

ORIGINAL

ARIZONA CORPORATION COMMISSION

NEW APPLICATION



0000124659



**RATE APPLICATION  
FOR WATER COMPANIES  
WITH ANNUAL GROSS OPERATING REVENUES  
(INCLUDING REQUESTED RATE RELIEF)  
OF LESS THAN \$250,000  
PER ARIZONA ADMINISTRATIVE CODE R14-2-103  
Details at website: [www.azcc.gov](http://www.azcc.gov)**

DOCKET CONTROL CENTER

2011 MAY - 9 P 2:41

RECEIVED

W-02034A-11-0194

Cienega Water Company

UTILITY NAME

December 31, 2010

TEST YEAR ENDED

Required invoices to be submitted are listed in the checklist on page 1.

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 or see our website at:

[www.azcc.gov](http://www.azcc.gov)

IN ORDER TO PROCESS YOUR APPLICATION  
PLEASE FORWARD THE ORIGINAL  
AND FIFTEEN COPIES OF THE  
APPLICATION PLUS  
THREE PACKETS WITH COPIES OF  
CHECKLIST ITEMS 5-11 (PAGE 1)  
  
ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL CENTER  
1200 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007

Arizona Corporation Commission

**DOCKETED**

MAY - 9 2011

DOCKETED BY *[Signature]*

## WATER RATE APPLICATION CHECKLIST

Please use the following checklist to ensure that all necessary attachments are included in the application. Provide an explanation for any omitted item. Please include **13 copies** of this application in your application submission. Also, please include **three packets** with copies of checklist items 5-11.

### ORIGINAL APPLICATION PACKAGE ITEMS

1. The Arizona Department of Environmental Quality ("ADEQ") compliance status report (use the Maricopa County request if in Maricopa County). Use the appropriate request form in the appendix at the end of this application to obtain the status report. A separate form should be used for each public water system, as defined by ADEQ, which is part of this application.  
**The Company has been in contact with ADEQ's Donna Calderon and Vivian Burns.**
2. The Arizona Department of Revenue ("ADOR") certificate of compliance letter of good standing. The form is available online at [http://www.azdor.gov/ADOR\\_Forms/20-29/25-0002\\_fillable.pdf](http://www.azdor.gov/ADOR_Forms/20-29/25-0002_fillable.pdf)  
**The Company was informed that because the corporation was over 35 years old they were "grandfathered". Cienega Water has continued to file corporate returns with IRS and the State as instructed.**
3. The utility's most recent ADEQ annual sampling fee invoice for its Monitoring Assistance Program.  
**MAP invoice paid in October, 2010.**
4. Invoices for each plant asset purchase in excess of \$150 for the Test Year, as well as all of the intervening years since the utility's prior Test Year as itemized on page 12.  
**For the Test Year of 2010, there were no major plant asset purchases over \$150.**

**Please provide 3 packets with copies of the following information to support entries on the Income Statement on page 19:**

5. A breakdown by name, position, salary, and duties for the Salaries and Wages expense. (Acct. 601)  
**For the Test Year there were no Salaries and Wages paid.**
6. Invoices for Purchased Water during the Test Year. (Acct. 610)  
**The Company does not purchase water from other sources.**
7. Invoices for Purchased Power during the Test Year. (Acct. 615)  
**All APS bills are paid directly out of bank account. A list of transactions is attached.**
8. Invoices for Repairs and Maintenance in excess of \$150 incurred during the Test Year. (Acct. 620)  
**There was one major repair job done early in 2010. Attached is copy of check and invoice.**
9. Invoices for Outside Services in excess of \$150 incurred during the Test Year. (Acct. 630)  
**Accounting service fees were paid to Tricia Walker in the amount of \$802.50**
10. Invoices for Water Testing during the Test Year (Acct. 635)  
**Payments were made to Aquatic Consulting & Testing, Inc.**
11. Statements from the county for Property Tax expenses incurred during the Test Year. (Acct. 408)

**Arizona Department of Environmental Quality**  
**Drinking Water Monitoring and Protection Unit**  
 Mail Code 5415B-2  
 1110 West Washington Street  
 Phoenix, AZ 85007

## Drinking Water Compliance Status Report

<b>System Name</b>	<b>System Type</b>	<b>Is system consecutive?</b>
CIENEGA WATER COMPANY INC	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
<b>System ID #</b>	<input type="checkbox"/> Non-transient Non-community	
15002	<input type="checkbox"/> Transient Non-community	<input checked="" type="checkbox"/> No

<b>Overall compliance status</b>	<input type="checkbox"/> No major deficiencies	<input checked="" type="checkbox"/> Major deficiencies
<b>Monitoring and Reporting status</b>	<input type="checkbox"/> No major deficiencies	<input checked="" type="checkbox"/> Major deficiencies
Comments: The PWS has an unresolved fluoride MCL, has been issuing public notice, and sampling on a quarterly basis as required by rule for an MCL.		

<b>Operation and Maintenance status</b>	<input type="checkbox"/> No major deficiencies	<input checked="" type="checkbox"/> Major deficiencies
<b>Date of last Sanitary Survey</b>	4-21-08	<b>Inspector</b>
		Gregory Frech, PHX
Major unresolved/ongoing operation and maintenance deficiencies:		
<input type="checkbox"/> unable to maintain 20psi	<input type="checkbox"/> inadequate storage	
<input type="checkbox"/> cross connection/backflow problems	<input type="checkbox"/> surface water treatment rule	
<input type="checkbox"/> treatment deficiencies	<input type="checkbox"/> ATC/AOC	
<input type="checkbox"/> certified operator	<input type="checkbox"/> other =	
Comments: Doubled storage and moved tank without an ATC/AOC, and added RV Park to system without an ATC/AOC; however, an AOC was issued on 04/01/09. The system received an ATC on 9/29/10 to install fluoride treatment.		

<b>Is an ADEQ administrative order in effect?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: CV 93-23901 - Civil Judgement is for the exceedence of the MCL for fluoride.		

System Information	
Population Served	265
Service Connections	60
Number of Entry Points to the Distribution System	1
Number of Sources	2
Initial Monitoring Year	1995
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<b>Evaluation completed by</b>	Donna Calderon, Manager  Drinking Water Monitoring and Protection Unit		
<b>Phone</b>	602-771-4641	<b>Date</b>	March 7, 2011
<input type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system <b>is</b> currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and <b>PWS is in compliance.</b>		
<input checked="" type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ <b>cannot determine</b> if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or <b>PWS is not in compliance.</b>		
<input checked="" type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ <b>cannot determine</b> if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or <b>PWS is not in compliance.</b>		

***This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.***

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-867-2590  
PARKER, AZ 85344



91-2195  
1221

DATE 10/20/2010

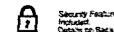
PAY TO THE ORDER OF

A.D.E.Q.

\$ 404.20

Four Hundred - Four dollars - 20 cents

DOLLARS



**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR INVOICE 66745 - MAP

*Sean Steinhagen*

Annual Sampling



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
MONITORING ASSISTANCE PROGRAM  
ANNUAL SAMPLING FEE INVOICE**

\* Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to willful neglect, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact W. Scott Steinhagen at (602) 771-4445 or toll-free within Arizona at (800) 234-5677, extension 771-4445.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-304 and R18-4-305, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: <u>6277</u>	Invoice Number <u>66745</u>
To: CIENEGA SPRINGS WC PO BOX 3518 PARKER AZ 85344-3518	Public Water System ID #: <u>15002</u>
	Billing for Calendar Year: <u>2011</u>
	Due Date: <u>November 19, 2010</u>
	Total Amount Due ..... \$ <u>404.20</u>
	Amount Paid ..... \$ _____

↑ Keep the top portion for your records. ↑

ADEQ Federal Tax #866004791

↓ This entire bottom portion must be returned to ADEQ. ↓

ADEQ Federal Tax #866004791

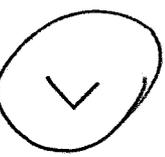
Annual Sampling Fee Invoice

Invoice # 66745

CIENEGA SPRINGS WC PO BOX 3518  PARKER AZ 85344-3518	15002 - Cienega Springs Wc	Owner Id #: <u>6277</u>	<u>MAP</u>
		Billing for Calendar Year: <u>2011</u>	
		Due Date: <u>11/19/2010</u>	

**ANNUAL SAMPLING FEE WORKSHEET**

Cienega Water Co., Inc.  
Transaction Detail By Account  
January through December 2010



Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
685 · Utilities								
Check	1/29/2010	PPD	aps			105 · Cash in...	112.29	112.29
Check	2/26/2010	PPD	A P S	electric		105 · Cash in...	112.90	225.19
Check	4/26/2010	PPD	aps			105 · Cash in...	125.51	350.70
Check	5/25/2010	PPD	aps			105 · Cash in...	119.57	470.27
Check	6/29/2010	EFT	A P S	electric		105 · Cash in...	153.63	623.90
Check	7/26/2010	ppd	aps			105 · Cash in...	89.40	713.30
Check	7/26/2010	ppd	aps			105 · Cash in...	71.79	785.09
Check	7/27/2010	ppd	aps			105 · Cash in...	9.36	794.45
Check	8/24/2010	ppd	aps	electric		105 · Cash in...	84.08	878.53
Check	8/24/2010	ppd	aps	electric		105 · Cash in...	58.45	936.98
Check	8/25/2010	ppd	aps	electric		105 · Cash in...	8.44	945.42
Check	9/23/2010	ppd	aps			105 · Cash in...	73.60	1,019.02
Check	9/23/2010	ppd	aps			105 · Cash in...	72.86	1,091.88
Check	9/24/2010	ppd	aps	electric		105 · Cash in...	8.76	1,100.64
Check	10/22/2010	PPD	aps	10/26/2010		105 · Cash in...	160.67	1,261.31
Check	12/6/2010	1526	ARZ DEP. OF RE...	Lic. Renewal		105 · Cash in...	40.00	1,301.31
Check	12/14/2010	eft	A P S	electric		105 · Cash in...	155.95	1,457.26
Check	12/28/2010	eft	A P S	electric		105 · Cash in...	155.98	1,613.24

Total 685 · Utilities

TOTAL

1,613.24      1,613.24

11:41 AM  
03/02/11  
Accrual Basis

Cienega Water Co., Inc.  
Transaction Detail By Account  
January through December 2010

(8)

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
675 · Repairs & Maintenance Check	2/13/2010	1492	H.D.SUPPLY	REPLACE ...		105 · Cash in...	1,173.20	1,173.20
Total 675 · Repairs & Maintenance							1,173.20	1,173.20
TOTAL							1,173.20	1,173.20

CIENEGA WATER COMPANY, INC.

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

(8)

91-2195  
1221

DATE 2-13-2010

PAY TO THE ORDER OF

HD Supply Waterworks Ltd

\$ 1173.20

one thousand, one hundred-seventy three, 20 cents

DOLLARS

**BANKONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR Bid ID 2348687 - Earthscape

*[Signature]*

10:24 FAX

002/002

2/12/10

HD SUPPLY WATERWORKS, LTD.

EARTHSCAPE CONSTRUCTION &  
STOCK BULLHEAD CITY  
DEVELOPMENT  
PO BOX 667  
PARKER AZ 85344  
Telephone: 928-667-4447  
Fax: 928-669-1007

HDSWW - BULLHEAD CITY AZ  
1420 Torrance Rd  
Bullhead City AZ 86426  
Telephone: 928-768-8866  
Fax: 928-768-8886

Attention: RON

2/12/10 Bid ID: 2348687 MAINLINE REPAIR MOBILE PARK

Page 1

Line	Quantity	Sell Per	Description	Net Price	Extended Price
30	20	EA	MASTMETE BL05-5AA-AAA-2 MULTI-JET USG BOTTOM LOAD METER W/ B IG DIAL	49.38	987.60
40	10	EA	B12 CONC METER BOX 12X20" FOR METAL LID CONC BASE	18.56	185.60
60	20	FT	8X20' SDR35 PVC SWR PIPE (G)	3.30	66.00
70	1	EA	8X8 PVC SDR35 SWR WYE GXG	73.36	73.36
80	1	EA	8 PVC SDR35 SWR 45 GXSP	36.69	36.69
90	1	EA	DETAIL 198 MONUMENT W/LID	44.53	44.53
100	2	EA	1002-88 8 FLEX CPLG CLXCI/PVC	13.82	27.64

Subtotal: 1,421.42

Tax: .00

Bid Total: 1,421.42

11:22 AM  
04/08/11  
Accrual Basis

Cienega Water Co., Inc.  
Account QuickReport  
January through December 2010

11:22 AM  
04/08/11  
Accrual Basis

Type	Date	Num	Name	Memo	Split	Amount
640 - Prof. Fees (Legal/Acct)						
Check	1/22/2010	1488	t w c	thru01/22/20...	105 - Cash in...	165.00
Check	1/29/2010	1489	t w c	PD THRU 1-...	105 - Cash in...	180.00
Check	3/22/2010	1496	tricia walker		105 - Cash in...	112.50
Check	3/22/2010	1496	tricia walker		105 - Cash in...	300.00
Check	10/6/2010	1518	t w c	thru 19-06-2...	105 - Cash in...	45.00
Total 640 - Prof. Fees (Legal/Acct)						802.50
TOTAL						802.50

6

11:44 AM  
03/02/11  
Accrual Basis

Cienega Water Co., Inc.  
Transaction Detail By Account  
January through December 2010

10

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
647 - Water Testing								
Check	2/2/2010	1491	AQUATIC TESTING			105 · Cash in...	60.00	60.00
Check	4/29/2010	1501	AQUATIC TESTING			105 · Cash in...	20.00	80.00
Check	6/1/2010	1504	AQUATIC TESTING	invoice 4-30...		105 · Cash in...	60.00	140.00
Check	7/28/2010	1508	AQUATIC TESTING	invoice 7/19/...		105 · Cash in...	60.00	200.00
Check	9/20/2010	1515	AQUATIC TESTING	FLUORIDE		105 · Cash in...	20.00	220.00
Check	10/10/2010	1519	A D E Q	map 2011		105 · Cash in...	404.20	624.20
Check	10/14/2010	1520	AQUATIC TESTING			105 · Cash in...	500.00	1,124.20
Check	10/25/2010	1521	AQUATIC TESTING			105 · Cash in...	60.00	1,184.20
Total 647 - Water Testing							1,184.20	1,184.20
TOTAL							1,184.20	1,184.20

# INVOICE

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 105 25230  
**Invoice Date:** January 27, 2010  
**P.O. Number:** State Form 15-002  
**Project Name:** SDWA Cienega Wtr

**Client:** Cienega Water Company  
31806 Cienega Springs Rd.  
Parker, AZ 85344

**Eleanor Stephan**

**Samples:** BR09964 BR10910 BR11297 BR11998  
4<sup>th</sup> Quarter 2009

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colilert	3	\$20.00	\$60.00
Invoice Total			\$ 60.00

pd  
cu 1491  
22 2010

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

91-2195  
1221

DATE 5-3-10

PAY  
TO THE  
ORDER OF

*Agmatic Consulting & Testing Inc*  
*Twenty and 00/100*

\$ 20.00

DOLLARS  Secure Inkjet Dots

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR

*PWS # 15-002 / Invoice # 105-25739*

*Robert R. Lippe*

|| [REDACTED] || || [REDACTED] || || [REDACTED] ||

# INVOICE

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 105 25739  
**Invoice Date:** April 23, 2010  
**P.O. Number:** C.O.C.  
**Project Name:** PWS #15-002

**Client:** Cienega Water Company  
31806 Cienega Springs Rd.  
Parker, AZ 85344

**Debra K.**

**Samples:** BS02735  
03/25/10

Analysis Name	Quantity	Unit Price	Total Price
Fluoride	1	\$20.00	\$20.00
Invoice Total			\$ 20.00

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

91-2195  
1221

DATE 6-1-2010

PAY  
TO THE  
ORDER OF

Aquatic Consulting

\$ 60.00

Sixty dollars and no

DOLLARS

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR INVOICE 105 25829

*Eleanor Stephan*

INVOICE  
4-3-2010

**INVOICE**

**Remit To: Aquatic Consulting & Testing, Inc.**  
**P.O. Box 1510**  
**Tempe, Arizona 85280-1510**  
**(480) 921-8044**

**Invoice Number:** 105 25829  
**Invoice Date:** April 30, 2010  
**P.O. Number:** State Form 15-002  
**Project Name:** SDWA Cienega Wtr

**Client: Cienega Water Company**  
**31806 Cienega Springs Rd.**  
**Parker, AZ 85344**

**Eleanor Stephan**

**Samples:** BS00183 BS01581 BS02454  
1<sup>st</sup> Quarter 2010

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colilert	3	\$20.00	\$60.00
Invoice Total			\$ 60.00

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

DATE 7-28-10

91-2195  
1221

PAY TO THE ORDER OF Aquatic Consulting  
Sixty dollars = 60

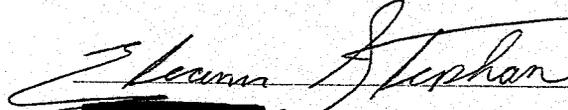
\$ 60.00

DOLLARS  Security Features  
Included  
Details on Back

**BANK ONE**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR 297 2010

  
MP

**INVOICE**

Remit To: **Aquatic Consulting & Testing, Inc.**  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

Invoice Number: 105 26324  
Invoice Date: July 19, 2010  
P.O. Number: State Form 15-002  
Project Name: SDWA Cienega Wtr

Client: **Cienega Water Company**  
31806 Cienega Springs Rd.  
Parker, AZ 85344

**Eleanor Stephan**

Samples: BS03138 BS03949 BS05147  
2<sup>nd</sup> Quarter 2010

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colilert	3	\$20.00	\$60.00
Invoice Total			\$ 60.00

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

91-2195  
1221

DATE 9-14-2010

PAY TO THE ORDER OF A.D.E.Q.

\$1,500.00

one Thousand Five hundred & no

DOLLARS  Security Features Included. Details on Back.

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR Fee Category R-18-14-202

*Leann Stephen*



**ENGINEERING REVIEW SECTION**  
**APPLICATION FOR APPROVAL TO CONSTRUCT**  
**DRINKING WATER FACILITIES**  
ADEQ/WQD-114DW

**INSTRUCTIONS**

Please fill out and submit this Application for Approval to Construct Drinking Water Facilities (ATC) to obtain authorization to construct a public drinking water system in accordance with Arizona Administrative Code (A.A.C.) R18-5-505.

**GENERAL APPLICATION PROCESS**

1. Submit this ATC and appropriate supplemental information and forms, which are identified in this form. Please refer for Form 222 (<http://www.azdeq.gov/environ/water/permits/download/222.pdf>) for guidance on what should be submitted with this application and the number of copies. Please see the document entitled Application Submittal Locations (<http://www.azdeq.gov/environ/water/permits/download/appsub.pdf>) to determine where to submit your application (County, City, or ADEQ Regional Office).
2. As of December 6, 2008, the following fees are in effect:

Fee Category (R18-14-202)	Fee <sup>a, b</sup>
<b>Approval to Construct for a Public Water Distribution System:</b>	
o 150 or fewer service connections	\$900
o 151 to 300 service connections	\$1,400
o 301 to 450 service connections	\$1,900
o 451 to 600 service connections	\$2,400
o 601 to 750 service connections	\$2,900
o Each additional 150 service connections	Add \$500
<b>Water Treatment Plants and Blending Plans (including new source approval if applicable):</b>	
o < 0.1 Million gallons per day (MGD)	\$1,500
o = 0.1 MGD and < 1.0 MGD	\$2,000
o = 1.0 MGD and < 5.0 MGD	\$3,000
o = 5.0 MGD	\$5,000
Well (including new source approval if applicable), each	\$1,250
Storage Tank, each	\$800
Booster Pump, each	\$800
Main Line Extension (for minor water line extensions only)	\$250
Chlorinators/Disinfection Devices, each	\$250
Extension of Time to Construct <sup>c</sup>	50% of the application fee, not to exceed \$500
Priority Review Fee <sup>d</sup>	Double the Standard Fee

Notes:

**CIENEGA WATER COMPANY, INC.**  
 P.O. BOX 3518 PH. 928-667-2590  
 PARKER, AZ 85344

91-2195  
1221

DATE 10/20/2010

PAY TO THE ORDER OF

A.D.E.Q.

\$ 404.20

Four Hundred - Four dollars - 20 cents

DOLLARS

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
 Phoenix, Arizona 85073

FOR INVOICE 66745 - MAP  
Annual Sampling

*Seann Steinhagen*



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 MONITORING ASSISTANCE PROGRAM  
 ANNUAL SAMPLING FEE INVOICE**

Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to willful neglect, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact W. Scott Steinhagen at (602) 771-4445 or toll-free within Arizona at (800) 234-5677, extension 771-4445.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-304 and R18-4-305, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: <u>6277</u>	Invoice Number <u>66745</u>
To: CIENEGA SPRINGS WC PO BOX 3518 PARKER AZ 85344-3518	Public Water System ID #: <u>15002</u>
	Billing for Calendar Year: <u>2011</u>
	Due Date: <u>November 19, 2010</u>
	Total Amount Due . . . . . \$ <u>404.20</u>
	Amount Paid . . . . . \$

↑ Keep the top portion for your records. ↑

ADEQ Federal Tax #866004791

↓ **This entire bottom portion must be returned to ADEQ.** ↓

ADEQ Federal Tax #866004791

Annual Sampling Fee Invoice

Invoice # 66745

CIENEGA SPRINGS WC PO BOX 3518 PARKER AZ 85344-3518	15002 - Cienega Springs Wc	Owner Id #: <u>6277</u>	<u>MAP</u>
		Billing for Calendar Year: <u>2011</u>	
		Due Date: <u>11/19/2010</u>	

**ANNUAL SAMPLING FEE WORKSHEET**

Base Fee (all MAP systems) . . . . . \$ 250.00

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

DATE 10/15/2010

91-2195  
1221

PAY TO THE ORDER OF

Aquatic Testing

\$ 500.00

Five hundred dollars - 00/100

DOLLARS  Security Features Included. Details on Back.

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR Invoice 105 26738



**INVOICE**

Remit To: **Aquatic Consulting & Testing, Inc.**  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

Invoice Number: 105 26738  
Invoice Date: October 6, 2010  
P.O. Number: State Form 15-002  
Project Name: PWS #15-002

Client: **Cienega Water Company**  
31806 Cienega Springs Rd.  
Parker, AZ 85344

**Debra Kilgore**

Samples: BS07849 BS07850 BS07851 BS07852 BS07853 BS07854  
09/02/10

Analysis Name	Quantity	Unit Price	Total Price
Trihalomethanes, Total	1	\$150.00	\$150.00
Haloacetic Acids	1	\$200.00	\$200.00
Copper	5	\$15.00	\$75.00
Lead	5	\$15.00	\$75.00
<b>Invoice Total</b>			<b>\$ 500.00</b>

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

91-2195  
1221

DATE 10/22/2010

PAY TO THE ORDER OF

Aquatic Testing

\$ 60.00

Sixty dollars & no

DOLLARS  Security Features Included. Details on Back

**BANK ONE**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR INVOICE 105-26859

*Eleanor Stephan*

**INVOICE**

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 105 26859  
**Invoice Date:** October 20, 2010  
**P.O. Number:** State Form 15-002  
**Project Name:** SDWA Cienega Wtr

**Client:** Cienega Water Company  
31806 Cienega Springs Rd.  
Parker, AZ 85344

**Eleanor Stephan**

**Samples:** BS06009 BS06974 BS07992  
3<sup>rd</sup> Quarter

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colilert	3	\$20.00	\$60.00
Invoice Total			\$ 60.00

11:45 AM  
03/02/11  
Accrual Basis

Cienega Water Co., Inc.  
Transaction Detail By Account  
January through December 2010



Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
698 · Property Taxes							820.46	820.46
Check	10/2/2010	1517	La Paz County Tre...			105 · Cash In...	820.46	820.46
Total 698 · Property Taxes							820.46	820.46
TOTAL							820.46	820.46

CIENEGA WATER COMPANY, INC.

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

11

DATE 10 2 2010

91-2 195  
1221

PAY TO THE ORDER OF La Paz County Treasurer

\$ 820-46

Eight Hundred & Twenty dollars & 46 Cents

DOLLARS

Security Features  
Included.  
Details on Back.

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

OR 937-42-703 6

*Leann Stephan*

**FIRST HALF PAYMENT COUPON**

DETACH AND RETURN WITH PAYMENT

Make check payable to:

Payment in U.S. FUNDS ONLY

October 1, 2010

CIENEGA WATER COMPANY

Account Number: 937-42-703 6 Roll Number: 0020489

Due Date First Half Payment  
Penalty for late payment is 16% per year prorated  
starting as of the 1st day of the month for payments  
postmarked after 5:00 P.M. November 1, 2010  
(ARS 42-18052 and ARS 42-18053).

1

Leah Castro  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

TO PAY 1ST HALF ONLY PAY 410.23  
TO PAY FULL YEAR TAX PAY 820.46

If your mortgage company makes your property  
tax payments consider this notice as a courtesy  
copy for your records only.

159374270300600000041023



Leah Castro  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

2010 9374270306 1 00000008204600000041023

**SECOND HALF PAYMENT COUPON**

DETACH AND RETURN WITH PAYMENT

Make check payable to:

Payment in U.S. FUNDS ONLY

Due Date March 1, 2011

CIENEGA WATER COMPANY

Account Number: 937-42-703 6 Roll Number: 0020489

Due Date Second Half Payment  
Penalty for late payment is 16% per year  
prorated monthly as of the 1st day of the  
month for payments postmarked after 5:00  
P.M. May 2, 2011 (ARS 42-18052 and ARS  
42-18053).

2

Leah Castro  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

TO PAY 2ND HALF PAY 410.23

If your mortgage company makes your property  
tax payments consider this notice as a courtesy  
copy for your records only.

159374270300600000041023



Leah Castro  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

2010 9374270306 2 00000008204600000041023

# NARRATIVE DESCRIPTION OF APPLICATION FOR RATE ADJUSTMENT

## Instructions:

Please provide the reasons for your requested rate adjustment by checking the appropriate box(es) below. If desired, the Company may also attach a written narrative regarding its reasons for the requested rate adjustment. Your narrative may also include efforts made by the utility to control costs/expenses and/or mitigate the amount of rate adjustment.

- Changes in current, compared to past operations, that necessitate the rate adjustment

Please explain:

The Arizona Department of Environmental Quality (ADEQ) has indicated that Cienega Water is out of compliance with the Fluoride MCL after much analysis, it was determined that Point of Use Devices (POUs) will be installed for 55 residential customers. With this, the RV Park (the largest single customer) will be disconnected from the system, as it has now applied for its own Public Water System (PWS) # as a Transient water system.

- Descriptions and/or calculations of adjustments made to amounts that are included in this application that are different than amounts recorded in your books/ledgers (pro forma adjustments)

Please explain:

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- Significant factors influencing your revenues, expenses and/or rate base

Please explain:

There are significant water loss issues. Pumping (power consumption), repairs and maintenance expenses are in excess of what should be acceptable. With these relatively large expenses, rates have remained the same since 2001, the year the last rate case was approved. Over the past 5 years Salaries and Wages has been artificially low, totalling roughly \$14,000. The last rate case decision was 6/6/2001

- Anticipated growth/decline in customers expected in the next two years, the amount of anticipated construction to serve those customers, and how financed; the type of customers served by the utility, e.g. residential, irrigation, small retail businesses, large commercial, etc.

Please explain:

In the immediate future there are no new customers anticipated. It will be the loss of the RV park as a customer that will significantly impact the revenue stream. This, along with increase in O&M due to the rules associated with RO units will require increased rates. With the loss of the RV Park, there will be no 2" meter rate customers.

- Anticipated construction

Please explain:

Because Cienega is seeking financing from the Water Infrastructure Finance Authority (WIFA) Davis-Bacon Act requirements will apply. This means that the company must solicit bids in a specific manner and pay prevailing wages for La Paz county labor.

Efforts made to encourage conservation of water through the proposed rate design or through other means

Please explain:

The Company proposes to alter the 3-tiered rate design to decrease the size of the break points from 10,000 and 25,000 to 3,000 to 10,000 gallons. This proposed inverted block rate structure is intended to encourage thoughtful water use.

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Other factors

Please explain:

The system has operated at a loss for all but two of the nine years between 1999 and 2007. Over that period the company showed a total loss of nearly \$27,400.

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Additional documentation is attached....

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*Attach additional pages as necessary.*

## **1. INTRODUCTION**

### **1.1 Purpose and Scope**

The Arizona Department of Environmental Quality (ADEQ) has undertaken an initiative called "Capacity Development Program" to ensure adequate, technical, financial and managerial capacities of existing public water systems (PWS) in Arizona. The Program was mandated by 1420 (c) (3) of the Safe Drinking Water Act, 42 U.S.C., 300g-9.

Under this program, the capacity of a PWS is improved through the following five steps:

- A. Collect and evaluate information.
- B. Identify factors that encourage or impair capacity.
- C. Annually evaluate and improve the strategy.
- D. Implement the strategy.
- E. Measure the results.

The Cienega Water Company, Inc. (Cienega), PWS 15002, is located in the general location of the intersection of Cienega Springs Rd. and Stephan Ave. or 31806 Cienega Springs Rd., Parker, Arizona in La Paz County (Figure 1), and has been identified by ADEQ as one of the priority water systems that needs a Capacity Development Assessment. Therefore, ADEQ retained Applied EnviroSolutions, Inc. (AES) to conduct a system evaluation of the Cienega water system. The system evaluation described in this report addresses Step 1 and Step 2 of the Capacity Development Program.

Mr. Raymond S. Craft, P.E., certified operator (# OP031408), a water system evaluator and representative of AES, met with Ms. Eleanor Stephan, President, and Mr. Jack Haas, statutory agent and technical representative, for Cienega on February 5, 2009. The visit consisted of an informational meeting and a site visit.

### **1.2 Assumptions**

The evaluation summarized in this report is based on the interview with Mr. Jack Haas and Ms. Eleanor Stephan and observation from the site visit by Mr. Craft. An electronic copy of the questionnaire filled out during the interview is presented in Appendix C. Therefore, in preparation of this report, AES relied on the information provided by Cienega and data collected during the site visit.

## **2. WATER SYSTEM INFORMATION**

### **2.1 Water Sources**

PWS #15002 relies solely on groundwater as its source of water. The system has no access to surface water sources. The water is pumped by two primary wells that the facility owns and operates (Well No. 2; Source Water ID No. 55-617676 and Well No. 3, Source Water ID No 55-617677). Figure 2 shows the location of the well sites for the

water system. Figure 3 is a flow schematic of the Cienega water system. Well No. 1 feeds water to the storage tank located above and north of the wells. Water is stored in four 5,000 gallon painted steel tanks.

## 2.2 Purchased Water

The system does not purchase water and has sufficient supply to meet its current demand.

## 2.3 Water Quantity

The PWS consists of 55 service connections with 300 people being served.

Based on information provided in the System Evaluation, the daily average demand of the water system is about 12,000 gallons per day (gpd) with a maximum of about 18,000 gpd, which generally occurs on weekends. The combined system (all wells) has a capacity of 72,000 gallons per day.

Estimated production capacity of Well No. 2 and Well No. 3 is about 25 gpm for each well.

Well No. 2 and Well No. 3 both deliver water to the storage tanks (Figure 3). The following table lists the Arizona Department of Water Resources (ADWR) Cadastral location and the address of the well. Note that only Well No. 2 and Well No. 3 are in service. Cienega is currently not using well numbers 4 through 6. At the time of inspection, a new well had been installed and well development testing (capacity/drawdown) was underway. According to Mr. Haas, this well was developed and screened to produce water containing a lower fluoride concentration to reduce impact of water containing fluorides by providing a groundwater source that could be blended with water from wells number two and three.

Well Name	ADWR Well Registration	Location	Address
Well No. 2	55-617676	B-10-0-19-0-27AA0	N/A
Well No. 3	55-617677	B-10-0-19-0-27AA0	N/A
Well No. 4	55-620745	B-10-0-19-0-27AA0	N/A
Well No. 5	55-620746	B-10-0-19-0-27AA0	N/A
Well No. 6	55-620747	B-10-0-19-0-22DD0	N/A

## 2.4 Water Quality

As reported in ADEQ's July 10, 2009 Drinking Water Compliance Status Report, the date of the last sanitary survey was April 21, 2008.

It was also noted in the Status Report that the Cienega water system that there were major deficiencies and that the system is not in compliance. A summary from the Status Report is as follows:

- 2.4.1 Doubled storage and moved tank without and Authority to Construct (ATC) and Approval of Construction (AOC);
- 2.4.2 Added RV Park to system without an ATC/AOC. The system was waiting for the AOC as of April 21, 2009, pending receipt of the July 10, 2009 Compliance Status Report. It is unknown whether or not the AOC has been received.
- 2.4.3 Exceeded Maximum Contamination Limit (MCL) for fluoride and an administrative order is in effect regarding treatment.

According to Ms. Stephan and Mr. Haas, Cienega is addressing the above issues. Their current status is unknown.

## **2.5 Watershed and Potential Contamination**

The Source Water Assessment conducted in 2004 states that the wells have been given a low risk designation even though they are located in hydro-geologically sensitive areas.

According to Cienega, their source water is free from potential sources of contamination; however, there are landscaped developments within the vicinity of the wells. There is also a septic tank located approximately 3,800 feet from their wells and is outside of the ½ mile radius used to delineate the assessment areas.

## **3. TECHNICAL CAPACITY**

### **3.1 Operation and Maintenance**

The system appears to be well run and maintained and based on observations during the system assessment inspection, is in good condition. They have written guidelines for operation and maintenance that was updated May 1, 2009, and an emergency operation plan. They also have a schedule for maintenance and repair.

The system is operated with the correct level of certification. The operator of record is Ms. Eleanor Stephan (#OP002069). She is a Grade 1 Water Distribution System Operator and a Grade 1 Water Treatment Plant Operator. Ms. Stephan continues to pursue educational requirements and is knowledgeable about Arizona regulations and programs.

### **3.2 Chlorination Facilities**

Cienega currently uses a dilute solution of sodium hypochlorite as a source for maintaining residual chlorine for disinfection in their tanks and distribution system. The system consists of a small tank, pump, controls, and tubing to allow the chlorine solution to be injected into the pumped outlet from Well No. 2 into the distribution system. Although pumped flow alternates between Well No. 2 and Well No. 3, chlorine concentrations are checked in water stored in the tanks and the amount injected into water pumped from Well No. 2 is sufficient to maintain the residual chlorine concentrations at the desired level.

### **3.3 Storage Tanks**

There are four storage tanks for the Cienega water system. Each tank has a storage capacity of 5,000 gallons and the tanks are located at the highest elevation above the water distribution system. The storage tanks are in good condition and were recently replaced in conjunction with other recent system upgrades in 2003. The tanks are properly vented, have overflows, and both the vents and overflow piping are properly screened. Water level is controlled by radio telemetry.

### **3.4 Pressure Tank**

There is no pressure tank. Since there are no pumps, a pressure tank isn't necessary.

### **3.5 Distribution System**

The existing distribution system was recently upgraded and now also serves the RV Park. It consists of approximately 5,700 linear feet of 6-inch C-900 PVC Water Pipe that was installed in 2003. Since Cienega is a small distribution system and has no industrial connections, they do not have a cross-connection control and backflow prevention program and there are no known cross connections. There are valves located throughout the distribution system which minimizes water outages to customers during repairs. The system is looped and there are no dead ends. Cienega is able to isolate the distribution system, if necessary for repairs.

There are no fire hydrants in the distribution system.

### **3.6 Wells**

The wells listed in part 2.3 provide adequate water supply for the system. In 2004, a source water assessment was completed. Through this evaluation, it was determined that the water source is at low risk. There is no formal well head protection plan for the system. The well sites are properly graded and there is a slab at each well. The well casing annulus is properly sealed for both wells, the wells are 12 inches above the slab, and they both have screened vents.

### **3.7 Pump**

Since the system is gravity fed, no pumps are necessary.

### **3.8 Springs and Surface Water Sources**

There are no springs or surface water sources.

### **3.9 Turbidity**

They do not monitor for turbidity.

### **3.10 Coagulation**

There is no water treatment.

### **3.11 Sedimentation**

There is no water treatment.

### **3.12 Filtration**

There is no water treatment.

### **3.13 Filter Backwash**

There is no water treatment.

## **4. MANAGERIAL CAPACITY**

### **4.1 Management**

The person in charge and contact person for Cienega is Ms. Eleanor Stephan. Technical assistance with the water system is provided by Mr. Jack Haas, who is listed in Cienega's 2007 Arizona Corporation Commission (ACC) Annual Report as a Statutory Agent. There are no employees. As stated previously, Ms. Stephan is also the operator of record. She is also the President of Cienega. With Mr. Haas' assistance and with the assistance of Cienega's Corporate Accountant (Ms. Tricia Walker), Ms. Stephan has the knowledge and the support to operate the system. Cienega has written policies and procedures that are followed. Although Ms. Stephan has other responsibilities not related to the water system, she is able to manage and operate the Cienega water system.

### **4.2 Ownership and Governance**

Cienega is managed, operated and maintained by the Cienega Water Company, Inc. Cienega is incorporated and operates under the jurisdiction of the ACC. Ms. Stephan is Cienega's President and On-Site Manager.

The system has easements for its distribution lines.

### **4.3 Training and Experience**

Because Cienega is a small system operated by Cienega, the system's management contact and operator, Eleanor Stephan has experience and special training in utility management. She is also familiar with Drinking Water regulations. Ms. Stephan has experience in budgeting and facilities, although she is supported in these tasks through Ms. Walker, Cienega's Corporate Accountant and Mr. Jack Haas, who also helps with maintenance and repair of Cienega's facilities.

#### **4.4 Customer Relations**

Cienega's President (Eleanor Stephan) also serves as the Certified Operator and she is available for customer contact during normal business hours and if there are concerns. Cienega prepares Consumer Confidence reports and strives to provide quality service and to be responsive. Cienega gives notice to its customers on proposed policy, rates, planned water outages, and other significant changes via newsletters, notifications, mailings, door hangers, annual meetings, and special meetings as necessary.

#### **4.5 Rules and Policies**

The system has adequate rules and policies to protect its customers, to define the conditions for receiving water service and the rules and policies for defining customer responsibilities, and rules or policies defining the management of the system.

### **5. FINANCIAL CAPACITY**

#### **5.1 Revenue Sufficiency and Credit Worthiness**

Cienega operates PWS #15002 on from revenue generated from water sales. Cienega's rate was established by the Arizona Corporation Commission to cover current operating expenses, debt payments, and most required repairs. In lieu of the requested financial evaluation worksheet, a copy of Cienega's Profit & Loss statement from 1999 through 2007 is provided as Appendix A. From that worksheet, it can be seen that the system operated at a loss for all but two of the nine years and showed a total loss over that period of nearly \$27,400.

PWS #15002 is operated by Cienega. Appendix B shows an unaudited current financial statement as of August 31, 2008. Cienega does prepare an annual budget and is currently working on plans to upgrade the system and bring it into compliance. Cienega does not have funds available for major upgrades. Ms. Stephan knows where to get grants and she is active in those programs.

According to the 2010 Water Infrastructure Finance Authority (WIFA) Funding Cycle (Priority List for Drinking Water Project Technical Assistance, June 25, 2009), Cienega requested \$35,000 funding from WIFA for a Fluoride Removal Engineering Report. Cienega is also interested in obtaining WIFA loans for required capital improvements for fluoride reduction. Ms. Stephan said that a requested rate increase has been delayed because of the system not being in compliance. It is unclear how funding for capital improvements will be obtained or additional operating expenses will be met under the current rates.

The above work is needed to meet the requirements of the Arizona Corporation Commission (ACC), Environmental Protection Agency (EPA), and the Arizona Department of Environmental Quality (ADEQ).

The following is a background summary that was prepared by Cienega's engineering consultant of the work necessary to bring Cienega into compliance. This summary was included in a New Financial Application filed October 10, 2008 with the ACC regarding funding to bring the system into compliance:

"In 2003, Cienega installed approximately 5,700 linear feet of 6-inch C-900 PVC Water Pipe and four 5,000 gallon water storage tanks. This project replaced an existing system which had been installed in 1965. Cienega did not apply for an Approval to Construct (ATC) from ADEQ prior to construction activities or obtain an Approval of Construction (AOC) upon the completion of this replacement project. ADEQ has informed Cienega that an ATC and AOC for the system are needed. ADEQ has indicated that a Design Report, engineering plans, and project specifications must be completed. The ATC will be approved by ADEQ, then an Engineers Certification of Completion (ECC), Record Drawings, and Operations & Maintenance (O&M) manuals must be provided with the application for the AOC. Cienega will then use this information to pursue recovery of the project costs. The ACC has informed Cienega that since the Fluoride in the system exceeds the Federal limits, Cienega is required to take the steps necessary to remove excess Fluoride from the system and bring it into compliance with Federal regulations. Performing this work will first require a Design Report, engineering plans and project specifications to apply for an ATC from ADEQ. The Fluoride treatment system can then be constructed and a ATC obtained for those improvements. By following these steps Cienega will be able to pursue a rate increase to cover the cost of the improvements."

## **5.2 Fiscal Controls**

Cienega is currently working on a long-term plan for capital improvements to the system (see discussion above). This covers existing conditions of the equipment and needs for upgrades and expansion for fluoride reduction. Once this is completed, they will be able to determine their financial needs.

Cienega has established water rates and all customers are metered and billed monthly. There are very few delinquent accounts and Cienega works to keep everyone current. Cienega reviews and approves the budgets, operational and capital improvements.

Based on review of the financial evaluation worksheets (Appendix A) and financial statement (Appendix B) we found that income from water sales for has not matched expenses. Cienega reported that there are insufficient profit and cash reserves and has requested funding to address the required capital improvements necessary to bring the system into compliance.

## **6. WATER SYSTEM SECURITY**

### **6.1 Structures**

The structures in the system are observed and inspected daily. Nobody is allowed into any of the well or storage tank areas without supervision. It is assumed that any deliveries made to system are inspected.

Cienega has an emergency operation plan that has task-specific steps to perform in case of an emergency. It was last updated on May 1, 2009. A vulnerability assessment was not performed.

## **6.2 Keys**

The distribution and number of keys is known and controlled. Keys are not labeled as 'Do Not Duplicate' and local emergency departments are not provided with access keys.

## **6.3 Fencing**

The storage tanks are secured behind a six-foot high chain linked fence. The wells are secured behind six-foot wrought iron steel fencing. The chain link and wrought iron fences were observed to be in good condition during our site visit.

## **6.4 Lighting**

There is no power, and therefore, no lighting at the well site or tank.

## **6.5 Entrance Doors**

Cienega has no buildings and thus no entrance doors.

## **6.6 Windows**

There are no windows.

## **6.7 Electronic Surveillance**

There is no electronic surveillance equipment.

## **6.8 Forms**

Emergency phone numbers are not posted. However, Cienega has a list of phone numbers to call in case of an emergency.

## **6.9 Written Plans**

There is an emergency call list and it is kept up to date. Plans are periodically reviewed by Cienega. The emergency operation plan is kept in the office.

## **6.10 Procedures**

Inspection logs are kept at the office. They do not have a formal log-in and log-out procedure.

## **6.11 Law Enforcement**

Law enforcement is coordinated with the La Paz County Sherriff.

## **6.12 Employees**

Cienega has no employees. Cienega's operator is also Cienega's President. Cienega's officers serve as volunteers and are not paid.

## **6.13 Non-Employees**

Nobody other than Cienega's operator or persons authorized by Cienega is allowed into any fenced area without an escort.

## **6.14 Neighbors**

Cienega works with the residing neighbors to help with security issues. Neighbors notify Cienega when something unusual is occurring at the well sites, distribution system, or water storage site. Important facility telephone numbers are given to the neighbors.

# **7. EVALUATION SUMMARY AND RECOMMENDATIONS**

## **7.1 Assessment Summary**

Cienega is well managed and operated. Although they attempt to operate within their budget, they are currently operating at loss with expenses exceeding revenue. Within reason, the well and tank sites are clean and free of weeds and debris. Based on AES' observation, equipment (well pumps, tank, piping, and associated controls) appear to be in good working condition and are well maintained. Cienega is able to handle customer complaints and resolve problems.

## **7.2 Recommended Improvements**

The following are AES' recommendations:

- 7.2.1. Continue to measure residual chlorine and maintain a log of the daily chlorine readings.
- 7.2.2. Signs with the public water system (PWS) number and an emergency contact phone number should be posted at the well and tank sites.
- 7.2.3. The main concern is addressing compliance issues noted above and reducing fluoride concentrations in the water. These issues are beyond the scope of this report.

Company: Cienega Water Company

Decision No.: \_\_\_\_\_

Phone: (928) 667-2590

Effective Date: \_\_\_\_\_

## **POINT-OF-USE TREATMENT DEVICE TARIFF**

### **PURPOSE:**

The purpose of this tariff is to enable **Cienega Water Company** ("Company") to ensure its compliance with the requirements of the Arizona Department of Environmental Quality ("ADEQ") for Point-of-Use ("POU") treatment. POU treatment is to be installed on the customer's premises, maintained, and tested pursuant to the provision of the Arizona Administrative Code ("A.A.C.") R18-4-222 and ADEQ's Arizona Point-of-Use Compliance Program Guidance ("Guidance"). A POU treatment device will treat only the water intended for direct consumption, typically installed at a single tap such as the kitchen sink.

### **REQUIREMENTS:**

The requirements to be in compliance with the Rules of the Arizona Corporation Commission ("Commission") and the ADEQ, specifically A.A.C. R14-2-407, R14-2-410, R18-4-222 and the Guidance that governs this tariff are as follows:

1. The Company shall purchase and install the POU treatment device.
2. Subject to the provisions of A.A.C. R18-4-222 and the Guidance, the installation of the POU treatment device will be a condition of service.
3. The installation of the POU treatment device will be arranged to be installed at a time convenient to the customer and the Company.
4. The customer must permit the Company or its agents to enter the home to maintain the system in good working order, including, but not limited to, periodic replacement of filters, water sampling, and replacement of the system from time to time.
5. The POU treatment devices shall be the property of the Company.
6. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 4 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a POU treatment device or to permit the servicing and testing of the POU treatment device as required by this tariff.
7. The Company shall give any customer who is required to install a POU treatment device written notice of said requirement. The customer shall be given sixty (60) days from the time such written notice is received in which to comply with this notice. If A.A.C. R14-2-410.B.1. is **not** applicable and the customer can show good

Company: Cienega Water Company

Decision No.: \_\_\_\_\_

Phone: (928) 667-2590

Effective Date: \_\_\_\_\_

cause as to why the device cannot be installed within sixty (60) days, the Company may allow the customer an additional sixty (60) days to have the device installed.

8. Testing of the POU treatment device shall be in conformance with the requirements of A.A.C. R18-4-222 and the Guidance.
9. Consistent with the provisions of A.C.C. R14-2-407.B.2 and 3, each customer shall be responsible for safeguarding all Company property installed on the customer's premises for the purpose of supplying clean water to that customer. Each customer shall exercise all reasonable care to prevent loss or damage to Company property, excluding ordinary wear and tear. The customer shall be responsible for loss of or damage to Company property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the Company for the cost of necessary repairs or replacements.
10. Pursuant to A.C.C. R14-2-407.B.5, each customer shall be responsible for notifying the Company of any failure identified in the Company's POU treatment device and system.

Attachment-AAC: Arizona Administrative Codes (4 pages)

**Arizona Administrative Codes**

**R14-2-407. Provision of service**

- A. Utility responsibility.** Each utility shall be responsible for providing potable water to the customer's point of delivery.
  
- B. Customer responsibility**
  - 1. Each customer shall be responsible for maintaining all facilities on the customer's side of the point of delivery in a safe and efficient manner and in accordance with the rules of the state Department of Health.
  - 2. Each customer shall be responsible for safeguarding all utility property installed in or on the customer's premises for the purpose of supplying water to that customer.
  - 3. Each customer shall exercise all reasonable care to prevent loss or damage to utility property, excluding ordinary wear and tear. The customer shall be responsible for loss of or damage to utility property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the utility for the cost of necessary repairs or replacements.
  - 4. Each customer shall be responsible for payment for any equipment damage resulting from unauthorized breaking of seals, interfering, tampering or bypassing the utility meter.
  - 5. Each customer shall be responsible for notifying the utility of any failure identified in the utility's equipment.
  - 6. Water furnished by the utility shall be used only on the customer's premises and shall not be resold to any other person. During critical water conditions, as determined by the Commission, the customer shall use water only for those purposes specified by the Commission. Disregard for this rule shall be sufficient cause for refusal or discontinuance of service.
  
- C. Continuity of service.** Each utility shall make reasonable efforts to supply a satisfactory and continuous level of service. However, no utility shall be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:
  - 1. Any cause against which the utility could not have reasonably foreseen or made provision for, i.e., force majeure
  - 2. Intentional service interruptions to make repairs or perform routine maintenance
  - 3. Curtailment.
  
- D. Service interruptions**
  - 1. Each utility shall make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.
  - 2. Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.
  - 3. In the event of a national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
  - 4. When a utility plans to interrupt service for more than 4 hours to perform necessary repairs or maintenance, the utility shall attempt to inform affected customers at least 24 hours in advance of the scheduled date and estimated duration of the service interruption.

Such repairs shall be completed in the shortest possible time to minimize the inconvenience to the customers of the utility.

5. The Commission shall be notified of interruptions in service affecting the entire system or any major division thereof. The interruption of service and cause shall be reported within 4 hours after the responsible representative of the utility becomes aware of said interruption by telephone to the Commission and followed by a written report to the Commission.
- E. Minimum delivery pressure. Each utility shall maintain a minimum standard delivery pressure of 20 pounds per square inch gauge (PSIG) at the customer's meter or point of delivery.
- F. Construction standards. Each utility shall construct all facilities in accordance with the guidelines established by the state Department of Health Services.

**R14-2-410. Termination of service**

- A. Nonpermissible reasons to disconnect service. A utility may not disconnect service for any of the reasons stated below:
1. Delinquency in payment for services rendered to a prior customer at the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.
  2. Failure of the customer to pay for services or equipment which is not regulated by the Commission.
  3. Nonpayment of a bill related to another class of service.
  4. Failure to pay for a bill to correct a previous underbilling due to an inaccurate meter or meter failure if the customer agrees to pay over a reasonable period of time.
- B. Termination of service without notice
1. Utility service may be disconnected without advance written notice under the following conditions:
    - a. The existence of an obvious hazard to the safety or health of the consumer or the general population.
    - b. The utility has evidence of meter tampering or fraud.
    - c. Unauthorized resale or use of utility services.
    - d. Failure of a customer to comply with the curtailment procedures imposed by a utility during supply shortages.
  2. The utility shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the utility.
  3. Each utility shall maintain a record of all terminations of service without notice. This record shall be maintained for a minimum of 1 year and shall be available for inspection by the Commission.
- C. Termination of service with notice
1. A utility may disconnect service to any customer for any reason stated below provided the utility has met the notice requirements established by the Commission:
    - a. Customer violation of any of the utility's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.
    - b. Failure of the customer to pay a delinquent bill for utility service.
    - c. Failure to meet or maintain the utility's credit and deposit requirements.

- d. Failure of the customer to provide the utility reasonable access to its equipment and property.
  - e. Customer breach of a written contract for service between the utility and customer.
  - f. When necessary for the utility to comply with an order of any governmental agency having such jurisdiction.
2. Each utility shall maintain a record of all terminations of service with notice. This record shall be maintained for 1 year and be available for Commission inspection.

**D. Termination notice requirements**

1. No utility shall terminate service to any of its customers without providing advance written notice to the customer of the utility's intent to disconnect service, except under those conditions specified where advance written notice is not required.
2. Such advance written notice shall contain, at a minimum, the following information:
  - a. The name of the person whose service is to be terminated and the address where service is being rendered.
  - b. The Commission rule or regulation that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of the utility, if applicable.
  - c. The date on or after which service may be terminated.
  - d. A statement advising the customer to contact the utility at a specific address or phone number for information regarding any deferred payment or other procedures which the utility may offer or to work out some other mutually agreeable solution to avoid termination of the customer's service.
  - e. A statement advising the customer that the utility's stated reason for the termination of services may be disputed by contacting the utility at a specific address or phone number, advising the utility of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the utility in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the utility shall retain the option to terminate service.

**E. Timing of terminations with notice**

1. Each utility shall be required to give at least 10 days advance written notice prior to the termination date.
2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.
3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the utility for the payment thereof or in the case of a violation of the utility's rules the customer has not satisfied the utility that such violation has ceased, the utility may then terminate service on or after the day specified in the notice without giving further notice.
4. Service may only be disconnected in conjunction with a personal visit to the premises by an authorized representative of the utility.
5. The utility shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises upon the termination of service.

- F. Landlord/tenant rule.** In situations where service is rendered at an address different from the mailing address of the bill or where the utility knows that a landlord/tenant relationship exists and that the landlord is the customer of the utility, and where the landlord as a customer would otherwise be subject to disconnection of service, the utility may not disconnect service until the following actions have been taken:

1. Where it is feasible to so provide service, the utility, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the utility may disconnect service pursuant to the rules.
2. A utility shall not attempt to recover from a tenant or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

#### **R18-4-222. Use of Point-of-Entry or Point-of-Use Treatment Devices**

- A. A public water system may use a point-of-use treatment device to achieve compliance with a MCL, provided that the point-of-use treatment device meets the requirements of 42 U.S.C. 300g-1(b)(4)(E)(ii) (2001), and the requirements listed under subsections (B)(1) through (B)(6).
- B. A public water system may use a point-of-entry treatment device to achieve compliance with a MCL if the public water system meets all of the following requirements:
  1. The public water system develops a monitoring plan for the treatment device and obtains the Department's written approval of the monitoring plan before a point-of-entry treatment device is installed. The monitoring plan shall provide reasonable assurance that the treatment device provides health protection equivalent to that provided by central water treatment.
  2. The design of the point-of-entry treatment device is approved, in writing, by the Department.
  3. The public water system operates and maintains the point-of-entry treatment device.
  4. The microbiological safety of water that is treated by a point-of-entry treatment device is maintained at all times. The design and application of the treatment device shall consider the tendency for increase in heterotrophic bacteria concentrations in water treated with activated carbon. The Department may require frequent backwashing, post-contactor disinfection, or HPC monitoring to ensure that the microbiological safety of water is not compromised.
  5. The public water system installs a sufficient number of point-of-entry treatment devices to buildings connected to the public water system so that every person served by the public water system is protected. Every building connected to the public water system shall be subject to treatment and monitoring.
  6. The rights and responsibilities of persons served by the public water system convey with title upon the sale of property.
- C. A public water system that uses a point-of-entry treatment device or a point-of-use treatment device as a condition for receiving a variance or an exemption shall meet the requirements listed under subsection (B).

#### **Arizona Point-of-Use Compliance Program Guidance**

<http://www.azdeq.gov/envIRON/water/download/pointofuse.pdf>

<b>COMPANY NAME:</b> Cienega Water Company	<b>Test Year Ended:</b> 12/31/2010
<b>Name of System:</b> Cienega Water	<b>ADEQ Public Water System Number:</b> AZ0415002

**AFFILIATE RELATIONSHIP**

Please indicate a **yes** or **no** answer to the questions below and provide an explanation where necessary.

A parent-subsiary relationship, or affiliation, with another entity includes Corporations, Partnerships, Sole Proprietorship, Limited Liability Companies (LLCs), as well as common ownership of a water company and another entity, such as a development company or wastewater company.

Are any assets owned jointly with any affiliated or subsidiary entities?

YES       NO

If **Yes**, please provide a description of each jointly owned asset, it's cost, and the percentage of the asset owned by the utility. (Please note the amounts reported on pages 12 and 15 should only include the percentage of plant owned by the utility.)

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Were any of the assets constructed or acquired from an affiliated or subsidiary entity?

YES       NO

If **Yes**, please identify the affiliated entity, the relationship with the utility, and a detailed listing of all transactions reflected in the Plant accounts. Also include detail for other balance sheet accounts, such as Advances, Contributions in Aid of Construction, inter-company payables and receivables, as well as affiliated revenues and expenses from the Company's Income Statement.

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**STATEMENTS IN SUPPORT OF RATE REQUEST**

Complete the following statements in support of your rate request.

Cienega Water Company (the "Company") requests an adjustment in the existing rates charged by the Company. The information contained in this application is based upon a twelve-month Test Year ending 12/31/10 (mm/dd/yy). The Company had total operating revenues of \$ 29,120, served 56 metered and 0 un-metered customers, and sold 2,567,800 gallons of water during the Test Year.

The Company is requesting a(n) increase/decrease in revenues in the amount of \$ 12,900.  
Total annual operating revenues, if the Company is granted the rate adjustment, will be \$ 42,020.

- The Company is current on all property taxes.  YES  NO
- The Company is current on all sales taxes.  YES  NO
- The Company currently has a Curtailment Plan Tariff on file with the Commission  YES  NO
- The Company currently has a Backflow Prevention Tariff on file with the Commission.  YES  NO

The Company notified its customers of its application for a rate adjustment on 4/28/11 (mm/dd/yy). **A COPY OF THE NOTICE WITH A NOTARIZED COVER LETTER STATING THE METHOD OF CUSTOMER NOTIFICATION, AS WELL AS THE DATE OF THE NOTIFICATION, MUST BE ATTACHED. (See page 32)**

By completing this application in support of the Company's request for a rate adjustment, the Company realizes that Original Cost Less Depreciation ("OCLD") plant information will be used to determine the fair value rate base, i.e., the Company waives the right to Reconstruction Cost New.

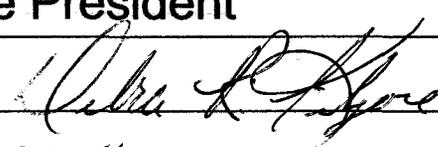
The utility company ownership is one of the following:

- Sole Proprietorship
- Partnership
- "C" Corporation
- "S" Corporation
- Limited Liability Company ("LLC")
- Association--Cooperative
- Other, please specify: \_\_\_\_\_

**Note: If a corporation, please list stockholders and the respective number of shares owned below.**

Stockholders	Number of Shares Owned

I have read and completed this application, and to the best of my knowledge all of the information contained herein, and attached to this application, is true and correct.

Name of Authorized Representative (print): <b>Debra Kilgore</b>	Company Name: <b>Cienega Water Company</b>
Title: <b>Vice President</b>	Address: <b>P.O. Box 3518</b>
Signature: 	City/ST/Zip: <b>Parker, AZ 85344</b>
Date: <b>4-25-11</b>	Phone Number: <b>(928) 667-2590</b>
E-mail Address: <b>cienegawater@yahoo.com</b>	Fax Number: <b>(928) 667-2085</b>
Website Address:	

<b>COMPANY NAME:</b> Cienega Water Company	<b>Test Year Ended:</b> 12/31/2010
<b>Name of System:</b> Cienega Water	<b>ADEQ Public Water System Number:</b> AZ0415002

**CURRENT AND PROPOSED RATES AND CHARGES**

CUSTOMER CLASS:  Residential    Commercial    Industrial  
 Irrigation    All    Other, specify \_\_\_\_\_

MINIMUM OR SERVICE CHARGES	CURRENT RATES		PROPOSED RATES	
	\$	GALLONS	\$	GALLONS
5/8" x 3/4" Meter	\$22.00	for 1,000	\$30.00	for
3/4" Meter	\$33.00	for 1,000	\$35.00	for
1" Meter	\$50.00	for 1,000	\$60.00	for
1-1/2" Meter	\$100.00	for 1,000	\$150.00	for
2" Meter	\$250.00	for 1,000	\$300.00	for
3" Meter	\$375.00	for 1,000	\$400.00	for
4" Meter	\$500.00	for 1,000	\$525.00	for
6" Meter	\$750.00	for 1,000	\$800.00	for

GALLONS IN EXCESS OF MINIMUM
Commodity Charge in Excess of Minimum (Charge Per 1,000 Gallons)
First Tier <b>3,000</b>
Second Tier <b>10,000</b>
Third Tier <b>over 10,000</b>
FLAT RATE

Current Rates		Proposed Rates	
Rate	Gallons	Rate	Gallons
\$ <b>3.75</b>	Up to <u>10,000</u>	\$ <b>5.00</b>	Up to <u>3,000</u>
\$ <b>4.50</b>	<u>10,001</u> to <u>25,000</u>	\$ <b>5.25</b>	<u>3,001</u> to <u>10,000</u>
\$ <b>6.90</b>	Over <u>25,000</u>	\$ <b>8.00</b>	Over <u>10,000</u>
\$ <b>NA</b>	Per Month	\$ <b>NA</b>	Per Month

*Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.*

<b>COMPANY NAME:</b> Cienega Water Company	<b>Test Year Ended:</b> 12/31/2010
<b>Name of System:</b> Cienega Water	<b>ADEQ Public Water System Number:</b> AZ0415002

**CURRENT AND PROPOSED SERVICE CHARGES**

CUSTOMER CLASS:  Residential  Commercial  Industrial  
 Irrigation  All  Other, specify \_\_\_\_\_

SERVICE LINE AND METER INSTALLATION CHARGES	CURRENT CHARGES	PROPOSED CHARGES
5/8" X 3/4" Meter	\$350.00	\$400.00
3/4" Meter	\$400.00	\$450.00
1" Meter	\$500.00	\$550.00
1-1/2" Meter	\$700.00	\$750.00
2" Meter	\$1,200	\$1,300
3" Meter	\$1,700	\$1,800
4" Meter	\$2,600	\$2,700
6" Meter	\$5,000	\$5,000

Establishment	\$25.00	\$50.00
Establishment (after hours)	\$35.00	\$75.00
Reconnection (delinquent)	\$40.00	\$50.00
Reconnection (delinquent) after hours	\$50.00	\$60.00
Meter Test	\$25.00	\$35.00
Deposit	\$ Per Rule	\$ Per Rule
Deposit Interest	Per Rule %	Per Rule %
Re-establishment (within 12 months)	\$ Month off System x minimum	\$ Month off System x minimum
NSF Check	\$15.00	\$25.00
Deferred Payment	1.5% %	1.5% %
Meter Re-read	\$15.00	\$20.00
Late Fee (percentage)	\$1.50%	\$1.50%

**Note:** If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

**COMPANY NAME:** Cienega Water Company

**Test Year Ended:** 12/31/2010

**Name of System:** Cienega Water

**ADEQ Public Water System Number:** AZ0415002

**Plant Additions and Retirements by Year**

Acct. No.	Description	Year <u>99</u>		Year <u>00</u>	
		Additions	Retirements	Additions	Retirements
301	Organization				
302	Franchises				
303	Land & Land Rights				
304	Structures & Improvements				
307	Wells & Springs	10565			
311	Pumping Equipment				
320	Water Treatment Equipment				
320.1	Water Treatment Plants				
320.2	Solution Chemical Feeders				
330	Distribution Reservoirs & Standpipes	3589			
330.1	Storage Tanks				
330.2	Pressure Tanks				
331	Transmission & Distrib. Mains				
333	Services				
334	Meters & Meter Installations	17880			
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant & Misc. Equipment			1292	
340	Office Furniture & Equipment	1079		2239	
340.1	Computers & Software				
341	Transportation Equipment				
343	Tools, Shop & Garage Equip.				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	<b>TOTAL WATER PLANT</b>	<b>\$33,113</b>		<b>\$3,531</b>	

*Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C, respectively. Make copies of this page as needed.*

Utility Plant in Service Description	Previous Test Year											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Organization												
Franchises												
Land and Land Rights											18445	18445
Structures & Improvements											10565	10565
Wells & Springs	10565	10565	10565	10565	10565	10565	10565	10565	10565	10565		
Pumping Equipment												
Water Treatment Equipment												
Water Treatment Plants												
Solution Chemical Feeders												
Distribution standpipe	3589	3589	3589	3589	3589	3589	3589	3589	3589	3589	3589	3589
Storage Tanks												
Pressure Tanks												
Transmission Mains												
Services												
Meters	17880	17880	17880	17880	17880	17880	17880	17880	17880	17880	17880	17880
Hydrants												
Backflow prevention												
Other Plant	1292	2408	2408	2408	2408	3545	3545	3545	3545	3545	3545	3545
Office furniture & equip	1079	3318	3318	3318	3416	1177	1177	1177	1177	1177	3156	1275
Computers & software												4219
Transportation Equip												
Tools, Shop, garage												
Lab equipment												
Power Operated Equipment												
Communication Equip												
Miscellaneous												
Other Plant												
	\$33,113	\$36,644	\$37,760	\$37,760	\$37,858	\$172,972	\$172,972	\$172,972	\$172,972	\$172,972	\$193,396	\$199,279

COMPANY NAME: Cienega Water Company

Test Year Ended: 12/31/2010

Name of System: Cienega Water

ADEQ Public Water System Number: AZ0415002

## Plant Summary

Acct. No.	Description	Plant in Service Per Prior Decision	Total Additions	Total Retirements	Test Year End Total
		<i>Column A</i>	<i>Column B</i>	<i>Column C</i>	<i>Column D*</i>
301	Organization				
302	Franchises				
303	Land & Land Rights				
304	Structures & Improvements		18,445		18,445
307	Wells & Springs	10,565			10,565
311	Pumping Equipment				
320	Water Treatment Equipment				
320.1	Water Treatment Plants				
320.2	Solution Chemical Feeders				
330	Distribution Reservoirs & Standpipes	3,589			3,589
330.1	Storage Tanks		39,204		39,204
330.2	Pressure Tanks				
331	Transmission & Distrib. Mains		61,812		61,812
333	Services		20,637		20,637
334	Meters & Meter Installations	17,880			17,880
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant & Misc. Equipment		3,545		3,545
340	Office Furniture & Equipment	1,079	4,316	4,120	1,275
340.1	Computers & Software		4,219		4,219
341	Transportation Equipment				
343	Tools, Shop & Garage Equip.		2,408		2,408
344	Laboratory Equipment				
345	Power Operated Equipment		12,155		12,155
346	Communication Equipment				
347	Miscellaneous Equipment		3,545		3,545
348	Other Tangible Plant				
	<b>TOTAL WATER PLANT</b>	<b>\$33,113</b>	<b>\$170,286</b>	<b>\$4,120</b>	<b>\$199,279</b>

Note: Please refer to the checklist on page 1 for the required attachments related to this schedule

\* Column D = Column A + Column B - Column C

COMPANY NAME: Cienega Water Company

Test Year Ended: 12/31/2010

Name of System: Cienega Water

ADEQ Public Water System Number: AZ0415002

## UTILITY PLANT IN SERVICE

Acct No.	Description	Original Cost	Accumulated Depreciation	OCLD
		<i>Column A</i>	<i>Column B</i>	<i>Column C**</i>
301	Organization			
302	Franchises			
303	Land & Land Rights		N/A	
304	Structures & Improvements	18,445	3,690	14,755
307	Wells & Springs	10,565	10,565	0
311	Pumping Equipment			
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs & Standpipes	3,589	3,589	0
330.1	Storage Tanks	39,204	15,680	23,524
330.2	Pressure Tanks			
331	Transmission & Distrib. Mains	61,812	24,725	37,087
333	Services	20,637	8,256	12,381
334	Meters & Meter Installations	17,880	17,880	0
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant & Misc. Equipment	3,545	1,416	2,129
340	Office Furniture & Equipment	1,275	1,275	0
340.1	Computers & Software	4,219	4,219	0
341	Transportation Equipment			
343	Tools, Shop & Garage Equip.	2,409	2,409	0
344	Laboratory Equipment			
345	Power Operated Equipment	12,155	7,393	4,762
346	Communication Equipment			
347	Miscellaneous Equipment	3,545	1,416	2,129
348	Other Tangible Plant			
	<b>TOTAL WATER PLANT</b>	<b>*\$199,280</b>	<b>*</b>	<b>\$98,042</b>

\* Must be the same as the amount reported on page 20

\*\*Column C = Column A - Column B

<b>COMPANY NAME:</b> Cienega Water Company	<b>Test Year Ended:</b> 12/31/2010
<b>Name of System:</b> Cienega Water	<b>ADEQ Public Water System Number:</b> AZ0415002

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Sustained Well Production w/ Presently Installed Pump (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-617676	1-HP	25-gpm	50'	12"	2"	1959
55-617677	1-HP	25-gpm	50'	12"	2"	1960

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
No other water source	NA	NA

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
Since the system is gravity fed, no booster pumps	0	0	0

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
5,000-gallons	4	0	0

<b>COMPANY NAME:</b> Cienega Water Company	<b>Test Year Ended:</b> 12/31/2010
<b>Name of System:</b> Cienega Water	<b>ADEQ Public Water System Number:</b> AZ0415002

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	C-900 PVC	5,700
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	55
3/4	
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

Cienega currently uses a dilute solution of sodium hypochlorite as a source for maintaining residual chlorine for disinfection in their tanks and distribution system. There are no other treatment systems currently installed.

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**STRUCTURES:**

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**OTHER:**

There are valves located throughout the distribution system which minimize outages to customers during repairs. The system is looped and there are no dead ends. See the System Evaluation prepared by Applied EnviroSolutions, Inc. and "Application for Approval to Use Point-of-Use Water Treatment", Prepared by Tres Rios Consulting Engineers for additional descriptions.

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COMPANY NAME: Cienega Water Company	Test Year Ended: 12/31/2010
Name of System: Cienega Water	ADEQ Public Water System Number: AZ0415002

**WATER USE DATA SHEET BY MONTH FOR TEST YEAR**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	57	110,700	198,700	0
FEBRUARY	58	281,100	470,400	0
MARCH	56	150,100	404,500	0
APRIL	55	171,400	421,700	0
MAY	56	219,000	533,200	0
JUNE	57	240,500	487,500	0
JULY	58	286,400	665,900	0
AUGUST	58	267,200	585,100	0
SEPTEMBER	59	281,300	596,300	0
OCTOBER	60	189,200	613,200	0
NOVEMBER	59	190,900	562,800	0
DECEMBER	60	180,000	469,900	0
<b>TOTALS →</b>		<b>* 2,567,800</b>	<b>** 6,009,200</b>	<b>0</b>

What is the level of arsenic for each well on your system? 0.004 mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? NA GPM for NA hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
 Yes       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
 Yes       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
 Yes       No

If yes, provide the GPCPD amount: NA

*Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact Engineering at 602-542-7277.*

\* This number must be equal to the number entered on Page 6, "sold gallons."

\*\* Gallons pumped cannot equal or be less than the gallons sold

<b>COMPANY NAME:</b> Cienega Water Company	<b>Test Year Ended:</b> 12/31/2010
<b>Name of System:</b> Cienega Water	<b>ADEQ Public Water System Number:</b> AZ0415002

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR 2009</b>	<b>TEST YEAR 2010</b>
461	Metered Water Revenue	\$ 27,168	\$ 29,120
460	Unmetered Water Revenue		
474	Other Water Revenues	126	1500
	<b>TOTAL OPERATING REVENUES</b>	<b>\$ 27,294</b>	<b>\$ 30,620 *</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages (See page 1, item 4)	\$ 2,800	\$ 0
610	Purchased Water (See page 1, item 5)	0	0
615	Purchased Power (See page 1, item 6)	1,522	1,613
618	Chemicals	0	1,500
620	Repairs and Maintenance (See page 1, item 7)	0	1,173
621	Office Supplies and Expense	178	332
630	Outside Services (See page 1, item 8)	1,375	803
635	Water Testing (See page 1, item 9)	822	1,184
641	Rents	0	0
650	Transportation Expenses	1,674	1,527
657	Insurance – General Liability	0	0
659	Insurance – Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	738	873
403	Depreciation Expense (From page 20)	10,815	10,199
408	Taxes Other Than Income	1,226	1,896
408.11	Property Taxes (See page 1, item 10)	888	820
409	Income Tax	0	0
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 22,038</b>	<b>\$ 21,920</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 5,256</b>	<b>\$ 8,700</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	(32)	0
427	Interest Expense	(5,668)	(11,860)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ (5,700)</b>	<b>\$ (11,860)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (444)</b>	<b>\$ (3,160)</b>

*Note: Do not include sales tax in revenue or expense. Please refer to the checklist on page 1 for the required attachments related to this schedule.*

*\* This number must be identical to the number entered on page 6 "total operating revenues."*

## CALCULATION OF DEPRECIATION EXPENSE

Acct. No..	Description	Original Cost	Depreciation Percentage	Depreciation Expense
		<i>Column A**</i>	<i>Column B</i>	<i>Column C*</i>
301	Organization			
302	Franchises			
303	Land & Land Rights		N/A	
304	Structures & Improvements	18,445	20%	3,690
307	Wells & Springs	10,565	100%	10,565
311	Pumping Equipment			
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs & Standpipes	3,589	100%	3,589
330.1	Storage Tanks	39,204	40%	15,680
330.2	Pressure Tanks			
331	Transmission & Distrib. Mains	61,812	40%	24,725
333	Services	20,637	40%	8,256
334	Meters & Meter Installations	17,880	100%	17,880
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant & Misc. Equipment	3,545	40%	1,416
340	Office Furniture & Equipment	1,275	100%	1,275
340.1	Computers & Software	4,219	100%	4,219
341	Transportation Equipment			
343	Tools, Shop & Garage Equip.	2,409	100%	2,409
344	Laboratory Equipment			
345	Power Operated Equipment	12,155	61%	7,393
346	Communication Equipment			
347	Miscellaneous Equipment	3,545	40%	1,416
348	Other Tangible Plant			
	<b>TOTAL WATER PLANT</b>	199,280		102,516

\* *Column C = Column A x Column B*

\*\**Must be the same as the amount reported on page 15, column A.*

<b>COMPANY NAME:</b> Cienega Water Company		<b>Test Year Ended:</b> 12/31/2010	
<b>Name of System:</b>	Cienega Water	<b>ADEQ Public Water System Number:</b>	AZ0415002

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 5,512	\$ 6,600
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 5,512	\$ 6,600
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$	\$ *
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant ("AD-UP")		(\$ )**
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility ("AD-NU")		(\$ )
	<b>TOTAL FIXED ASSETS</b>	\$ 100,517	\$
	<b>TOTAL ASSETS</b>	\$ 110,248	\$ 101,137

*Note: Total Assets on this page should equal the sum of Total Liabilities and Total Capital on page 22. Also, numbers in parentheses should be subtracted. For example, Accounts 108 and 122 should be subtracted from Total Fixed Assets.*

*\* Must equal page 15, original cost*

*\*\* Must equal page 15, accumulated depreciation*

<b>COMPANY NAME:</b> Cienega Water Company		<b>Test Year Ended:</b> 12/31/2010
<b>Name of System:</b>	Cienega Water	<b>ADEQ Public Water System Number:</b> AZ0415002

**BALANCE SHEET (CONTINUED)**

	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF TEST YEAR</b>	<b>BALANCE AT END OF TEST YEAR</b>
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 9,515	\$ 9,515
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 191,723	\$ 185,059
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		\$ *
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		\$ **
272	Less: Amortization of Contributions		(\$ )
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 0	\$ 0
	<b>TOTAL LIABILITIES</b>	\$ 201,238	\$ 194,574
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 5,700	\$ 5,700
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(96,246)	(96,690)
218	Proprietary Capital (Sole Props and Partnerships)	(444)	(2,447)
	<b>TOTAL CAPITAL</b>	\$ (90,990)	\$ (93,437)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 110,248	\$ 101,137

*Note: Account 272 should be subtracted from Total Deferred Credits.*

*\* Must equal page 24, Total Advances in Aid of Construction*

*\*\* Must equal page 25, Total Contributions in Aid of Construction*

<b>COMPANY NAME:</b> Cienega Water Company	<b>Test Year Ended:</b> 12/31/2010
<b>Name of System:</b> Cienega Water	<b>ADEQ Public Water System Number:</b> AZ0415002

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt<sup>1</sup>**

	<b>LOAN #1*</b>	<b>LOAN #2*</b>	<b>LOAN #3*</b>	<b>LOAN #4*</b>
Date Issued	07/02/02			
Source of Loan	Private			
Reason for Loan	Replacement			
Dollar Amount Issued	\$ 146,533	\$	\$	\$
Net Proceeds	\$ 146,533	\$	\$	\$
Amount Outstanding	\$ 115,643	\$	\$	\$
Date of Maturity	07/02/24			
Interest Rate	7%			
Current Year Interest	\$ 11,860	\$	\$	\$
Current Year Principal	\$ 6,654	\$	\$	\$
Authority Granted By ACC Decision No.	63751			

*A.R.S. 40-301 requires ACC approval of long-term debt. If the Commission has not approved any of the above loans, then please submit an application requesting approval of the above loans.*

Meter Deposit Balance – Test Year	\$ 0
Meter Deposits Refunded During the Test Year	\$ 0

<sup>1</sup>List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed.

**ADVANCES IN AID OF CONSTRUCTION (Acct. 252)<sup>2</sup>**

	Additions During Year	Refunds During Year	
Balance Per Prior Decision	N/A	N/A	\$
Year	\$	\$	
Total of Additions	\$	N/A	
Total of Refunds	N/A	\$	
Total Advances in Aid of Construction	N/A	N/A	\$ *

*Note: Prior Decision refers to the balances per the prior Staff Report as adjusted per the final Commission Decision.*

*\* Total Advances in Aid of Construction = Balance Per Prior Decision + Total Additions - Total Refunds (cross reference this to the Balance Sheet on page 22)*

<sup>2</sup> *Advances in Aid of Construction refers to the following:*

- (1) Refundable amounts received from a new customer to cover the cost of a meter and piping from the building to the meter and the associated installation.*
- (2) Refundable amounts received from a customer or a developer for mains, valves, fittings, and additional facilities required to provide pressure, storage, or water supply pursuant to a main extension agreement.*

COMPANY NAME: Cienega Water Company

Test Year Ended: 12/31/2010

Name of System: Cienega Water

ADEQ Public Water System Number: AZ0415002

**GROSS CONTRIBUTIONS IN AID OF CONSTRUCTION (Acct. 271)<sup>3</sup>**

Balance Per Prior Decision	N/A	\$	
Additions Year	\$		
Total Additions	N/A	\$	
Balance at Test Year End	N/A	\$	*

*Note: Prior Decision refers to the balances per the prior Staff Report as adjusted per the final Commission Decision.*

*\* Balance at Test Year End = Balance Per Prior Decision + Total Additions (cross reference this to the Balance Sheet on page 22)*

<sup>3</sup> Contributions in Aid of Construction refers to the following:

- (1) Non-refundable money, services, or property received for use in the provision of utility service from any source that is provided at no cost and interest free.
- (2) Unrefunded balances of expired advance contracts reclassified from Advances in Aid of Construction.

Company Name: Cienega Water Company	Test Year Ended: 12/31/2010
Meter Size: 5/8"x 3/4"	1 <sup>st</sup> Quarter Ended: 3/31/10

**BILL COUNT WORKSHEET 1<sup>ST</sup> QUARTER**

<b>GALLONAGE RANGE</b>	<b>NUMBER OF BILLS</b>	<b>TOTAL BILLS FOR 1<sup>ST</sup> QUARTER</b>
- 0 -	34	34
1 to 1,000		
1,001 to 2,000	73	73
2,001 to 3,000		
3,001 to 4,000		39
4,001 to 5,000		
5,001 to 6,000		11
6,001 to 7,000		
7,001 to 8,000		8
8,001 to 9,000		
9,001 to 10,000		1
10,001 to 12,000		
12,001 to 14,000		
14,001 to 16,000		
16,001 to 18,000		
18,001 to 20,000		1
20,001 to 25,000		
25,001 to 30,000		
30,001 to 35,000		
35,001 to 40,000		1
40,001 to 50,000		
50,001 to 60,000		
60,001 to 70,000		
70,001 to 80,000		
80,001 to 90,000		
90,001 to 100,000		
Over 100,000 (List actual gallons, e.g., 120,000)		
<b>Total Bills</b>		<b>168</b>

Company Name: <b>Cienega Water Company</b>	Test Year Ended: <b>12/31/2010</b>
Meter Size: <b>5/8" x 3/4"</b>	2 <sup>nd</sup> Quarter Ended: <b>6/30/10</b>

**BILL COUNT WORKSHEET 2<sup>ND</sup> QUARTER**

<b>GALLONAGE RANGE</b>	<b>NUMBER OF BILLS</b>	<b>TOTAL BILLS FOR 2<sup>nd</sup> QUARTER</b>
- 0 -		27
1 to 1,000		
1,001 to 2,000		54
2,001 to 3,000		
3,001 to 4,000		30
4,001 to 5,000		
5,001 to 6,000		18
6,001 to 7,000		
7,001 to 8,000		18
8,001 to 9,000		
9,001 to 10,000		8
10,001 to 12,000		
12,001 to 14,000		
14,001 to 16,000		
16,001 to 18,000		
18,001 to 20,000		10
20,001 to 25,000		
25,001 to 30,000		
30,001 to 35,000		
35,001 to 40,000		
40,001 to 50,000		
50,001 to 60,000		
60,001 to 70,000		
70,001 to 80,000		
80,001 to 90,000		
90,001 to 100,000		
Over 100,000 (List actual gallons, e.g., 120,000)		
<b>Total Bills</b>		<b>165</b>

Company Name: Cienega Water Company	Test Year Ended: 12/31/2010
Meter Size: 5/8" x 3/4"	3 <sup>rd</sup> Quarter Ended: 9/30/10

**BILL COUNT WORKSHEET 3<sup>RD</sup> QUARTER**

<b>GALLONAGE RANGE</b>	<b>NUMBER OF BILLS</b>	<b>TOTAL BILLS FOR 3<sup>rd</sup> QUARTER</b>
- 0 -		31
1 to 1,000		
1,001 to 2,000		54
2,001 to 3,000		
3,001 to 4,000		22
4,001 to 5,000		
5,001 to 6,000		21
6,001 to 7,000		
7,001 to 8,000		10
8,001 to 9,000		
9,001 to 10,000		11
10,001 to 12,000		
12,001 to 14,000		
14,001 to 16,000		
16,001 to 18,000		
18,001 to 20,000		19
20,001 to 25,000		
25,001 to 30,000		4
30,001 to 35,000		
35,001 to 40,000		
40,001 to 50,000		
50,001 to 60,000		
60,001 to 70,000		
70,001 to 80,000		
80,001 to 90,000		
90,001 to 100,000		
Over 100,000 (List actual gallons, e.g., 120,000)		
<b>Total Bills</b>		<b>176</b>

Company Name: Cienega Water Company	Test Year Ended: 12/31/2010
Meter Size: 5/8" x 3/4"	4 <sup>th</sup> Quarter Ended: 12/31/10

**BILL COUNT WORKSHEET 4<sup>TH</sup> QUARTER**

<b>GALLONAGE RANGE</b>	<b>NUMBER OF BILLS</b>	<b>TOTAL BILLS FOR 4<sup>th</sup> QUARTER</b>
- 0 -		30
1 to 1,000		
1,001 to 2,000		62
2,001 to 3,000		
3,001 to 4,000		30
4,001 to 5,000		
5,001 to 6,000		26
6,001 to 7,000		
7,001 to 8,000		17
8,001 to 9,000		
9,001 to 10,000		9
10,001 to 12,000		
12,001 to 14,000		
14,001 to 16,000		
16,001 to 18,000		
18,001 to 20,000		2
20,001 to 25,000		
25,001 to 30,000		
30,001 to 35,000		
35,001 to 40,000		
40,001 to 50,000		
50,001 to 60,000		
60,001 to 70,000		
70,001 to 80,000		
80,001 to 90,000		
90,001 to 100,000		
Over 100,000 (List actual gallons, e.g., 120,000)		
<b>Total Bills</b>		<b>176</b>

Company Name: Cienega Water Company	Test Year Ended: 12/31/2010
Meter Size: 5/8" x 3/4"	

**BILL COUNT SUMMARY**

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
- 0 -	34	27	31	30	122
1 to 1,000					
1,001 to 2,000	73	54	54	62	243
2,001 to 3,000					
3,001 to 4,000	39	30	22	30	121
4,001 to 5,000					
5,001 to 6,000	11	18	21	26	76
6,001 to 7,000					
7,001 to 8,000	8	18	10	17	53
8,001 to 9,000					
9,001 to 10,000	1	8	11	9	29
10,001 to 12,000					
12,001 to 14,000					
14,001 to 16,000					
16,001 to 18,000					
18,001 to 20,000	1	10	19	2	32
20,001 to 25,000					
25,001 to 30,000			4		4
30,001 to 35,000					
35,001 to 40,000	1				1
40,001 to 50,000					
50,001 to 60,000					
60,001 to 70,000					
70,001 to 80,000					
80,001 to 90,000					
90,001 to 100,000					
Over 100,000 (List actual gallons, e.g., 120,000)					
<b>Total Bills</b>	<b>168</b>	<b>165</b>	<b>172</b>	<b>176</b>	<b>681</b>



## **CUSTOMER NOTIFICATION**

Cienega Water Company has applied to Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since 06/2001. An increase in rates is necessary at this time due to the need to finance the installation of fluoride mitigation. Based on the Company's un-audited Test Year results, Cienega Water Co., Inc. realized an operating loss of \$3,160. The Company is requesting a revenue increase of \$12,900 or 42% of total revenues. Please see the attached pages 9 and 11 of the Company's application for the current and proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street or online at <http://edocket.azcc.gov/edocket/> and at Cienega Water Co., Inc. 31876 Cienega Springs Rd. Parker, AZ 85344. Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Customers may also contact the Tucson Commission office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6555 in Tucson local calling area.

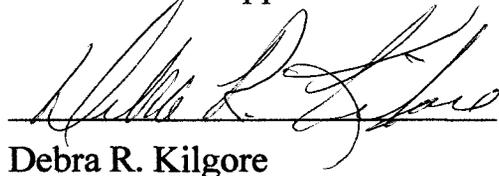
Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's staff can consider customer comments and concerns in developing its recommendations to the Commission.

P.O. BOX 3518  
PARKER, ARIZONA 85344

May 3, 2011

Arizona Corporation Commission  
Re: Affidavit  
To Whom It May Concern:

I certify that all our water customers were sent a notice of the financing application along with a notice of the rate case application by mail on April 28, 2011. A copy of the notice was given to Water Nexus Consulting to include in our application.



Debra R. Kilgore

Cienega Water Company

May 3, 2011  
Date

  
6/27/2013



Cienega Water Co., Inc.  
Transaction Detail By Account  
January through December 2010



Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
685 · Utilities								
Check	1/29/2010	PPD	aps			105 · Cash in...	112.29	112.29
Check	2/26/2010	PPD	A P S	electric		105 · Cash in...	112.90	225.19
Check	4/26/2010	PPD	aps			105 · Cash in...	125.51	350.70
Check	5/25/2010	PPD	aps			105 · Cash in...	119.57	470.27
Check	6/29/2010	EFT	A P S	electric		105 · Cash in...	153.63	623.90
Check	7/26/2010	ppd	aps			105 · Cash in...	89.40	713.30
Check	7/26/2010	ppd	aps			105 · Cash in...	71.79	785.09
Check	7/27/2010	ppd	aps			105 · Cash in...	9.36	794.45
Check	8/24/2010	ppd	aps	electric		105 · Cash in...	84.08	878.53
Check	8/24/2010	ppd	aps	electric		105 · Cash in...	58.45	936.98
Check	8/25/2010	ppd	aps	electric		105 · Cash in...	8.44	945.42
Check	9/23/2010	ppd	aps			105 · Cash in...	73.60	1,019.02
Check	9/23/2010	ppd	aps			105 · Cash in...	72.86	1,091.88
Check	9/24/2010	ppd	aps	electric		105 · Cash in...	8.76	1,100.64
Check	10/22/2010	PPD	aps	10/26/2010		105 · Cash in...	160.67	1,261.31
Check	12/6/2010	1526	ARIZ DEP. OF RE...	Lic. Renewal		105 · Cash in...	40.00	1,301.31
Check	12/14/2010	eft	A P S	electric		105 · Cash in...	155.95	1,457.26
Check	12/28/2010	eft	A P S	electric		105 · Cash in...	155.98	1,613.24
Total 685 · Utilities							1,613.24	1,613.24
TOTAL							1,613.24	1,613.24

11:41 AM  
03/02/11  
Accrual Basis

Cienega Water Co., Inc.  
**Transaction Detail By Account**  
January through December 2010

(8)

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
675 · Repairs & Maintenance Check	2/13/2010	1492	H.D.SUPPLY	REPLACE ...		105 · Cash in...	1,173.20	1,173.20
Total 675 · Repairs & Maintenance							1,173.20	1,173.20
TOTAL							1,173.20	1,173.20

CIENEGA WATER COMPANY, INC.

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

(8)

DATE 2-13-2010

91-2195  
1221

PAY TO THE ORDER OF

HD Supply Waterworks Ltd

\$ 1173.20

one thousand, one hundred-seventy three, 20 cents

DOLLARS

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR BIR ID 2348687 - Earthscape

*[Signature]*

10:24 FAX

002/002

2/12/10

HD SUPPLY WATERWORKS, LTD.

EARTHSCAPE CONSTRUCTION &  
STOCK BULLHEAD CITY  
DEVELOPMENT  
PO BOX 657  
PARKER AZ 85344  
Telephone: 928-667-4447  
Fax: 928-669-1007

HDSWW - BULLHEAD CITY AZ  
1420 Torrance Rd  
Bullhead City AZ 86426  
Telephone: 928-768-8866  
Fax: 928-768-8886

Attention: RON

2/12/10 Bid ID: 2348687 MAINLINE REPAIR MOBILE PARK

Page 1

Line	Quantity	Sell Per	Description	Net Price	Extended Price
30	20	EA	MASTMETE BL05-5AA-AAA-2 MULTI-JET USG BOTTOM LOAD METER W/ B IG DIAL	49.38	987.60
40	10	EA	B12 CONC METER BOX 12X20" FOR METAL LID CONC BASE	18.56	185.60
60	20	FT	8X20' SDR35 PVC SWR PIPE (G)	3.30	66.00
70	1	EA	8X8 PVC SDR35 SWR WYE GXG	73.36	73.36
80	1	EA	8 PVC SDR35 SWR 45 GKSP	36.69	36.69
90	1	EA	DETAIL 198 MONUMENT W/LID	44.53	44.53
100	2	EA	1002-88 8 FLEX CPLG CLXCI/PVC	13.82	27.64

Subtotal: 1,421.42

Tax: .00

Bid Total: 1,421.42

11:22 AM  
04/08/11  
Accrual Basis

Cienega Water Co., Inc.  
Account QuickReport  
January through December 2010

11:22 AM  
04/08/11  
Accrual Basis

Type	Date	Num	Name	Memo	Split	Amount
640 · Prof. Fees (Legal/Acct)						
Check	1/22/2010	1488	t w c	thru01/22/20...	105 · Cash in...	165.00
Check	1/29/2010	1489	t w c	PD THRU 1-...	105 · Cash in...	180.00
Check	3/22/2010	1496	tricia walker		105 · Cash in...	112.50
Check	3/22/2010	1496	tricia walker		105 · Cash in...	300.00
Check	10/6/2010	1518	t w c	thru 19-06-2...	105 · Cash in...	45.00
Total 640 · Prof. Fees (Legal/Acct)						802.50
TOTAL						<u>802.50</u>

6

11:44 AM  
 03/02/11  
 Accrual Basis

Cienega Water Co., Inc.  
**Transaction Detail By Account**  
 January through December 2010

10

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
<b>647 · Water Testing</b>								
Check	2/2/2010	1491	AQUATIC TESTING			105 · Cash in...	60.00	60.00
Check	4/29/2010	1501	AQUATIC TESTING			105 · Cash in...	20.00	80.00
Check	6/1/2010	1504	AQUATIC TESTING	invoice 4-30...		105 · Cash in...	60.00	140.00
Check	7/28/2010	1508	AQUATIC TESTING	invoice 7/19/...		105 · Cash in...	60.00	200.00
Check	9/20/2010	1515	AQUATIC TESTING	FLUORIDE		105 · Cash in...	20.00	220.00
Check	10/10/2010	1519	A D E Q	map 2011		105 · Cash in...	404.20	624.20
Check	10/14/2010	1520	AQUATIC TESTING			105 · Cash in...	500.00	1,124.20
Check	10/25/2010	1521	AQUATIC TESTING			105 · Cash in...	60.00	1,184.20
<b>Total 647 · Water Testing</b>							1,184.20	1,184.20
<b>TOTAL</b>							1,184.20	1,184.20

**INVOICE**

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 105 25230  
**Invoice Date:** January 27, 2010  
**P.O. Number:** State Form 15-002  
**Project Name:** SDWA Cienega Wtr

**Client:** Cienega Water Company  
31806 Cienega Springs Rd.  
Parker, AZ 85344

**Eleanor Stephan**

**Samples:** BR09964 BR10910 BR11297 BR11998  
4<sup>th</sup> Quarter 2009

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colilert	3	\$20.00	\$60.00
Invoice Total			\$ 60.00

pd  
cu 1491  
22 2010



# INVOICE

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 105 25739  
**Invoice Date:** April 23, 2010  
**P.O. Number:** C.O.C.  
**Project Name:** PWS #15-002

**Client:** Cienega Water Company  
31806 Cienega Springs Rd.  
Parker, AZ 85344

Debra K.

**Samples:** BS02735  
03/25/10

Analysis Name	Quantity	Unit Price	Total Price
Fluoride	1	\$20.00	\$20.00
Invoice Total			\$ 20.00

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

91-2 195  
1221

DATE 6-1-2010

PAY  
TO THE  
ORDER OF

Aquatic Consulting

\$ 60.00

Sixty dollars and no

DOLLARS

Security Features  
Included  
Details on Back.

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR INVOICE 105 25829

*Eleanor Stephan*

INVOICE  
4-3-2010

**INVOICE**

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 105 25829  
**Invoice Date:** April 30, 2010  
**P.O. Number:** State Form 15-002  
**Project Name:** SDWA Cienega Wtr

**Client:** Cienega Water Company  
31806 Cienega Springs Rd.  
Parker, AZ 85344

**Eleanor Stephan**

**Samples:** BS00183 BS01581 BS02454  
1<sup>st</sup> Quarter 2010

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colilert	3	\$20.00	\$60.00
Invoice Total			\$ 60.00

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

DATE 7-28-10

91-2195  
1221

PAY TO THE ORDER OF Aquatic Consulting \$ 60.00

Sixty dollars & no DOLLARS

**BANK ONE**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR 29/2010

*Eleanor Stephan*

**INVOICE**

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 105 26324  
**Invoice Date:** July 19, 2010  
**P.O. Number:** State Form 15-002  
**Project Name:** SDWA Cienega Wtr

**Client:** Cienega Water Company  
31806 Cienega Springs Rd.  
Parker, AZ 85344

**Eleanor Stephan**

**Samples:** BS03138 BS03949 BS05147  
2<sup>nd</sup> Quarter 2010

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colilert	3	\$20.00	\$60.00
Invoice Total			\$ 60.00

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

91-2195  
1221

DATE 9-14-2010

PAY TO THE ORDER OF A.D.E.Q.

\$ 1,500.00

one Thousand Five hundred & no

DOLLARS  Security Features Included. Details on Back.

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR Fee Category R-18-14-202

*Leann Stephen*



**ENGINEERING REVIEW SECTION**  
**APPLICATION FOR APPROVAL TO CONSTRUCT**  
**DRINKING WATER FACILITIES**  
ADEQ/WQD-114DW

**INSTRUCTIONS**

Please fill out and submit this Application for Approval to Construct Drinking Water Facilities (ATC) to obtain authorization to construct a public drinking water system in accordance with Arizona Administrative Code (A.A.C.) R18-5-505.

**GENERAL APPLICATION PROCESS**

1. Submit this ATC and appropriate supplemental information and forms, which are identified in this form. Please refer for Form 222 (<http://www.azdeq.gov/environ/water/permits/download/222.pdf>) for guidance on what should be submitted with this application and the number of copies. Please see the document entitled Application Submittal Locations (<http://www.azdeq.gov/environ/water/permits/download/appsub.pdf>) to determine where to submit your application (County, City, or ADEQ Regional Office).
2. As of December 6, 2008, the following fees are in effect:

Fee Category (R18-14-202)	Fee <sup>a, b</sup>
<b>Approval to Construct for a Public Water Distribution System:</b>	
o 150 or fewer service connections	\$900
o 151 to 300 service connections	\$1,400
o 301 to 450 service connections	\$1,900
o 451 to 600 service connections	\$2,400
o 601 to 750 service connections	\$2,900
o Each additional 150 service connections	Add \$500
<b>Water Treatment Plants and Blending Plans (including new source approval if applicable):</b>	
o < 0.1 Million gallons per day (MGD)	\$1,500
o = 0.1 MGD and < 1.0 MGD	\$2,000
o = 1.0 MGD and < 5.0 MGD	\$3,000
o = 5.0 MGD	\$5,000
Well (including new source approval if applicable), each	\$1,250
Storage Tank, each	\$800
Booster Pump, each	\$800
Main Line Extension (for minor water line extensions only)	\$250
Chlorinators/Disinfection Devices, each	\$250
Extension of Time to Construct <sup>c</sup>	50% of the application fee, not to exceed \$500
Priority Review Fee <sup>d</sup>	Double the Standard Fee

Notes:

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

DATE 10/20/2010 91-2195  
1221

PAY TO THE ORDER OF

A.D.E.Q.

\$ 404.20

Four Hundred - Four dollars - 20 cents

DOLLARS  Security Features Printed Directly on Back.

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR INVOICE 66745 - MAP  
Annual Sampling

*Leann Steinhagen*



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
MONITORING ASSISTANCE PROGRAM  
ANNUAL SAMPLING FEE INVOICE**

Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to willful neglect, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact W. Scott Steinhagen at (602) 771-4445 or toll-free within Arizona at (800) 234-5677, extension 771-4445.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-304 and R18-4-305, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: <u>6277</u>	Invoice Number <u>66745</u>
To: CIENEGA SPRINGS WC PO BOX 3518 PARKER AZ 85344-3518	Public Water System ID #: <u>15002</u>
	Billing for Calendar Year: <u>2011</u>
	Due Date: <u>November 19, 2010</u>
	Total Amount Due ..... \$ <u>404.20</u>
	Amount Paid ..... \$

↑ Keep the top portion for your records. ↑

ADEQ Federal Tax #866004791

↓ This entire bottom portion must be returned to ADEQ. ↓

ADEQ Federal Tax #866004791

Annual Sampling Fee Invoice

Invoice # 66745

CIENEGA SPRINGS WC PO BOX 3518  PARKER AZ 85344-3518	Owner Id #: <u>6277</u> <u>MAP</u>
	Billing for Calendar Year: <u>2011</u>
	Due Date: <u>11/19/2010</u>
15002 - Cienega Springs Wc	

**ANNUAL SAMPLING FEE WORKSHEET**

Base Fee (all MAP systems) ..... \$ 250.00

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

DATE 10/15/2010

91-2195  
1221

PAY  
TO THE  
ORDER OF

Aquatic Testing

\$500.00

Five hundred dollars = 00

DOLLARS

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR Invoice 105 26738

*[Signature]*

**INVOICE**

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 105 26738  
**Invoice Date:** October 6, 2010  
**P.O. Number:** State Form 15-002  
**Project Name:** PWS #15-002

**Client:** Cienega Water Company  
31806 Cienega Springs Rd.  
Parker, AZ 85344

**Debra Kilgore**

**Samples:** BS07849 BS07850 BS07851 BS07852 BS07853 BS07854  
09/02/10

Analysis Name	Quantity	Unit Price	Total Price
Trihalomethanes, Total	1	\$150.00	\$150.00
Haloacetic Acids	1	\$200.00	\$200.00
Copper	5	\$15.00	\$75.00
Lead	5	\$15.00	\$75.00
<b>Invoice Total</b>			<b>\$ 500.00</b>

**CIENEGA WATER COMPANY, INC.**

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

91-2195  
1221

DATE 10/22/2010

PAY TO THE ORDER OF Aquatic Testing

\$ 60.00

Sixty dollars & no

DOLLARS  Security Features  
VOIDING  
Detach on Back

**BANK ONE**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR INVOICE 105-26859

Eleanor Stephan MP

**INVOICE**

Remit To: **Aquatic Consulting & Testing, Inc.**  
**P.O. Box 1510**  
**Tempe, Arizona 85280-1510**  
**(480) 921-8044**

**Invoice Number:** 105 26859  
**Invoice Date:** October 20, 2010  
**P.O. Number:** State Form 15-002  
**Project Name:** SDWA Cienega Wtr

**Client:** **Cienega Water Company**  
**31806 Cienega Springs Rd.**  
**Parker, AZ 85344**

**Eleanor Stephan**

**Samples:** BS06009 BS06974 BS07992  
3<sup>rd</sup> Quarter

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colilert	3	\$20.00	\$60.00
Invoice Total			\$ 60.00

11:45 AM  
03/02/11  
Accrual Basis

Cienega Water Co., Inc.  
**Transaction Detail By Account**  
January through December 2010



Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
698 · Property Taxes							820.46	820.46
Check	10/2/2010	1517	La Paz County Tre...			105 · Cash in...	820.46	820.46
Total 698 · Property Taxes							820.46	820.46
TOTAL							820.46	820.46

CIENEGA WATER COMPANY, INC.

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

11

DATE 10 2 2010

91-2195  
1221

PAY TO THE ORDER OF La Paz County Treasurer

\$ 820.46

Eight Hundred & Twenty dollars & 46 Cents

DOLLARS

Security Features  
Indicated  
Details on Back.

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

OR 937-42-703 6

*Leann Stephen*

**FIRST HALF PAYMENT COUPON**

DETACH AND RETURN WITH PAYMENT

Make check payable to:

Payment in U.S. FUNDS ONLY

October 1, 2010

CIENEGA WATER COMPANY

Account Number: 937-42-703 6 Roll Number: 0020489

Frequency Date First Half Payment  
Penalty for late payment is 16% per year prorated  
as of the 1st day of the month for payments  
received after 5:00 P.M. November 1, 2010  
(ARS 2-18052 and ARS 42-18053).

Mail full property tax notice of \$100 or less must  
be received in full using the first payment coupon, no  
later than November 1, 2010 at 5:00 P.M.

Mail the full year payment for billed amounts  
due by Jan. 3, 2011 and no interest will be  
charged for current year. Mail full year payment with  
this coupon.

1

Leah Castro  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

TO PAY 1ST HALF ONLY PAY 410.23  
TO PAY FULL YEAR TAX PAY 820.46

If your mortgage company makes your property  
tax payments consider this notice as a courtesy  
copy for your records only.

159374270300600000041023



Leah Castro  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

2010 9374270306 1 00000008204600000041023

**SECOND HALF PAYMENT COUPON**

DETACH AND RETURN WITH PAYMENT

Make check payable to:

Payment in U.S. FUNDS ONLY

Due March 1, 2011

CIENEGA WATER COMPANY

Account Number: 937-42-703 6 Roll Number: 0020489

Frequency Date Second Half Payment  
Penalty for late payment is 16% per year  
prorated monthly as of the 1st day of the  
month for payments postmarked after 5:00  
P.M. May 2, 2011 (ARS 2-18052 and ARS  
42-18053).

2

Leah Castro  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

TO PAY 2ND HALF PAY 410.23

If your mortgage company makes your property  
tax payments consider this notice as a courtesy  
copy for your records only.

159374270300600000041023



Leah Castro  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

2010 9374270306 2 00000008204600000041023