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BEFORE THE ARIZONA CORPORATION COMMISSION

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2009 SEP 25 P 12:47

COMMISSIONERS

KRISTIN K. MAYES, CHAIRMAN
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

ALL CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE
APPLICATION OF F. WAYNE &
DOROTHY THOMPSON DBA WEST
VILLAGE WATER CO., FOR A RATE
INCREASE AND FOR AUTHORITY
TO INCUR DEBT TO FINANCE
WATER SYSTEM IMPROVEMENTS

Docket No. W-03211A-08-0621
Docket No. W-03211A-08-0622

RESPONSE TO STAFF'S REQUEST
FOR ADDITIONAL SUPPORTING
INFORMATION

F. Wayne & Dorothy Thompson dba West Village Water Company ("West Village" or "Company"), hereby submit the following information to the Arizona Corporation Commission Staff ("Staff").

On August 13, 2009, the Company docketed the Arizona Department of Environmental Quality ("ADEQ") Water System Evaluation ("Report"). Thereafter, Staff requested a cost breakdown of all improvements requested in the financing application. West Village and the Staff have discussed this matter, and West Village has clarified its position that the well, pumping and electrical plant repairs and improvements take precedence and must be implemented as soon as possible. Once those improvements are made, the Company will seek to replace or repair as much of the distribution system as possible with the remaining funds.

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Arizona Corporation Commission
DOCKETED

SEP 25 2009

DOCKETED BY

1 To be clear, the Company would like to repair and replace its entire system, which
2 is in need of major repairs and replacement of many of its critical components. But it
3 lacks the funding to make all of these improvements, so the Company chose to seek
4 \$525,000 to first improve the well and pumping plant and then replace as much of the
5 distribution system as possible with the remaining funds.

6 In 2007, Flagstaff Well & Supply Co. estimated that the well, pumping plant, and
7 related electrical equipment improvements would cost \$318,944.00. See Attachment 1.
8 This was reflected in the loan proforma adjustments as \$202,200 wells + \$117,744
9 electric (including and additional \$1,000 for miscellaneous/labor) = \$319,944. See
10 Attachment 2. Since this estimate is two years old now, Staff spoke with Flagstaff Well
11 & Supply Co. representatives and believes that the estimate should be increased by 10%
12 to address cost increases. Accordingly, the estimated cost to improve the well and
13 pumping equipment is now \$351,938.00. The Company believes this is reasonable.

14 Similarly, in 2007 West Village had received an estimate from Adams Trenching,
15 Inc., for improvements to the distribution system. At that time, Adams estimated that
16 necessary improvements for the distribution system alone would cost the Company
17 \$525,000, not including road cut costs to be determined by Coconino County at the time
18 of construction. See Attachments 3 and 4, respectively. Due to limited funds and
19 financing ability, the Company sought less than half that amount, \$205,056.00, to repair
20 and replace only the parts of the distribution system in most need of repair. See
21 Attachment 2. Now that the well and pumping equipment improvement cost is estimated
22 to be \$351,938.00, the amount left to make distribution system improvements is
23 \$173,062.

24 The Company contacted Adams Trenching and requested a conforming estimate
25 that prioritized the most pressing improvements that could be made under such a budget.
26 Adams Trenching provided the following cost estimates:

27 ////
28

Improvement	Cost
Budget for locating and mapping of existing system	\$15,000
Budget estimate for placing "sectionalizing" valves	\$10,000
Service and meter replacement on Dunnam Street	\$60,000
Service and meter replacement to other customers	\$60,000
Quality control and health inspections by engineer (for water quality assurance during work)	\$25,000
Total	\$170,000

See Attachment 5. The Company believes that the additional \$3,062 will be necessary to address road cut costs.

With this documentation, the Company believes that it has adequately supported the costs the Company set forth in the finance application.

RESPECTFULLY SUBMITTED this 25th day of September, 2009.

MOYES SELLERS & SIMS

Steve Wene

Steve Wene

Attorneys for West Village Water Company

Original and 15 copies of the foregoing filed this 25th day of September, 2009, with:

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

Copy of the foregoing mailed this 25th day of Septemeber, 2009, to:

Charles R. Myhlhousen
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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Ayesha Vohra
Staff Attorney
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
aho@azcc.gov

Donnelly Herbert

ATTACHMENT 1

Flagstaff Well & Supply Co.

**4301 E. Huntington
Flagstaff, AZ 86004
928-774-8243**

DATE
2/19/2007

Estimate

*ATTN: Steve Wene
from West Village
Water Co
Wayne Thompson
928 7793444*

NAME / ADDRESS
West Village Water Co. ATTN: Wayne Thompson 1109 S. Plaza Way Flagstaff, Az 86001

DESCRIPTION	COST	TOTAL
Estimate to drill 2000 ft. well next to Riordan Well.		
WELL:		
20 ft. Grout Seal	5,000.00	5,000.00
Drilling 300 ft. of 14" dia. hole	85.00	25,500.00
Installing 300 ft. of 10" dia. steel casing	34.00	10,200.00
Drilling 1700 ft. of 10" dia. hole	52.00	88,400.00
Installing 2000 ft. of 8" dia. steel casing	30.00	60,000.00
10" casing shoe	600.00	600.00
8" casing shoe	400.00	400.00
400 ft. of casing perforation charge (est.)	16.00	6,400.00
16 Hrs. rig time (development time) (est.)	200.00	3,200.00
Chlorination	2,500.00	2,500.00
Total for well		202,200.00
PUMPING EQUIPMENT:		
150S750-39 Submersible Pump	28,604.00	28,604.00
1950 ft. of 3-1/2" 8-round EUE Tubing	16.00	31,200.00
4 - 3-1/2" 8-round EUE steel check valves	1,200.00	4,800.00
8" Baker Pitless Adapter	4,200.00	4,200.00
Airline	2,500.00	2,500.00
2000 ft. of #2/0/4 pump cable	14.50	29,000.00
Labor to install pump in well	6,400.00	6,400.00
Pump Panel	2,740.00	2,740.00
575 V Transformer	5,800.00	5,800.00
Misc. plumbing & electrical	1,500.00	1,500.00
Total for pump in well		116,744.00
The above prices do not include sales tax. Estimate also does not include any electrical service or labor to install above transformer or pump panel or any electrical or plumbing from well to tank.		
	TOTAL	\$318,944.00

ATTACHMENT 2

West Village Water Company
Utility Plant in Service and Depreciation Expense
Includes Proforma Adjustments for WIFA Financing

Acct. No.	Description	ORIGINAL COST @ TEST YEAR END 12/31/2007	WIFA LOAN PROFORMA ADJUSTMENTS	TEST YEAR INCLUDING WIFA ADJUSTMENTS	PROPOSED DEPRECIATION RATES	PROPOSED DEPRECIATION EXPENSE
301	Organization					
302	Franchises					
303	Land and Land Rights	\$ 18,460	\$ -	\$ 18,460	N/A	\$ -
304	Structures and Improvements	1,198	-	1,198	3.3300%	-
307	Wells and Springs	12,638	202,200	214,838	3.3300%	6,733
311	Electric Pumping Equipment	29,873	117,744	147,617	12.5000%	16,065
320	Water Treatment Equipment				N/A	
320.1	Water Treatment Plants				3.3300%	
320.2	Solution Chemical Feeders				20.0000%	
330	Distrib Reservoirs/Standpipes				N/A	
330.1	Storage Tanks	5,257	-	5,257	2.2200%	-
330.2	Pressure Tanks				5.0000%	
331	Transmission and Distrib Mains	35,270	205,056	240,326	2.0000%	4,101
333	Services				3.3300%	
334	Meters	3,490	-	3,490	8.3300%	-
335	Hydrants				2.0000%	
336	Backflow Prevention Devices				6.6700%	
339	Other Plant & Misc Equipment				6.6700%	
340	Office Furniture and Equip				6.6700%	
340.1	Computers & Software				20.0000%	
341	Transportation Equipment				20.0000%	
343	Tools, Shop & Garage Equip.				5.0000%	
344	Laboratory Equipment				10.0000%	
345	Power Operated Equipment				5.0000%	
346	Communications Equipment				10.0000%	
347	Miscellaneous Equipment				10.0000%	
348	Other Tangible Plant					
	TOTALS	\$ 106,186	\$ 525,000	\$ 631,186		\$ 26,900

ATTACHMENT 3

ADAMS TRENCHING INC.

809 W. Rierdon Rd.
Ste. 100-371
Flagstaff, AZ 86001
Phone: (928) 779-5445
Fax: (928) 779-9231

General Engineering License #121998 Class A-
General Residential Engineering License #126006 Class B-04

To: Wayne Thompson	From: Alan Adams
Fax: 774-1021	Pages: (including coversheet) 2
Phone:	Date: 7/26/07
Re: West Village Water Co	cc:

Comments:

Wayne,

Here are some rough budget numbers for repairs/upgrades to West Village water system

Budget for engineering services (as needed)	75K
Survey, drawings, staking	

Options: (Shopping list)

- | | |
|---|------|
| A) Replace Dunnam St. Services | 50k |
| B) Replace services to 'other' customers | 50k |
| C) Replace 'backbone' of system (2" metal) | |
| with 8" PVC \approx 2000' (not Dunnam St) | 130k |
| D) Replace remaining 2" metal main | |
| \approx 1100' (?) with 8" PVC | 80k |

Replace it all:

\approx 5400' main to 8"	350k
\approx 50 services	100k
Engineering	75K

\$525K

Wild cards ??

Storage tank size?

County pavement cut "damage charges" not included

I Hope this helps - Thanks!
Alan Adams

ATTACHMENT 4



Coconino County ARIZONA

COCONINO COUNTY PUBLIC WORKS ANNEX DEPARTMENT

RECEIVED

SEP 22 2006

RIGHT OF WAY

Klara Fabry
Director

Dan Gaither
Assistant Director

Dale Wegner, PE
County Engineer

Ted Wolff
Maintenance Superintendent

Vacant
Solid Waste Manager

Byron Browning
Fleet Services Manager

George Sereno
KVID Water/Wastewater
Operations Manager

Sherrie Collins
Emergency Services
Coordinator

Minerva Lopez
Administrative Manager

September 20, 2006

Coconino County Utility Companies
Coconino County AZ

RE: Damage Charge for Cutting new Pavements

Dear Finance and Construction personnel:

Coconino County has experienced significant road damage to new roadways that have been cut by utility companies. Because of these ongoing problems and the increased cost to reconstruct a paved road the county has enacted a damage charge of \$200 per square foot of pavement cut. This will be imposed on any roadway that is less than 10 years old.

Utilities are encouraged to stub out or relocate lines before roads are paved. If a utility must cross the new road then the first option would be to bore under the roadway which would not trigger the fee. If the roadway must be cut then Coconino County would like this cut kept to the minimum amount necessary to cross or to make a connection.

Please call if you have any questions or need additional information.

Sincerely,

Dale D. Wegner, Jr., P.E.
County Engineer

cc: Bridgette Watson
Galen Reed

2900 lin ft
x 3' wide
7500 sq ft
x 200
\$1,500,000

2000 lin ft
x 3
6000
x 200
\$1,200,000

1600
x 4
6400 x 200 = \$1,280,000

2500 N. Port Valley Rd. Bldg 1 • Flagstaff, AZ 86001
(800) 790-1990 • PH (928) 226-2785/(928) 226-2786 • FAX (928) 226-2718
"An American Public Works Association Accredited Department"

ATTACHMENT 5

Adams Trenching Inc.

809 W. Riordan Rd. Suite 100-371
Flagstaff, AZ 86001
Phone: 928 779-5445
General Engineering Lic. #121998 Class A-
General Residential Engineering Lic. #126006 Class B-04



To: Steve Wene
Fax number: 602 274 9135

From: Alan Adams
Fax number: (928) 779-9231
of pages including cover:

Date: 9/17/09

Regarding: West Village WATER Co

Phone number for follow-up:
928 607 2312

Comments: Steve,

Here are some repair estimates for work to upgrade West Village WATER System in Flagstaff Az

- Budget for locating and mapping existing system # 15K
 - Placing "sectionalizing" valves (budget estimate) 10K
 - Service and meter replacement on Dunnam St 60K
 - Service and meter replacement to other customers 60K
 - Quality control & health inspections by engineer 25K
(for water quality assurance during work)
- # 170K

Please call with questions or suggestions.