: *(Select only one)*
- Assist Non-Compliant Systems to Achieve Compliance
- Assist Compliant Systems to Meet Future Reqmnts
- Assist Compliant Systems to Maintain Compliance
- Other Assistance Not Compliance Related

SECTION 3: EXISTING CONDITIONS AND PROJECT BENEFITS

3.1 Select Type(s) of Needs to be Funded

- | | | |
|--|---|--|
| <input type="checkbox"/> Planning and Design Only | <input type="checkbox"/> Treatment-Bacteriological | <input type="checkbox"/> Treatment-Surface Water |
| <input type="checkbox"/> Treatment-Nitrate | <input type="checkbox"/> Treatment-Arsenic | <input type="checkbox"/> Treatment-Radionuclides |
| <input type="checkbox"/> Treatment-Organic Chemical(s) | <input type="checkbox"/> Treatment-Primary Standard [Metals(s)] | <input type="checkbox"/> Treatment-DBP |
| <input type="checkbox"/> Treatment-Other | <input checked="" type="checkbox"/> Transmission and Distribution | <input type="checkbox"/> Source |
| <input checked="" type="checkbox"/> Storage | <input type="checkbox"/> Purchase of System(s) | <input type="checkbox"/> Restructuring |
| <input type="checkbox"/> Land Acquisition | | |

3.2 Select Expected Project Benefit(s)

- Compliance - Existing Requirements Compliance - New Requirements Expand Service
- Reduce Public Health Risks

3.3 Water Quality Improvement

- Proposed project addresses deficiencies identified by ADEQ Submitted a complete capacity development plan to ADEQ
- Proposed project includes installing meters to monitor water use

3.4 Consolidation and Regionalization

- Consolidate physical facilities of existing multiple facilities Extending service to existing areas currently served by another facility
- Consolidate the operations of existing multiple facilities Consolidate the ownership of existing multiple facilities

3.5 System Compliance *must mail or upload supporting documents

- Notice of violations and/or consent orders from regulatory agency *
- In compliance

SECTION 4: READINESS TO PROCEED INDICATORS

4.1 Debt Authorization (For more information, see *WIFA Debt Authorization Guidance Document*)

- Authorized (mail or upload copy of official governing body debt authorization resolution or election results)
- Date of Election or Authorization Unknown
- Scheduled
- If scheduled, enter anticipated election or authorization date: 03/17/2009 [mm/dd/yyyy]

4.2 Project Design (Select only one)

- Completed Engineer Selected Date of Completion Unknown Scheduled for Completion
- Enter anticipated completion date: _____ [mm/dd/yyyy]

4.3 Applicable Plan and Specification Approvals (Select only one)

- Obtained (mail or upload approval notification)
- Date of Approval Unknown
- Not Applicable (use textbox below to explain)
- Scheduled to Obtain Permits
- If scheduled, enter anticipated permit(s) date: _____ [mm/dd/yyyy]
- If not applicable, then explain: _____

4.4 Project Bids (Select only one)

- Solicited Project for Bidding Date of Solicit Unknown Scheduled to Solicit Bid(s)
- If scheduled, enter anticipated bid award date: _____ [mm/dd/yyyy]

SECTION 5: REQUESTED AMOUNT AND CERTIFICATION/APPROVAL

5.1 Estimated Date WIFA Funding Required: _____ [mm/dd/yyyy]

5.2 Estimated Financial Assistance Costs & Funding Source (*Soft costs*)

Funding Source

Project Costs

Amount Funded Locally:

\$0.00

Amount Requested from WIFA:

\$0.00

Other Source: _____

\$0.00

Total Cost:

\$0.00

5.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate, and correct.

First Name

Last Name

Title

Ronald

McDonald

General Manager

5.4 Uploaded Supporting Documents

Reference Name	Document Name	Original Name	Date Added
ADEQ Compliance Report	DOC-390001.pdf	Compliance Monitoring Schedule.doc.pdf	3/5/2009

Authorized Signature: Ronald L McDonald

Date: 03/05/09

documentation that you have complied with this requirement? Yes No

If No, please provide a brief explanation below:

We must go by lowest bid.

3.2 If you have already solicited bids, was this requirement included? Yes No If No, would you be willing to re-bid? Yes

No If you had to go back out and re-bid, please adjust your answer in Section 1, if necessary.

SECTION 4: POTENTIAL PROJECT DELAYS

4.1 To your knowledge, are there any issues such as NEPA compliance, SHPO compliance, Permit requirements, etc, that could possibly delay your project? Yes No

If yes, please explain briefly below:

SECTION 5: REPORTING REQUIREMENTS

5.1 Each Calendar quarter during construction, you will be required to provide a report outlining at a minimum the following information:

- Completion status of the project
- Estimated number of jobs created each quarter
- Estimated number of jobs retained since the last quarter

Will you be capable of providing this type of reporting? Yes No

5.2 Please estimate the total number of jobs 5 that will be created or retained if this project receives ARRA funding and provide a brief explanation below:

With the new tank on line the company will be able to remain in business.

SECTION 6: GREEN, EFFICIENT, INNOVATIVE PROJECTS

6.1 Does your project address any of the following: green infrastructure, water or energy efficiency improvements or other environmentally innovative activities? Yes No

6.2 Sustainability Infrastructure Practices

A. Water Re-Use & Conservation - Project/System

The use of improved technologies and practices to deliver equal or better services with less water.

- project will generate or utilize reclaimed water for direct re-use
- project will correct water loss issues
- project will enhance water conservation program(s)

Percentage of Project

10

10

B. Energy Use & Conservation (Efficiency)

Includes capital projects that reduce the energy consumption of eligible water quality projects or produce clean energy used by a treatment works

- project will significantly improve system efficiency
- project will employ significant alternative energy sources and/or co-generation efforts
- project will include an Energy Audit

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C. Green Practices (Green Infrastructure)

Green Infrastructure includes a wide array of practices at multiple scales that manage wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater.

- project will address stormwater through green infrastructure practices

D. Environmentally Innovative Projects

Projects that demonstrate new and/or innovative approaches to managing water resources in a more sustainable way, including projects that achieve pollution prevention or pollutant removal at the least life-cycle costs, subject to environmental review results. Includes approaches to incorporate green infrastructure into drinking water, stormwater and wastewater utility infrastructure and management.

- project utilizes solid waste reduction alternatives
- project meets EPA "Green Building" practices
- other: _____

6.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge,

true, accurate, and correct.

First Name	Last Name	Title
<u>Ronald</u>	<u>McDonald</u>	<u>General Manager</u>

Authorized Signature: *Ronald L McDonald* Date: 03/05/09

This Application Addendum must be printed, signed and returned to WIFA within 5 days of electronic submittal

Pineview Water Company
5198 Cub Lake Road
Show Low, AZ 85901
(928) 537-4858
Fax (928) 537-2180
pineviewwater@hotmail.com

Addendum to application DW-112-2009

Task	Date
Planning, Design & Specifications Submitted	August 2001
Approval to Construct	June 10, 2003
Advertisement for Bids	April 1, 2002
Construction Commencement	July 1, 2003
Construction Completion	April 1, 2009
Initiate Operation	May 1, 2009

Gravity Flow System Project Summary

Two Million Gallon Storage Tank:

The addition of a two million gallon storage facility on top of the hill to the west of Pineview's present system will allow gravity flow to our customers. This dramatically changes our service capability to protect our customers and the community by maintaining uninterrupted service. We would no longer be vulnerable to power failures or most of the failures associated with natural disasters. We would also have an increased capacity to protect and assist our community and customers in peak usage times that usually result in water shortages and other problems.

12" Water Main Extension:

This project is necessary to connect the elevated tank site to our existing water system. In future years, there may be potential growth from this line, with it serving as an artery to serve future customers in an undeveloped area.

Well addition at Well Site # 4:

This well addition is a necessary aspect in our ability to make the proposed well site functional. In the event that one well fails, we will not lose the entire use of this facility. The second well would maintain service. In times of peak usage, the second well would assist in maintaining our ability to meet the demands.

Pressure Reducing Valves:

These devices would enable us to maintain a more even pressure distribution system. The gravity flow system will increase the pressure by 15 PSI. Thus, exceeding the maximum pressures that we now experience, which causes various problems in our entire system. This will then worsen an already existing problem that must be addressed. By installing the pressure reducing valves, we can eliminate many complications due to the uneven pressures we now struggle with.

Overview:

With the completion of these upgrades and modifications, this system will be able to function using night time electric. Thus, making it more cost efficient, not to mention, energy conscious. In the case of a loss of

ATTACHMENT B

Completed:

Tank Site Cleared
Tank Pad Constructed
Water Storage Tank Constructed (Not Finished)
12" Transmission main Completed
Well Completed (ADEQ & ADWR Approved, Well is in service)

Work to be done and Cost Estimate:

Tank Project (Sandblast & Paint)	\$ 120,000.00
Four Pressure Reducing Stations	<u>\$ 80,000.00</u>
Total estimated cost to finish project	\$200,000.00

ATTACHMENT C

PINEVIEW WATER COMPANY, INC.

RESOLUTION OF THE BOARD OF DIRECTORS

March 3, 2009

The Interim President/Vice President instructed Ron McDonald to look into the possibility of Pineview Water Company obtaining a grant via President Obama's Stimulus Program.

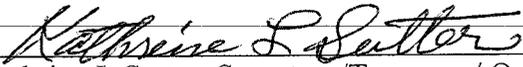
Thereafter, upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the Board hereby authorizes the officers of the Corporation to file a Finance Application with the Arizona Corporation Commission for a grant from the Water Infrastructure Finance Authority (WIFA), who has been authorized to distribute the funds made available through President Obama's Stimulus Program.

FURTHER RESOLVED, that the proper officers of the Corporation be and each of them hereby is, authorized, in the name and on behalf of the Corporation, to conduct any and all negotiations, to make any and all arrangements, do and perform any and all acts and things and to execute and deliver any and all officer's certificates and other documents and instruments as they deem necessary or appropriate in order to consummate the issuance and otherwise to effectuate the purposes of each and all of the foregoing resolutions.

CERTIFICATE OF SECRETARY

I, the undersigned, being the Secretary/Treasurer/Owner of Pineview Water Company, Inc. do hereby certify the foregoing to be duly adopted resolutions of the Corporation's Board of Directors as adopted at a Special Meeting of the Directors held on March 5, 2009.


Kathrine L Sutter, Secretary/Treasurer/ Owner

ATTACHMENT D

**PUBLIC NOTICE
OF
AN APPLICATION FOR A GRANT
BY
PINEVIEW WATER COMPANY, INC.**

Pineview Water Company, Inc. (Applicant) has filed an Application with the Arizona Corporation Commission (Commission) for a grant from the Water Infrastructure Finance Authority (WIFA).

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix, Arizona, and Applicant's offices at 5198 Cub Lake Road, Showlow, Arizona 85901.

Intervention in the Commission's proceedings on the Application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon the Applicant and which, at a minimum, shall contain the following information:

1. The name, address and telephone of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceedings.
3. Whether the proposed intervenor desires a formal evidentiary hearing on the Application and the reasons for such a hearing.
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

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, the 15th day after this notice.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington, Phoenix, Arizona 85007, 400 W. Congress Street, Tucson, Arizona 85701 or call 1-800-222-7000.