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DS WATER COMPANY
P. O. BOX 786
DESERT SPRINGS, AZ 86432
928-347-5467

October 14, 2011

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Docket No: W-04049A-08-0339

Decision No: 71504

To Whom It May Concern:

As per the compliance action outlined in the above referenced decision, enclosed are one (1) original and thirteen (13) copies of the Water Use Data Sheet by Month for September 2010 through September 2011 with 1st, 2nd, 3rd, & 4th Quarter 2010 status reports attached (total of 9 pages).

Sincerely,

Patti Wynn
Manager

Enclosures

Arizona Corporation Commission

DOCKETED

OCT 18 2011

DOCKETED BY	
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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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RECEIVED

COMPANY NAME: DS Water Company	
Name of System: DS Water	ADEQ Public Water System Number: 08-072

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010/2011

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	PERCENTAGE LOST
SEPTEMBER 2010	90	848,330	1,133,327	25.1 *
OCTOBER 2010	90	477,050	547,978	12.9 *
NOVEMBER 2010	90	497,300	589,069	24.1 *
DECEMBER 2010	90	389,300	750,953	48.2 *
JANUARY 2011	90	415,140	564,923	26.5
FEBRUARY 2011	90	490,420	600,924	18.4
MARCH 2011	91	410,986	496,190	17.2
APRIL 2011	91	537,674	637,762	15.7
MAY 2011	91	638,250	799,443	20.2
JUNE 2011	91	739,260	889,472	16.9
JULY 2011	91	645,150	824,939	21.8
AUGUST 2011	91	932,500	1,122,631	16.9
SEPTEMBER 2011	91	585,320	756,695	22.6
TOTALS →				

* See attached reports to Brian Bozzo dated:

April 15, 2010

July 13, 2010

October 14, 2010

January 17, 2011

DS WATER COMPANY
P. O. BOX 786
DESERT SPRINGS, AZ 86432
928-347-5467

April 15, 2010

Brian Bozzo
Manager, Compliance and Enforcement
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Docket No. W-04049A-08-0339

Decision No. 71504

Dear Mr. Bozzo:

So as not to be out of compliance, this letter shall serve as our 1st quarter 2010 status report regarding our water loss and our progress in preparing, filing, and obtaining ADWR approval of the System Water Plan.

In January 2010, I took over management of DS Water Company from Rick Holm. I had managed DS Water Company for 7 years, prior to Rick Holm taking over for the past 3 years. During the past 3 months, I have been vigorously working on completing all of the annual reports that are due on or before April 15th, in addition to finding a solution to the water loss problems and addressing the requirements needed to be in compliance with ADEQ. I have not had any time to begin working on the ADWR report; however, I will be able to begin work on this report during the 2nd quarter of 2010 and will update you on my progress at the end of the 2nd quarter.

As for the water loss, this is what we have found. In January when I took over management, my on-site operator and I found several leaking water lines, one of which was a main line at the pressurization house. This main line, which is a cast iron pipe, had two substantial leaks, one of which Rick Holm had addressed with a "band-aid" solution by using a saddle to stop the leak. Not a solution for a main water line at a pressurization house. Not only did we have to shut the water off to 2/3 of our customers to repair the main line, but because of the size and weight of the cast iron pipe, we had to bring in a rig to remove the old pipe and put the new pipe in place. After inconveniencing our customers and \$1,573.00 later, the pipe is replaced. However, over the

past couple of weeks, we have discovered a weak spot in one of the welds and it is going to have to be re-welded. This means hiring out a rig and once again shutting off the water to 2/3 of our customers. We are trying to find a time to do this, but our challenge is that we have a medical clinic that cannot be without water and we are trying to schedule around them. This also means that we need to send out a letter to our customers who will not have water while the repair is being completed. So, we are working on this. The other leaks that we found have been repaired.

Also, for the past three months we have been monitoring the meter at the well daily and we have discovered that the meter is not working properly and we have no idea how long this meter has been bad. We are in the process of getting this repaired/replaced, but to date it is not fixed. However, following are the gallons that were billed to our customers from their own meter readings:

January 2010	410,239
February 2010	354,081
March 2010	435,450

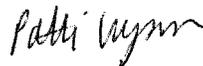
Also, our communication equipment at our tanks has not been working properly since I took over in January. In January our tanks overflowed two times because of these problems. We have also been working on getting this corrected.

As you can imagine, I am frustrated with how the maintenance has been handled over the past three years. Everything was in perfect condition when management changed hands. However, I am sure Rick did the "band-aid" solutions because these repairs are very expensive and DS Water Company does not generate sufficient revenue to take care of these problems.

Any assistance would be appreciated. What I really need is the name and contact information for someone at ADWR that can help me prepare the paperwork for the System Water Plan. Can you provide this contact for me?

Please contact me if you have any questions regarding this 1st quarter 2010 report. Thank you for your patience during this management transition period.

Regards,



Patti Wynn
Manager

DS WATER COMPANY
P. O. BOX 786
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928-347-5467

July 13, 2010

Brian Bozzo
Manager, Compliance and Enforcement
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Docket No. W-04049A-08-0339

Decision No. 71504

Dear Mr. Bozzo:

So as not to be out of compliance, this letter shall serve as our 2nd quarter 2010 status report regarding our water loss and our progress in preparing, filing, and obtaining ADWR approval of the System Water Plan.

I am currently working with ADWR to complete the required paperwork needed to bring DS Water Company's System Water Plan in compliance with ADWR's requirements. Hopefully this will all be complete by the end of the 3rd quarter.

As for the water loss, please refer to my letter of April 15, 2010 so you are up-to-date on our progress to that point. After spending \$1,573.00 during the first quarter to repair a large leak at the pressurization house, during the second quarter, we have had to spend another \$11,333.07 for additional repairs in the pressurization house to not only repair leaks, but to bring existing equipment and main water lines up to code. Once again, this required contacting all of our customers by mail and then hand delivering a notice to each customer a couple of days before the water was shut off to make the needed repairs.

Also, in my letter of April 15, 2010, we noted that we have been monitoring the meter at the well daily. Once again, in order to test the meter to see if it was indeed bad, we had to inconvenience our customers and shut the water off. During this testing process, we found that the meter was not bad, but the check valve was bad. Therefore, since the check valve was not closing properly, the water that had already been pumped was flowing back into the

well when the pump would shut off. The cost to repair the check valve was another \$845.37. That means that since January 1, 2010, DS Water Company has spent \$13,751.44 to correct the water loss problem. July will be the first full month that the check valve has been fixed, so we will know at the end of July when we take meter readings if the check valve is indeed the last problem. Attached is the "Water Use Data Sheet" for the first six months of 2010.

We have completed the required Lead and Copper testing and we are waiting for documentation from ADEQ reporting that DS Water Company is delivering water that meets the water quality standards required by A.A.C. Title 18, Chapter 4 so that we can implement the rate changes. With all of the repairs that we have been required to do to correct the water loss problem, we are broke. However, it is a double edged sword. Inasmuch as we have had to inconvenience our customers over the past several months with shutting off the water to make needed repairs, they are going to be irate about the rate increase and claim that the service doesn't justify a rate change.

Any help you can give us with ADEQ would be greatly appreciated. Please contact me if you have any questions regarding this 2nd quarter 2010 report. We can only hope that the 3rd quarter will be better.

Regards,



Patti Wynn
Manager

Enclosure

DS WATER COMPANY
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October 14, 2010

Brian Bozzo
Manager, Compliance and Enforcement
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Docket No. W-04049A-08-0339

Decision No. 71504

Dear Mr. Bozzo:

So as not to be out of compliance, this letter shall serve as our 3rd quarter 2010 status report regarding our water loss and our progress in preparing, filing, and obtaining ADWR approval of the System Water Plan.

I am still working with Susan Craig at ADWR to complete the required paperwork needed to bring DS Water Company's System Water Plan in compliance with ADWR's requirements.

As for the water loss, please refer to my letter of April 15, 2010 so you are up-to-date on our progress to that point. After spending \$1,573.00 during the first quarter to repair a large leak at the pressurization house, during the second quarter, we have had to spend another \$11,333.07 for additional repairs in the pressurization house to not only repair leaks, but to bring existing equipment and main water lines up to code. Once again, this required contacting all of our customers by mail and then hand delivering a notice to each customer a couple of days before the water was shut off to make the needed repairs.

Also, in my letter of April 15, 2010, we noted that we have been monitoring the meter at the well daily. Once again, in order to test the meter to see if it was indeed bad, we had to inconvenience our customers and shut the water off. During this testing process, we found that the meter was not bad, but the check valve was bad. Therefore, since the check valve was not closing properly, the water that had already been pumped was flowing back into the well when the pump would shut off. The cost to repair the check valve was another \$845.37. That means that since January 1, 2010, DS Water Company has spent \$13,751.44 to correct the water loss problem. July will be the first full month that the check valve has been fixed, so we

will know at the end of July when we take meter readings if the check valve is indeed the last problem.

When we took the end of July meter readings, we found that the meter on the well was still not working. Therefore, we had to special order a new meter for the well and it was installed in August, so September was our first full month with the new meter. The cost for the new meter and installation was \$2,216.82. So add this amount to the \$13,751.44 already spent since January 1, 2010, and we have a grand total of \$15,968.26.

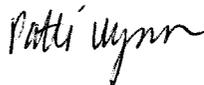
However, at the end of September when we read meters, the difference between the gallons sold and gallons pumped was 284,997 gallons, an approximately 34% water loss (see attached "Water Use Data Sheet"). We once again called Southwest Pump to have them check the new meter, and once again they have calibrated the meter so we are hoping at the end of October we will have a lower percentage of water loss.

We have been through the water system and repaired and replaced every visible leak at saddles, meters, pumps, valves, water lines, etc. If we continue with this large of a water loss, our next step would be to dig up every water line to see where the underground leaks are or if we have pirates. Of course, this is not feasible.

We have completed the required Lead and Copper testing and we are waiting for documentation from ADEQ reporting that DS Water Company is delivering water that meets the water quality standards required by A.A.C. Title 18, Chapter 4 so that we can implement the rate changes. We have contacted Jon Fiegen at ADEQ, but have still not received the required documentation. Brian, is there something you can do on your end to get this expedited?

Any help you can give us with ADEQ would be greatly appreciated and any suggestions regarding our water loss would also be appreciated. To date, we have received no correspondence or suggestions from the ACC regarding our quarterly updates. Please contact me if you have any questions regarding this 3rd quarter 2010 report.

Regards,



Patti Wynn
Manager

Enclosure

DS WATER COMPANY
P. O. BOX 786
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928-347-5467

January 17, 2011

Brian Bozzo
Manager, Compliance and Enforcement
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Docket No. W-04049A-08-0339 Decision No. 71504

Dear Mr. Bozzo:

So as not to be out of compliance, this letter shall serve as our 4th quarter 2010 status report regarding our water loss and our progress in preparing, filing, and obtaining ADWR approval of the System Water Plan.

Attached is a letter dated December 9, 2010 from Susan Craig at ADWR stating that DS Water Company's System Water Plan is in compliance with ADWR's requirements. Susan Craig indicated that this information would be forwarded to the ACC. However, I will also submit the required copies to Docket Control.

As for the water loss, please refer to my letter of April 15, 2010 so you are up-to-date on our progress to that point. After spending \$1,573.00 during the first quarter to repair a large leak at the pressurization house, during the second quarter, we have had to spend another \$11,333.07 for additional repairs in the pressurization house to not only repair leaks, but to bring existing equipment and main water lines up to code. Once again, this required contacting all of our customers by mail and then hand delivering a notice to each customer a couple of days before the water was shut off to make the needed repairs.

Also, in my letter of April 15, 2010, we noted that we have been monitoring the meter at the well daily. Once again, in order to test the meter to see if it was indeed bad, we had to inconvenience our customers and shut the water off. During this testing process, we found that the meter was not bad, but the check valve was bad. Therefore, since the check valve was not closing properly, the water that had already been pumped was flowing back into the well when the pump would shut off. The cost to repair the check valve was another \$845.37. That means that since January 1, 2010, DS Water Company has spent \$13,751.44 to correct the water loss problem. July will be the first full month that the check valve has been fixed, so we

will know at the end of July when we take meter readings if the check valve is indeed the last problem.

When we took the end of July meter readings, we found that the meter on the well was still not working. Therefore, we had to special order a new meter for the well and it was installed in August, so September was our first full month with the new meter. The cost for the new meter and installation was \$2,216.82. So add this amount to the \$13,751.44 already spent since January 1, 2010, and we have a grand total of \$15,968.26.

However, at the end of September when we read meters, the difference between the gallons sold and gallons pumped was 284,997 gallons, an approximately 25.1% water loss (see attached "Water Use Data Sheet"). We once again called Southwest Pump to have them check the new meter, and once again they have calibrated the meter so we are hoping at the end of October we will have a lower percentage of water loss.

Finally in October, our water loss was only 12.9%. However, in November and December when the weather got bad (rain, wind, etc.), it started shorting out our communication equipment, thus causing our tanks to overflow because the well wasn't shutting off. In November our water loss was 24.1% and in December our water loss was 48.2%. Also in December we had to deal with the catastrophic flooding (second 100 year flood in 5 years) that occurred the week of December 20th that compromised our infrastructure across the Virgin River. The flow of the flooding river washed away 30 to 40 feet of river bank where our bridge sits and we now have the challenge of securing the banks so the next flood doesn't take out our uprights. We now have the added expense of the engineer who designed the bridge for his evaluation, the contractor who built the bridge to make the needed repairs and the cost of materials needed for those repairs. We are in the process of getting those bids.

The documentation from ADEQ reporting that DS Water Company is delivering water that meets the water quality standards required by A.A.C. Title 18, Chapter 4 was filed with Docket Control on October 21, 2010. Therefore, the new rates were implemented on November 1, 2010.

Once again, we are begging for help and to date we have received no phone calls, correspondence or suggestions from the ACC regarding our quarterly updates. We would appreciate any assistance you could give us.

Regards,



Patti Wynn
Manager

Enclosures