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NEW APPLICATION
ORIGINAL



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RECEIVED

ATTACHMENT "A"

2004 NOV 10 P 4: 44

AZ CORP COMMISSION
DOCUMENT CONTROL

TACNA WATER COMPANY
2993 S. ARIZONA AVE.
YUMA, AZ. 85364

9/21/2004

Arizona Corporation Commission
DOCKETED

NOV 10 2004

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, Arizona

W-01344A-04-0815

DOCKETED BY

Attached is an application by Tacna Water Company for an extension of CC&N. The purpose of this application is to get prepared for the emanate growth of the Wellton Mowhawk area Wellton has started to grow with RV parks, and two new 500 home developments (which are sold out). Wellton is just 10 miles west of Tacna. There is a proposed oil refinery project that has been in the works for 5+ years and is about to be finalized by years end with air quality permit approved ADEQ said it will be the cleanest plant ever built. Construction could start as soon as 2006 with engineering starting in 2005. The refinery is estimated at 2.7 billion to build with 3000-4000 workers for 3-4 years, then employ 400 permanent workers. The zoning on approxamitly 3,300 acres is in the works, the 3,300 acre is only 3 miles east of Tacna They are also predicting 100 + business's to move to this area that would feed off the refinery. This would change the whole area drastically (additional info attached). Even without the refinery this area will grow rapidly. We have been in contact with three land owner/developers encompassing 1000+ acres that are interested in Tacna Water Company suppling water to there property's. We are working with WIFA on financing for new facilities and up grades in the neighborhood of \$400,000 dollars (break down attachment D), We have a contract Wellton Mohawk Irrigation & Drainage District for 100 cubic acre feet of water. We have purchased a 40 acre site for proposed water treatment plant. We have two additional wells in the proposed extension area. We have adequate water. With financing from Water Infrastructure Finance Authority of Arizona in the works we will have the capability of servicing a larger area.

Attachment D

TO:
WATER INFRASTRUCTURE AUTHORITY OF ARIZONA
1110 W. WASHINGTON, STE. 290 PHX. AZ. 85007

To Whom it may concern:

TOP PRIORITY: applying for rate review package from AZ. Corp. Comm.
Immediately, as last one was in 50's

NEXT- Repairs & updates needed ASAP.

1. Engineers study
2. existing 2 wells are poor quality & small
3. we have approval & water contract from W.M.&I.D.D. to receive Colorado river water from their canal for town of TACNA, but turnout & feeder lines have to be well under construction w/in 2 years [apr.2006] or they can cancel our contract.
4. We have an existing 325,000 gal storage tank that was used in the 60's w/ bottom rusted out and unusable till new bottom installed.
5. also existing pressure tank [8000] gal. Is old & patched & thin w/ rust. We'd like to replace w/ 12000 gal.
6. As our existing system has no working shutoff valves [existing were installed in 60's out of plastic consequently they all broke.]
7. FINALLY: a project that has been in the works for 5+ years is about to be finalized by year end w/ the air quality permit approved around labor day this year & possibly construction started as early as next year
COST to build to be \$ 2.7 B.
3-4000 construction workers 3-4 years to build w/about
400 fulltime employee's in high salary rates \$ 40 avg..
ARE processing as we speak zoning on approx. 3300 acres to be used
In this project located just 3 miles east of tacna ariz..
Their also is approx. \$ 500 m cost to install main lines to feed & export
Products.
Also they are predicting 100+ business's to move here that feed off this Refinery. W/ operations possibly beginning by 2007.

In closing we had heard thru the grapevine the last couple of years of possible changes but now the reality of it has changed.

Your immediate cooperation will be greatly appreciated.
Tacna Water Co.

Tacna Water Co.
I-8 & 40E - # 14018
Yuma County AZ. PH:928-341-9885

THE SUN

TUESDAY, SEPTEMBER 14, 2004

Refinery moves along

➤ ADEQ proposing draft permit be issued for project east of Yuma

■ CONTINUING COVERAGE

BY JACKIE LEATHERMAN
SUN STAFF WRITER

The draft permit regulating pollution of the construction of a proposed refinery in Yuma County was released on Monday

and is designed to create the "cleanest refinery ever built."

"This permit requires the toughest pollution controls ever imposed on a refinery," said Arizona Department of Environmental Quality Director Steve Owens in a news release. "The

permit will ensure the citizens of Yuma County would be protected from emissions from the refinery and that this would be the cleanest refinery ever built."

The draft permit opens doors for the public to comment on the environmental regulations and pushes the refinery forward in the approval process.

"It's very much for the benefit of the public to ask what they want to ask," Owens said during a phone interview from his

Phoenix office.

The refinery, proposed by Arizona Clean Fuels, would be located on a 1,450-acre site and could produce approximately 150,000 barrels per day of motor fuels, including 100,000 barrels per day of motor gasoline, 35,000 barrels per day of diesel fuel and 30,000 barrels per day of jet fuel.

According to the release, the permit ensures the environment

SEE REFU

REFINERY

FROM PAGE A1

would be less than other petroleum refineries in the United States by requiring state-of-the-art technology.

It also states that the refinery emissions will likely be less than the allowable levels set in the permit.

"There have been some big developments and advances ... for refineries over the last 30 years," Owens said.

"When you are building a new refinery it is much easier to install sophisticated equipment ... then it is to retrofit old refineries. It's easier to install the advanced technology up front."

In addition to technology, Owens said more stringent environmental regulations and an understanding from the

company about pollution control has helped keep emission standards tight for the refinery.

"We've made it quite clear to the refinery components through this process that we wanted to have very significant pollution control requirements in this permit and if they wanted

to obtain the permit from the department to build this refinery, they had to be willing to accept those permit conditions," Owens said.

Jackie Leatherman can be reached at jleatherman@yumasun.com or 539-6852.

PUBLIC MEETING NOTICES

The ADEQ will hold three public meetings to inform residents about the draft permit and to receive feedback.

- 6 p.m., Oct. 5 at Antelope High School in Wellton
- 6 p.m., Oct. 6 at the Phoenix Museum of History
- 6 p.m., Oct. 7 at Otondo Elementary School
- Spanish translation services will be available.

➤ Copies of the draft permit can be found through the ADEQ Web site. If residents cannot attend the meetings, they can forward their questions or concerns to Eric Massey or Trevor Baggioem ADEQ Air Quality Division, 1110 W. Washington St. Phoenix, AZ 85007 or by calling 1-602-771-2288.

ARIZONA CORPORATION COMMISSION

**APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND
NECESSITY**

WATER AND/OR SEWER

A. The name, address and telephone number of the Applicant is:

Tacna Water Company
2993 S Az Ave
Yuma Az 85365

B. The name, address and telephone number of management contact is:

Don Kelland
2993 S Az Ave
Yuma Az 85365

C. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

SUNSTATE ENVIRONMENTAL SERVICES
P.O. Box 5450 YUMA AZ, 85364
(928) 341-9685 SYSTEM ID# 14018

D. List the name, address and telephone number of the attorney for the Applicant:

LAWRENCE DEASON
242 W. 28TH ST. STE. A
YUMA AZ. 85364 PH. # 928 783-4575

E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation) N/A

2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation) N/A

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted.

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors.

H. Attach a current balance sheet and profit and loss statement.

I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year 180 Second Year 250 Third Year 400 Fourth Year 600
Fifth Year 800

Commercial:

First Year 10 Second Year 20 Third Year 30 Fourth Year 40
Fifth Year 50

Industrial:

First Year _____ Second Year N/A Third Year _____ Fourth Year _____
Fifth Year _____

Irrigation:

First Year _____ Second Year N/A Third Year _____ Fourth Year _____
Fifth Year _____

ATTACHMENT "B"

Yuma	21-22-23-24 25-26-27-28 33-34-35-36	8 south	17 west
COUNTY	SECTION	TOWNSHIP	RANGE



Type or Print Description Here:

-  Proposed Expansion Area
-  Government Land
-  Tacha Water Co. W-1394 (2)
-  Mohawk Utility Company W-2341 (1)
-  Antelope Water Company W-2005 (1)
-  U.S. Land
-  Wellton Mohawk Irrigation District Land

9:25 AM
10/26/04
Cash Basis

Tacna Water Company
Profit & Loss
January through December 2003

	Jan - Dec 03
Ordinary Income/Expense	
Income	
Fees	-31.67
Reimbursed Expenses	339.36
Sales	21,426.51
Services	-243.03
Uncategorized Income	73.87
Total Income	21,565.04
Expense	
Bank Service Charges	153.19
BOOKKEEPING	1,724.93
DONATIONS	50.00
Environmental Fees	340.00
Fees for Testing	830.00
Ground maintenance	613.17
Meters	544.39
Miscellaneous	-18.00
Office Supplies	183.44
Payroll Expenses	1,900.00
PERSONAL	569.00
Postage and Delivery	454.44
Professional Fees	
Accounting	300.00
Professional Fees - Other	1,150.00
Total Professional Fees	1,450.00
Repairs	
Equipment Repairs	615.93
Repairs - Other	600.00
Total Repairs	1,215.93
returned check	201.90
Taxes	
Property	7,358.30
Sales Tax	1,868.46
Taxes - Other	694.40
Total Taxes	9,921.16
Testing	200.00
Utilities	
Water	73.90
Utilities - Other	858.36
Total Utilities	932.26
Total Expense	21,265.81
Net Ordinary Income	299.23
Other Income/Expense	
Other Expense	
Other Expenses	373.25
Total Other Expense	373.25
Net Other Income	-373.25
Net Income	<u>-74.02</u>

9:25 AM
10/26/04
Cash Basis

Tacna Water Company
Balance Sheet
As of December 31, 2003

	<u>Dec 31, 03</u>
ASSETS	
Current Assets	
Checking/Savings	
National Bank	20,208.31
Total Checking/Savings	20,208.31
Accounts Receivable	
Accounts Receivable	-2,224.65
Total Accounts Receivable	-2,224.65
Total Current Assets	17,983.66
Fixed Assets	
303 - Land & Land Rights	3,000.00
307 - Wells & Springs	13,774.00
311 - Pumping Equipment	13,097.00
320 - Water Treatment Equipment	9,936.00
331 - Trans & Dist Mains	70,842.00
333 - Equipment - Services	10,640.00
339 - Other Plant & Misc. Equip	2,768.00
Total Fixed Assets	124,057.00
Other Assets	
Discounts	-75.00
Loans to	26,277.81
Total Other Assets	26,202.81
TOTAL ASSETS	<u>168,243.47</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Sales Tax Payable	4,115.46
Total Other Current Liabilities	4,115.46
Total Current Liabilities	4,115.46
Total Liabilities	4,115.46
Equity	
Opening Bal Equity	147,639.52
Retained Earnings	16,562.51
Net Income	-74.02
Total Equity	164,128.01
TOTAL LIABILITIES & EQUITY	<u>168,243.47</u>

Other: (specify)

First Year _____ Second Year N/A Third Year N/A Fourth Year _____

Fifth Year _____

2. **(WATER ONLY)** Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

Residential:

First Year 18,000,000 Second Year 25,000,000 Third Year 40,000,000

Fourth Year 60,000,000 Fifth Year _____

Commercial:

First Year 15,000,000 Second Year 20,000,000 Third Year 25,000,000

Fourth Year 30,000,000 Fifth Year 35,000,000

Industrial:

First Year _____ Second Year N/A Third Year _____

Fourth Year _____ Fifth Year N/A

Irrigation:

First Year _____ Second Year N/A Third Year _____

Fourth Year _____ Fifth Year N/A

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year 30,000 Second Year 45,000 Third Year 100,000

Fourth Year 180,000 Fifth Year 210,000

- Complete Attachment "D" (Water Use Data Sheet) for the past 13 months

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year 227,000 Second Year 237,000 Third Year 160,000
Fourth Year 100,000 Fifth Year 160,000

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

\$ 400,000 Break Down Sheet Attached

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

Financing Through Water Infrastructure Authority of Arizona, Financing Application with ACC

L. Estimated starting and completion date of construction of utility facilities:

Starting date 2005 Completion date 2007

M. Attach the following permits:

1. Franchise from either the City or County for the area requested. N/A
2. Arizona Department of Environmental Quality or designee's approval to construct facilities. N/A
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) N/A
4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) N/A

5. **(WATER ONLY)** If the area requested is within an Active Management Area, attach a copy of, either the utility's Designation of an Assured Water Supply, or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources.

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer. N/A

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.

Attached

Don Kelland
(Signature of Authorized Representative)

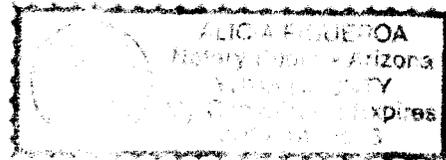
DON KELLAND
(Print or Type Name Here)

OWNER
(Title)

SUBSCRIBED AND SWORN to before me this 26th day of October, 2004

Alicia Figueroa
NOTARY PUBLIC

My Commission Expires July 14, 2006



ADEQUATE WATER STATEMENT

Tacna Water Company has just negociate a contract with Wellton Mohawk Irrigation & Drainage District for 100 acre feet of water. We will have the availability to purchase more water for future use. We will have a contract or letter from WMI&DD in a couple of months. In addition Tacna Water Company is in the process of acquiring two large wells in the proposed expansion area along with the well now being used for the town of Tacna .

Sincerely

A handwritten signature in cursive script that reads "Don Kelland". The signature is written in black ink and is positioned below the word "Sincerely".

Don Kelland

Other Water Sources in Gallons per Minute →	<u>GPM</u> 150
Fire Hydrants on System →	Yes (No)
Total Water Pumped Last 13 Months (Gallons in Thousands) →	21,458

ATTACHMENT "C"

**PUBLIC NOTICE OF AN APPLICATION FOR AN
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
BY TACNA WATER COMPANY**

Tacna Water Company has filed with the Corporation Commission Utilities Division an application for authority for an extension of its Certificate of Convenience and Necessity To provide water service. Our records indicate that you are either currently a customer of Tacna Water Company or a property owner in proposed extension area. If the application is granted Tacna Water Company would be exclusive provider of water service to the proposed area. Tacna Water Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in [Phoenix at 1200 West Washington Street, and at Tacna Water Company 2993 S Arizona Ave. Yuma Az.

The Commission will hold a hearing on this matter. As a property owner, or customer, you may be entitled to intervene in the proceedings. If you do not want to intervene, you may appear at the hearing and make a statement on your behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at { 1200 West Washington Street, Phoenix , Arizona 85007 or call 1-800-222-7000/400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148 }.