

ORIGINAL



0000113059

1 Steve Wene, No. 019630  
2 MOYES SELLERS & SIMS LTD.  
3 1850 N. Central Avenue, Suite 1100  
4 Phoenix, Arizona 85004  
5 (602)-604-2189  
6 swene@lawms.com  
7 Attorneys for Mount Tipton Water Co.

RECEIVED

2010 JUN 18 P 3:57

AZ CORP COMMISSION  
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

9 KRISTIN K. MAYES, CHAIRMAN  
10 GARY PIERCE  
11 PAUL NEWMAN  
12 SANDRA D. KENNEDY  
13 BOB STUMP

Arizona Corporation Commission

DOCKETED

JUN 18 2010

DOCKETED BY [Signature]

14 APPLICATION OF MOUNT TIPTON  
15 WATER CO., INC. FOR AN INCREASE  
16 IN ITS WATER RATES

Docket No. W-02105A-09-0522  
NOTICE OF COMPLIANCE

18 Pursuant to Decision No. 70837, Mt. Tipton Water Co., Inc. ("Company"), hereby  
19 files its Water Supply Shortage Plan Report (Attachment 1) and its Hook-Up Fee Report  
20 (Attachment 2). Previously, the Company sent the Water Supply Shortage Plan Report to  
21 the Arizona Corporation Commission Compliance Department on October 27, 2009 and  
22 had it filed in Docket No. W-02105A-07-0510 on October 29, 2009. Likewise, the  
23 Company sent the Hook-Up Fee Report to the Commission Compliance Department on  
24 October 27, 2009 and had it filed in Docket No. W-02105A-07-0510 on November 2,  
25 2009. Both of these filings occurred prior to the Company filing its permanent rate case  
26  
27  
28

1 in this docket. The Company is re-filing these reports in this docket as Decision No.  
2 70837 indicates should occur.

3  
4 RESPECTFULLY SUBMITTED this 18<sup>th</sup> day of June, 2010.

5 **MOYES SELLERS & SIMS**

6  
7   
8 Steve Wene  
9 Attorneys for Mt. Tipton Water Company

10  
11 Original and 13 copies of the foregoing  
12 filed this 18<sup>th</sup> day of June, 2010, with:

13 Docket Control  
14 Arizona Corporation Commission  
15 1200 West Washington  
16 Phoenix, Arizona 85007

17 Copy of the foregoing mailed this  
18 18<sup>th</sup> day of June, 2010, to:

19 Kimberly Ruht  
20 Legal Division  
21 Arizona Corporation Commission  
22 1200 West Washington Street  
23 Phoenix, Arizona 85007

24   
25  
26  
27  
28

# **ATTACHMENT 1**

ORIGINAL

50



P.O. Box 38  
 15996 Ironwood Drive,  
 Dolan Springs, AZ 86441  
 928-767-3713 Fax: 928-767-3053

October 27<sup>th</sup>, 2009

Compliance Department  
 Arizona Corporation Commission  
 1200 W. Washington St.  
 Phoenix, AZ 85007

Re: Water Supply Shortage Plan Report  
 W-02105A-07-0510 Decision 70837

Here is the water supply shortage analysis and plan required as part of Mt. Tipton Water Company's permanent ratemaking docket. We have been making good progress in reducing our water loss, which has been a significant part of previous water shortages, as noted in our last quarterly water report.

Please contact me if you have any questions, 928-767-3713.  
 Thank you.

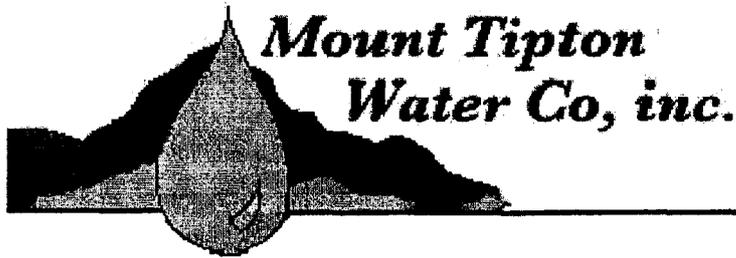
Michelle Monzillo  
 Business Administrator  
 Mt. Tipton Water Co.

Arizona Corporation Commission  
**DOCKETED**

OCT 29 2009

DOCKETED BY	<i>MM</i>
-------------	-----------

RECEIVED  
 2009 OCT 29 A 10:45  
 ARIZONA CORPORATION  
 DOCKET CONTROL



P.O. Box 38  
15996 Ironwood Drive,  
Dolan Springs, AZ 86441  
928-767-3713 Fax: 928-767-3053

### Water Supply Shortage Analysis & Plan for Mt. Tipton Water Company

Mt. Tipton Water Company has had a history of inconsistent water delivery to the community of Dolan Springs, AZ. There are many reasons why there have been water shortages in the past; an aging system that the company has been unable to afford to maintain properly, and employees and board members who were either not dedicated or not knowledgeable enough to ensure an adequate water supply for the community.

The age of our system varies from over 40 years old to fairly recent, yet there has been minimal maintenance done except for taking care of emergencies such as line breaks. The financial state of the company has not allowed replacing pipe and other maintenance items that would minimize line breaks and leaks in the system. The company has been operating on a philosophy of "putting out fires." When a well stops working or a line breaks, we fix it as soon as we are able to afford to do so. A contributing problem has been that none of the well contractors wanted to work with us due to previously unpaid bills. Thanks to the emergency surcharge, we are paying off past due bills and restoring our reputation with the business community.

The wells have not been properly maintained due to financial problems, which have contributed to problems with being able to supply an adequate amount of water. Because the company has had such a limited budget, *none of the wells were ever cleaned until this year.* In the past, when a well has broken down, it was usually "fixed" by replacing the existing pump with a smaller pump that could pump the smaller amount of water being produced by a well with clogged perforations. The result has been dramatically reduced output of water over the years.

There are several contributing factors to our water loss. The road graders from the county gradually lower the level of the roads year by year bringing our pipes and valves closer and closer to the surface and thereby subject to damage. Also, past field employees had identified many leaks, yet had not fixed them due to a lack of money to hire a backhoe. Another factor is the

recent discovery that 2 line extensions had been connected bypassing the pressure relief valve for that area. This has caused several major line breaks because of very high water pressure. Some very old meters in our system have contributed to water loss as well since older meters often slow down and do not accurately account for customer water usage.

Mt. Tipton Water Company has done many things recently to reduce our water loss. Since our current Field Manager, Tim Clark, started working for the company, at least 50 leaks in the system have been repaired. The water loss for the last quarter was less than 4% for the first time in memory! Our current field staff are not afraid to get their hands dirty and most work is done by hand since we cannot afford to hire a backhoe unless absolutely necessary. We are actively replacing all of the aging meters in our system to reduce water loss due to inaccurate readings. This should raise our income as well by ensuring that customers are paying for all of the water they use. We need to install another pressure relief valve in the area where the bypass was discovered. This has been on hold due to the expense of such a major installation and the time of the field staff has been occupied maintaining the system and completing items to come into compliance with ADEQ. Nonetheless, we are planning on completing this before the end of the year to prevent additional line breaks in the affected area.

The water supply here has been stable for a record period of time. This summer was the first on record where there were no water restrictions for metered customers and the standpipe remained open. We would like to note that the company would not be where it is now if it was not for Field Manager, Tim Clark. Tim has been known to be out working and transferring water around the system at any hour of the day or night, including weekends. He is the reason why we have not had any water restrictions for over a year now. Tim is the kind of dedicated employee that has been lacking in the past history of the company. We are very happy with our current field staff and are confident in their ability to maintain our water supply.

The current board of directors is committed to cleaning the wells to increase our water supply. We have cleaned 2 wells this year and intend to clean at least 3 more in the near future thanks to the funding provided by ARRA (American Reinvestment & Recovery Act of 2009). The downside of cleaning wells, some of which are very old, is that there can be unexpected problems. Our contractor was starting to clean one of our older wells recently and part of the casing collapsed. The board is unsure if this well is worth trying to repair or if the best option may be to drill a brand new well, which would be covered under the ARRA loan/ grant. In the future, if a well breaks down, we will clean it before putting it back online if at all financially possible. Certainly in

the future the company needs at least one new well in order to ensure the water supply in case of unexpected well outages or an expanded customer base.

As a long-term plan, Mt. Tipton Water Company intends to move, redo, and/or bury our lines deeper to prevent line breaks due to road grading, traffic, and aging. We understand that this would be extremely expensive and may not be feasible in actuality with the cost of maintaining and repairing the wells to ensure the water supply. However, Mt. Tipton Water Company does believe that a permanent rate increase would provide us with the funds to do a lot more preventive maintenance and well cleaning in order to maintain a consistent water supply in the future. We are very proud of what we have accomplished in the last year and are looking forward to continued good service to the community of Dolan Springs.

Thank you for your help and support.

Mt. Tipton Water Company Board of Directors and Staff

# **ATTACHMENT 2**

ORIGINAL



P.O. Box 38  
15996 Ironwood Drive,  
Dolan Springs, AZ 86441  
928-767-3713 Fax: 928-767-3053

**Compliance Department  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007**

Arizona Corporation Commission  
**DOCKETED**

NOV - 2 2009

Re: Docket W-02105A-07-0510 Decision 70837  
Final Hook-Up Fee Report, Calendar Year 2008

DOCKETED BY	<i>MMW</i>
-------------	------------

Here is the final consolidated hook-up fee report for 2008. Included are invoices and/or check stubs for all of the expenditures made with these funds for calendar year 2008. We understand that this is the final report due on this matter since we stopped charging these fees in November of 2008.

We would like to note that all of these funds were spent maintaining our system and allowing us to continue to deliver water to our customers. Without these funds, Mt. Tipton Water Company would have been unable to carry on. We understand that the company should have filed for a permanent rate increase years ago, but apparently the board of directors and staff were not consistent enough to make this happen in a timely manner. The current board of directors and staff has made great strides towards making this company accountable and consistent, and are absolutely committed to ensuring a good future for Mt. Tipton Water Company.

Any questions, please contact me anytime at 928-767-3713.

Thank you.

Michelle Monzillo  
Business Administrator

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

2009 NOV - 2 A 11:48

RECEIVED

Date	Description	Account	Amount	Balance
	Opening Balance			\$59.35
1/1/2008	Cuathernoc Cervantes	1297 16886 Lakeside Dr.	3/4 \$800.00	\$859.35
1/1/2008	Cuathernoc Cervantes	1298 Iron Dr Lot 302	3/4 \$800.00	\$1,659.35
1/3/2008	Short Enterprises	Repair Well 982		\$659.35
1/3/2008	Hoffman Repair	Spring Well Hookup		\$159.35
	Balance 1st Quarter		Total \$1,600.00	\$159.35
4/1/2008	Harold Adams	993 15697 Edgemont	3/4 \$800.00	\$959.35
5/1/2008	Ronald Lusby	1304 8523 W. 6th St.	3/4 \$800.00	\$1,759.35
5/8/2008	Short Enterprises	Springwell Hookup Materials		\$259.35
6/1/2008	Emilio Liborio	Well Repair #1		\$740.65
6/1/2008	Mark Nicholes	1027 15549 N. Gila	3/4 \$800.00	\$859.35
6/1/2008	Cynthia Arnold	1318 14690 Cattle Dr.	3/4 \$800.00	\$1,659.35
	Balance 2nd Quarter		Total \$4,000.00	\$1,659.35
7/1/2008	Precision Pump	Transfer Pump for Well # 1		\$773.35
7/1/2008	Prime Fabrications	Transfer Pump Materials		\$571.55
7/3/2008	T&F Enterprises	Interconnect Pump		\$331.55
7/8/2008	Precision Pump	Transfer Pump		\$1,352.45
8/1/2008	Joy McDonald	1324 17084 N. Longhorn	3/4 \$800.00	\$552.45
9/30/2008	Interest			1.09
	Balance 3rd Quarter		Total \$801.09	\$550.71
11/6/2008	Jessie Jaye trustee	1345 N/A #316-14-002	4-Mar \$800.00	249.29
11/5/2008	A-1 Well Service	Test Pumping of Dearthal		(50.71)
	Balance 4th Quarter		Total \$800.00	-\$0.71

# Invoice

PRECISION PUMP INC.  
 4214 BERTSOS DRIVE #3  
 LAS VEGAS, NV 89103  
 PH: (702) 873-1178  
 FX: (702) 873-1190

DATE	INVOICE #
7/4/2008	806091

**BILL TO:**

MT. TIPTON WATER CO  
 PO BOX 38  
 DOLAN SPRINGS AZ 86441

**SHIP TO:**

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
VERBAL JUDY	COD		7/4/2008	W/C		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
1	002	PUMPS/GOULD'S 35VVK-5 PUMP	2,356.00	2,356.00
1	008	FREIGHT IN	128.00	128.00
	012	DISCOUNT/CREDIT ON PUMP	-800.00	-800.00
1	010	CUSTOMER AGREES TO RENDER PAYMENT IN ACCORDANCE WITH THE TERMS STATED ABOVE. IN THE EVENT OF LEGAL PROCEEDINGS TO ENFORCE COLLECTION, CUSTOMER SHALL BE LIABLE FOR ATTORNEY'S FEES AND EXPENSE OF COLLECTION. 1.5% PER MONTH WILL BE ADDED TO ALL PAST DUE INVOICES. Out-of-state sale, exempt from sales tax	0.00%	0.00

*pd ch # 7714  
 Ed  
 7/9/08*

**TOTAL** \$1,684.00

Precision Pump, Inc.

Date      Type      Reference  
7/8/2008      Bill      070808

Original Amt.  
1,684.00

7/8/2008  
Balance Due      Discount  
1,684.00  
Check Amount

7714  
Payment  
1,684.00  
1,684.00

Cash in Bank-Stockm      Replacement transfer pump black flag(inc. \$800.

1,684.00



39098

# PRECISION PUMP

4214 BERTSOS DRIVE  
 LAS VEGAS, NV 89103  
 (702) 873-1178

JOB #

20657

SOLD TO

MT Tippin WATER

SHIP TO

CUSTOMER'S ORDER	SOLD BY	TERMS	SHIPPED VIA	FOB.	DATE
		CO D	w/c		6/30/8
1		57A-Rite 7.5 HP	HK 3-142	4x6	800
1		361 seal, gasket & key			86
				TOTAL	\$886

PAID  
 76.00  
 MT



7/2/2008  
*[Signature]*

Precision Pump, Inc.

\*\*886.00

Eight Hundred Eighty-Six and 00/100\*\*\*\*\*

Precision Pump, Inc.  
4214 Bertson Dr. # 3  
Las Vegas, Nv. 89103

transfer pump for well # 1 Black Flag

Precision Pump, Inc.				7/2/2008		
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
6/30/2008	Bill	806091	886.00	886.00		886.00
				Check Amount		886.00

Cash in Bank-Stockm transfer pump for well # 1 Black Flag 886.00

Precision Pump, Inc.				7/2/2008		
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
6/30/2008	Bill	806091	886.00	886.00		886.00
				Check Amount		886.00

Cash in Bank-Stockm transfer pump for well # 1 Black Flag 886.00



Hoffman Repair & Backhoe Service  
Date 2/16/2006 Type Bill Reference 021606

Original Amt. 7,400.00  
Balance Due 3,100.00  
Discount 1/31/2008  
Check Amount  
Payment 7470  
500.00  
500.00

Cash in Bank-Stockm Spring Well hookup material

5



39098

500.00

Hoffman Repair & Backhoe Service

Date 2/16/2006 Type Bill Reference 021606

Original Amt. 7,400.00

3/13/2008  
Balance Due 2,600.00  
Discount  
Check Amount

7528

Cash in Bank-Stockm Spring Well hookup material



39098

**INVOICE**

~~Backhoe Service~~  
Hoffman Repair  
Box 1203  
Dolan Springs

492161

SOLD TO MT Tipton Water		SHIP TO	
ADDRESS		ADDRESS	
CITY, STATE, ZIP		CITY, STATE, ZIP	

CUSTOMER ORDER NO.	SOLED BY	TERMS	E.O.B.	DATE 2/16/06
--------------------	----------	-------	--------	-----------------

ORDERED	SHIPPED	DESCRIPTION	PRICE	UNIT	AMOUNT
		Material to hook springs to tank line			
		240 foot 6" Pipe			5500.00
		60 foot 4" Pipe			210.00
		1 meter			755.00
		6" to 4" Reducer 4" 90°			
		Valve & Fittings			285.00
		Trenching & Labor			NC
					7400.00

Short Enterprises L.L.C.  
 dba Arthur's Sales & Service  
 523 E. Andy Devine  
 Kingman, AZ 86401

# Statement

DATE
------

12/29/2007

Mt. Tipton Water Co., Inc.  
 PO Box 38  
 Dolan Springs, AZ 86441-0038

DATE	TRANSACTION			AMOUNT	BALANCE
06/07/2007	INV #15561. Orig. Amount \$7,029.68.			2,550.77	2,550.77
09/06/2007	INV #15748. Orig. Amount \$4,829.95.			2,829.95	5,380.72
09/27/2007	INV #16508. Orig. Amount \$1,858.07.			1,858.07	7,238.79
12/29/2007	INV #FC 561. Orig. Amount \$99.96. Finance Charge			99.96	7,338.75
<b>CURRENT</b>	<b>1-30 DAYS CURRENT DUE</b>	<b>31-60 DAYS PAST DUE</b>	<b>61-90 DAYS PAST DUE</b>	<b>OVER 90 DAYS PAST DUE</b>	<b>TOTAL AMOUNT DUE</b>
99.96	0.00	0.00	0.00	7,238.79	\$7,338.75

*Please make sure your pipes & pumps are winterized. Arthur's Sales & Service is NOT responsible for damages caused by freezing.*

Phone #
928 753-2048

**TERMS:** Net 10th Prox. Interest will be charged at the rate of 1-1/2% per month on unpaid balances. Annual percentage rate 18%. Minimum monthly interest charge of \$0.50.

Arthurs Sales & Service

1/3/2008

7434

Date	Type	Reference
6/8/2007	Bill	15561

Original Amt.  
7,363.55

Balance Due    Discount  
2,167.59  
Check Amount

Payment  
1,000.00  
1,000.00



PS

Cash in Bank-Stockm    Repair Well # 9 and # 2

1,000.00

RECEIVED FROM THE BANK

39098

**SHORT ENTERPRISES, L.L.C.**  
**dba: ARTHUR'S SALES & SERVICE**  
 523 East Andy Devine Ave.  
 KINGMAN, ARIZONA 86401  
 (928) 753-2646 R.O.C. - 174674

CUSTOMER'S ORDER NO.		PHONE		DATE 4-10-08	
NAME MT Tipton Water Co.					
ADDRESS					
con. #1 Well					
SOLD BY	CASH	C.O.D.	CHARGE <input checked="" type="checkbox"/>	ON ACCT.	MDSE. RET'D.
PAID OUT					
QTY.	DESCRIPTION		PRICE	AMOUNT	
1	777 HVR intr. saver			760	00
	labor to install			170	00
40.2	mileage fee (pickup)		2.00	80	00
				1010	00
RECEIVED BY			TAX	38	41
			TOTAL	1048	41

16817

All claims and returned goods  
 MUST be accompanied by this bill.

PRODUCT 2531

**Thank You!**



OK-7709  
A

7/3/2008

T & F ENTERPRISES

\*\*240.00

Two Hundred Forty and 00/100\*\*\*\*\*

T & F ENTERPRISES  
P.O. BOX 8  
DOLAN SPRINGS, AZ  
86441-0008

Interconnect Pump connection

T & F ENTERPRISES

7/3/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
7/3/2008	Bill	8362	240.00	240.00		240.00
				Check Amount		240.00

Cash in Bank-Stockm Interconnect Pump connection

240.00

T & F ENTERPRISES

7/3/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
7/3/2008	Bill	8362	240.00	240.00		240.00
				Check Amount		240.00

*Invoice has been misfiled in the shuffle.  
Still researching.*

Cash in Bank-Stockm Interconnect Pump connection

240.00

7926

A-1 Well Service and Supply, Inc.

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/12/2008	Bill	11208	6,030.20	5,530.20		250.00
				Check Amount		250.00

11/5/2008

Cash in Bank-Stockm Test Pumping of Detrital Well 250.00

7926

A-1 Well Service and Supply, Inc.

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/12/2008	Bill	11208	6,030.20	5,530.20		250.00
				Check Amount		250.00

11/5/2008

Cash in Bank-Stockm Test Pumping of Detrital Well 250.00

