

ORIGINAL



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 4 Attorneys for Applicants

BEFORE THE ARIZONA CORPORATION COMMISSION

8 IN THE MATTER OF THE APPLICATION  
 OF BELLA VISTA WATER CO., INC. AN  
 9 ARIZONA CORPORATION, FOR A  
 DETERMINATION OF THE FAIR VALUE  
 10 OF ITS UTILITY PLANTS AND PROPERTY  
 AND FOR INCREASES IN ITS WATER  
 11 RATES AND CHARGES FOR UTILITY  
 SERVICE BASED THEREON.

DOCKET NO. W-02465A-09-0411

12 IN THE MATTER OF THE APPLICATION  
 OF NORTHERN SUNRISE WATER  
 13 COMPANY, INC., AN ARIZONA  
 CORPORATION, FOR A DETERMINATION  
 14 OF THE FAIR VALUE OF ITS UTILITY  
 PLANTS AND PROPERTY AND FOR  
 15 INCREASES IN ITS WATER RATES AND  
 16 CHARGES FOR UTILITY SERVICE BASED  
 THEREON.

DOCKET NO. W-20453A-09-0412

17 IN THE MATTER OF THE APPLICATION  
 OF SOUTHERN SUNRISE WATER  
 18 COMPANY, INC., AN ARIZONA  
 CORPORATION, FOR A DETERMINATION  
 19 OF THE FAIR VALUE OF ITS UTILITY  
 20 PLANTS AND PROPERTY AND FOR  
 INCREASES IN ITS WATER RATES AND  
 21 CHARGES FOR UTILITY SERVICE BASED  
 THEREON.

DOCKET NO. W-20454A-09-0413

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

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Arizona Corporation Commission

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SEP 15 2011

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1 IN THE MATTER OF THE JOINT  
2 APPLICATION OF BELLA VISTA WATER  
3 CO., INC., NORTHERN SUNRISE WATER  
4 COMPANY, INC., AND SOUTHERN  
5 SUNRISE WATER COMPANY, INC. FOR  
6 APPROVAL OF AUTHORITY TO  
7 CONSOLIDATE OPERATIONS, AND FOR  
8 THE TRANSFER OF UTILITY ASSETS TO  
9 BELLA VISTA WATER CO., INC.  
10 PURSUANT TO ARIZONA REVISED  
11 STATUTES 40-285.

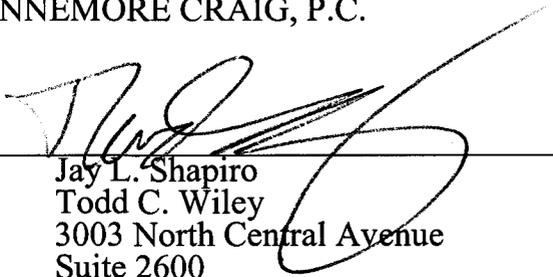
DOCKET NO. W-02465A-09-0414  
DOCKET NO. W-20453A-09-0414  
DOCKET NO. W-20454A-09-0414

**NOTICE OF COMPLIANCE**

8 Pursuant to Decision No. 72530 (August 17, 2011) ("Order") Bella Vista Water  
9 Co., Inc. ("BVWC") hereby submits this Notice of Compliance in the above-reference  
10 matter. The Order requires BVWC to file the five authorized Best Management Practices  
11 tariffs. See **Exhibit A** attached hereto.

12 DATED this 15 day of September, 2011.

13 FENNEMORE CRAIG, P.C.

14  
15 By 

16 Jay L. Shapiro  
17 Todd C. Wiley  
18 3003 North Central Avenue  
19 Suite 2600  
20 Phoenix, Arizona 85012  
21 Attorneys for Bella Vista Water Co., Inc.,  
22 Northern Sunrise Water Company, Inc.,  
23 and Southern Sunrise Water Company,  
24 Inc.

21 **ORIGINAL** and thirteen (13) copies  
22 of the foregoing were filed  
23 this 15<sup>th</sup> day of September, 2011, with:

23 Docket Control  
24 Arizona Corporation Commission  
25 1200 W. Washington St.  
26 Phoenix, AZ 85007

1 **COPY** of the foregoing hand-delivered  
this 15 day of September, 2011, to:

2  
3 Robin Mitchell, Esq.  
4 Legal Division  
5 Arizona Corporation Commission  
6 1200 W. Washington Street  
7 Phoenix, AZ 85007

8  
9 Carmel Hood, Compliance  
10 Utilities Division  
11 Arizona Corporation Commission  
12 1200 W. Washington Street  
13 Phoenix, AZ 85007

14 **COPY** of the foregoing mailed  
this 15 day of September, 2011 to:

15  
16 Michelle Wood, Esq.  
17 RUCO  
18 1110 W. Washington St., Suite 220  
19 Phoenix, Arizona 85007

20  
21 By: maria san jua  
22 2492917.1/017962.0008

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# EXHIBIT

A

|                                    |                          |         |          |   |
|------------------------------------|--------------------------|---------|----------|---|
| <u>Bella Vista Water Co., Inc.</u> | <u>All Service Areas</u> | Revised | SHEET NO | 1 |
| <u>W-02465A-09-0411, et al.</u>    |                          |         |          |   |

**Special Events/Programs and Community Presentations Tariff – BMP 1.2**

**PURPOSE**

A program for the Company to give presentations and/or display and make available water conservation information and related material at community and special events (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.2: Special Events/Programs and Community Presentations).

**REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall attend and staff at least three events per year in which the Company shall remind customers of the importance of water conservation measures. Events may include home and garden shows, art shows, community celebrations, environmental shows, etc.
2. Information shall include water saving tips, home preparation recommendations for water systems/pipes, landscape maintenance issues for summer and winter, Xeriscape information, youth education materials and any additional pertinent topics.
3. The Company shall keep a record of the following information and make it available to the Commission upon request.
  - a. A description of each special event and the date.
  - b. The number of customers reached (or an estimate).
  - c. A description of the written water conservation material provided free to customers.
  - d. Costs of the Special Events/Programs and Community Presentations implementation.

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| ISSUED: |  | EFFECTIVE: |
|         | ISSUED BY: <u>Greg Sorensen, Operator</u><br><u>Bella Vista Water Co., Inc.</u>  |            |
|         | <u>12725 W. Indian School Road, Ste. D-101</u><br><u>Avondale, Arizona 85392</u> |            |
|         | Decision No. 72530 (August 17, 2011)   |            |

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| <u>Bella Vista Water Co., Inc.</u> | <u>All Service Areas</u> | Revised | SHEET NO | 2 |
| <u>W-02465A-09-0411, et al.</u>    |                          |         |          |   |

## Youth Conservation Education Program Tariff – BMP 2.2

### PURPOSE

A program for the Company to promote water conservation by increasing students' understanding of water resources and the need to conserve (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.2: Youth Conservation Education Program).

### REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall work with schools in its service area to increase students' understanding of water resources and to promote water conservation.
2. The Company shall provide a combination of instructional assistance, education materials, teacher education, classroom presentations, and field trips to water related facilities.
3. The Company shall provide the following teacher resources.
  - a. Offer Project WET (Water Education for Teachers) workshops to teachers twice yearly.
  - b. Provide free resource materials and information upon request.
  - c. Provide in-classroom presentations upon request.
4. The Company shall make available free water conservation workbooks for elementary school students.
5. The Company shall keep a record of the following information and make it available upon request.
  - a. A description of the youth conservation education process implemented.
  - b. The number of students reached (or an estimate).
  - c. A description of the written water conservation material provided free to students.
  - d. Costs of the Youth Conservation Education Program implementation.

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| <b>ISSUED:</b> |  | <b>EFFECTIVE:</b> |
|                | <u>ISSUED BY: Greg Sorensen, Operator</u><br><u>Bella Vista Water Co., Inc.</u>  |                   |
|                | <u>12725 W. Indian School Road, Ste. D-101</u><br><u>Avondale, Arizona 85392</u> |                   |
|                | Decision No. 72530 (August 17, 2011)   |                   |

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| <u>Bella Vista Water Co., Inc.</u> | <u>All Service Areas</u> | Revised | SHEET NO | 3 |
| <u>W-02465A-09-0411, et al.</u>    |                          |         |          |   |
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## Customer High Water Use Inquiry Resolution Tariff – BMP 3.6

### PURPOSE

A program for the Company to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

### REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Company shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.

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|         | Decision No. 72530 (August 17, 2011)   |            |

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| <u>Bella Vista Water Co., Inc.</u> | <u>All Service Areas</u> | Revised | SHEET NO | 4 |
| <u>W-02465A-09-0411, et al.</u>    |                          |         |          |   |
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### Leak Detection Program Tariff – BMP 4.1

#### PURPOSE

A program for the Company to systematically evaluate its water distribution system to identify and repair leaks (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.1 Leak Detection Program).

#### REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall implement a comprehensive leak detection and repair program to attain and maintain a less than 10 percent unaccounted for water loss in its system(s). The program must include auditing procedures, in-field leak detection and repair efforts. The Company shall take whatever steps are necessary to ensure that its water system is operating at optimal efficiency.
2. On a systematic basis, at least every two years (annually for smaller systems), the Company shall inspect its water distribution system (to include hydrants, valves, tanks, pumps, etc. in the distribution system) to identify and repair leaks. Detection shall be followed by repair or in some cases replacement. Repair vs. replacement will depend upon site-specific leakage rates and costs.
3. Leak Detection efforts should focus on the portion of the distribution system with the greatest expected problems, including:
  - a. areas with a history of excessive leak and break rates;
  - b. areas where leaks and breaks can result in the heaviest property damage;
  - c. areas where system pressure is high;
  - d. areas exposed to stray current and traffic vibration;
  - e. areas near stream crossings; and,
  - f. areas where loads on pipe may exceed design loads.
4. The Company shall keep accurate and detailed records concerning its leak detection and repair/rehabilitation program and the associated costs. Records of repairs shall include: possible causes of the leak; estimated amount of water lost; and date of repair. These records shall be made available to the Commission upon request.

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|         | <u>12725 W. Indian School Road, Ste. D-101</u><br><u>Avondale, Arizona 85392</u> |            |
|         | Decision No. 72530 (August 17, 2011)   |            |

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| <u>Bella Vista Water Co., Inc.</u> | <u>All Service Areas</u> | Revised | SHEET NO | 4.1 |
| <u>W-02465A-09-0411, et al.</u>    |                          |         |          |     |
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5. The Company shall maintain a complete set of updated distribution system maps.
6. The Company shall ensure that properly functioning (accurate) and appropriately sized meters are installed on all service and source connections. All meters 1-inch and smaller shall be inspected at least once every ten years or upon registering 1,000,000 gallons of usage, whichever comes first. Meters larger than 1-inch shall be inspected at least once every five years or upon registering 1,000,000 gallons of usage, whichever comes first.
7. The inspection will be accomplished by having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
8. The Company shall conduct a water audit annually which includes the following steps to determine how efficient each water system is operating and where the losses might be.
  - a. Use coordinated monthly source and service meter readings to calculate how much water enters and leaves the system during the 12 month review period.
  - b. Track and estimate any unmetered authorized uses.
  - c. Calculate the total amount of leakage using the following formula:  
Unaccounted for water (%) = [(Production and/or purchased water minus metered use & estimated authorized un-metered use) / (Production and/or purchased water)] x 100%.
  - d. Authorized un-metered uses may include firefighting, main flushing, process water for water treatment plants, etc. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.
  - e. Determine possible reasons for leakage, including physical leaks and unauthorized uses.
  - f. Analyze results to determine the improvements needed, such as, better accounting practices, leak survey or replacing old distribution pipes.
9. The Company shall keep accurate and detailed records concerning its annual water audit results. These records shall be made available to the Commission upon request.

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| <u>Bella Vista Water Co., Inc.</u> | <u>All Service Areas</u> | Revised | SHEET NO | 5 |
| <u>W-02465A-09-0411, et al.</u>    |                          |         |          |   |
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## Evaluation of New and Emerging Technologies and Practices Tariff – BMP 7.3

### PURPOSE

A program for the Company to evaluate new and emerging technologies and practices that promote the conservation of water (Modified Non-Per Capita Conservation Program BMP Category 7: Research/Innovation Program 7.3: Evaluation of New and Emerging Technologies and Practices).

### REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall evaluate new technologies and practices that promote the conservation of water to determine the economic and technical feasibility of implementing these new technologies and practices in its service area.
2. The Company shall remain current on new products, advice, and innovations through ongoing communication with manufacturers of state of the art water conservation technologies, other water providers, landscape watering equipment providers and landscape providers and experts.
3. Prior to evaluating a new technology or practice the Company shall file a detailed explanation with the Commission describing how the evaluation would work, the possible results and expected costs.
4. At minimum, one new evaluation shall be proposed every three years for Commission approval.
5. If the evaluation is approved by the Commission the Company shall submit with the Commission Docket Control, on an annual basis, documentation stating the objectives of the evaluation, methods used to conduct the evaluation, results of the investigation, plans for implementation and any other information the Commission requests. A report for each calendar year reporting period will be due January 31 of the following year.

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