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RANCHO DEL CONEJO COMMUNITY WATER CO-OP, INC.
13130 W. Rudasill Road Tucson, AZ 85743 Phone/Fax: 520-682-8335 ID# 10142

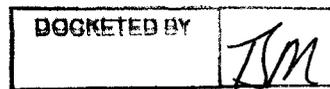
July 18, 2012

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

Arizona Corporation Commission

DOCKETED

JUL 18 2012



Re: Docket W-02102B-12-0286

Amended page 11 of Rate Case Application and Arsenic Surcharge Information

Attached you will find the amended Current and Proposed Service Charges, page 11 of the ACC Rate Case Application. It is understood that these changes to the original application will allow for the application to be considered sufficient, thus moving forward in the process.

At the time of the original rate case application Rancho Del Conejo Water Co-op staff was not aware that the arsenic media had lost its effectiveness. Since the end of June it has become clear that replacement of media is of the utmost importance. Using the attached arsenic system data sheets, we estimate \$51,000 as the cost for media replacement.

The present Arsenic Surcharge set by the Commission in 2008 was \$3.18 per customer per month. With 318 active meters, that generates \$1,011.24/month, less than the monthly loan payment of \$1,504.03. **We therefore request an increase of \$1.45 per customer per month in the Arsenic Surcharge to cover the cost of the WIFA loan repayment and an additional \$6.68 per customer per month for accumulation of a reserve sufficient to replace arsenic removal media every two years, a total increase in the Arsenic Surcharge of \$8.13/month for a total of \$11.31 per customer per month. This surcharge should continue for the life of the WIFA loan.**

Respectfully submitted,

Jon Bernreuter,
Water Nexus Consulting
for
Albert V. Lannon
Vice President
Rancho Del Conejo Community Water Co-op, Inc.

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- Attachments: 1) Amended page 11 of Rate Case Application
2) Arsenic treatment system media data sheets

“AMENDED” CURRENT AND PROPOSED SERVICE CHARGES: W-02102B-12-0286

CUSTOMER CLASS: Residential Commercial Industrial

| SERVICE LINE AND METER INSTALLATION CHARGES | CURRENT CHARGES | | | PROPOSED CHARGE | | |
|--|-----------------|---------|---------|-----------------|---------|---------|
| | Line | Meter | Total | Line | Meter | Total |
| 5/8" X 3/4" Meter | \$355 | \$85 | \$440 | \$355 | \$85 | \$440 |
| 3/4" Meter | \$355 | \$165 | \$520 | \$355 | \$165 | \$520 |
| 1" Meter | \$405 | \$205 | \$610 | \$405 | \$205 | \$610 |
| 1-1/2" Meter | \$440 | \$415 | \$855 | \$440 | \$415 | \$855 |
| 2" Meter | \$600 | \$915 | \$1,515 | \$600 | \$915 | \$1,515 |
| 3" Meter | \$775 | \$1,420 | \$2,195 | \$775 | \$1,420 | \$2,195 |
| 4" Meter | \$1,110 | \$2,250 | \$3,360 | \$1,110 | \$2,250 | \$3,360 |
| 6" Meter | \$1,670 | \$4,445 | \$6,115 | \$1,670 | \$4,445 | \$6,115 |
| Establishment | \$35 | | | \$40 | | |
| Establishment (after hours) | \$40 | | | NA | | |
| Reconnection (delinquent) | \$40 | | | \$40 | | |
| Reconnection (delinquent) after hours | \$40 | | | NA | | |
| After Hours Service Charge | \$40 | | | \$40 | | |
| Meter Test (if correct) | \$45 | | | \$45 | | |
| Deposit | Per Rule* | | | Per Rule* | | |
| Deposit Interest | 0.5%/month | | | Per Rule* | | |
| Re-establishment (within 12 months) | Per Rule** | | | Per Rule** | | |
| NSF Check | \$25 | | | \$25 | | |
| Deferred Payment | Per Rule*** | | | Per Rule*** | | |
| Meter Re-read (if correct) | \$15 | | | \$25 | | |
| Late Fee | 1.5%/month | | | 1.5%/month | | |

MONTHLY SERVICE CHARGE FOR FIRE SPRINKLER:

Present and Proposed

| | | | |
|-----------------|------|------|--|
| 4" or Smaller | **** | * | Per Commission rule A.A.C. R-14-2-403(B) |
| 6" | **** | ** | Per Commission rule A.A.C. R-14-2-403(D) |
| 8" | **** | *** | Per Commission rule A.A.C. R-14-2-409(G) |
| 10" | **** | **** | 1.00% of monthly min. for a comparable sized |
| Larger than 10" | **** | | meter connection, but no less than \$5.00/month. |

“AMENDED” page 11 for Docket W-02102B-12-0286

Docket # W-02102B-12-0286

Project Name & General Information

| | | |
|---------------------------------------|---|--------------------|
| Client: Tucson Client | Average Flow: 0.08 MGD Avg | |
| Name of Site: Well | Well Capacity: 185 gpm | |
| Primary Contact: Blake Abts | Treatment Flow: 185 gpm | |
| Engineer: Tres Rios Consulting | Op Factor: 7.0 Hrs/Day or 29% | 0.0% Bypass |

System Design

| | | | |
|---------------------|-------------------------------------|-----------------------------------|-------------------------|
| SORB 33® Model No: | ARS-48D-SP-M | Contact Time (EBCT) & Bed Depth: | 5.8 Min / 4.5 ft |
| Adsorber No & Size: | Two 4.0 ft Diameter | Average Treatment Rate: | 77,700 gals/Day |
| System Footprint: | 12'L x 6'W x 10'H | Design Flow Rate per Adsorber: | 93 gpm |
| Flow Configuration: | Parallel ^w /Bypass | Media Bed Depth: | 4.5 ft |
| Adsorptive Media: | Bayoxide E33 Granules | Loading Rate (Specific Velocity): | 7.4 gpm/ft ² |
| Media Quantity: | 3,308 lbs (1.50 MT) 113 cubic ft | Estimated Working Capacity: | 82,000 BV's |
| Backwash Volume: | 1,820 gals/vessel | Media Cycle Life: | 29.2 Months |
| SORB Backwash Rate: | 140 gpm | Volume Treated per Cycle: | 69.0 million gals |
| pH Adjustment: | | Arsenic Analysis: | 17.0 µg/L As |
| Special Features: | | Pres: | 80 psig |

Budgetary Capital & Operating Costs

Annual O&M Costs: _____ per Yr or

Total Capital Costs: _____

Unit Capital Costs: _____ per Gal/Day of Capacity

Total Water Volume Treated: **69** Million Gallons

Special Notes

7.5 pH Case - 102,000 BV's,
86 M gals
Very Basic Info Provided



Project Number: 103909
 Project Name: Well 3 Arsenic Removal System
 Subject: Well Treatment Analysis Results
 By: BeA Date: April 2009
 Checked by: Date:

3-2. RESULTS FROM DOW CHEMICAL ANALYSIS

RUN-TIME SCENARIOS FOR DESKTOP ANALYSIS

Run 1. As = 17 ppb, pH =8.1 (primary analysis)

Run 2. As = 25 ppb, pH = 8.1 (upper limit)

| PARAMETER OR RESULTS | RUN 1 | RUN 2 |
|--|------------|------------|
| Arsenic (ppb) | 17 | 25 |
| Percent As(V) | 100% | 100% |
| pH | 8.1 | 8.1 |
| Silica (ppm) | 23 | 23 |
| Vanadium (ppb) | 0 | 0 |
| Max system flow (gpm) | 185 | 185 |
| Average system gallons per day | 111,000 | 111,000 |
| Parallel or Lead/Lag | Lead/Lag | Lead/Lag |
| Tank diameter (inches) | 72 | 72 |
| Media column height (inches) | 47 | 47 |
| Face Velocity (gpm/ft ² surface area) | 6.5 | 6.5 |
| Empty bed contact time (minutes) | 4.4 | 4.4 |
| Media volume per tank (cubic feet) | 110 | 110 |
| Total media volume (cubic feet) | 110 | 110 |
| BV's to reach 8 ppb As | 70,000 | 48000 |
| Years to reach 8 ppb As | 1.41 | 0.97 |
| Gallons of treated water | 57,200,000 | 39,300,000 |
| BV's to lead bed 50% break | 64,000 | 48,000 |
| Gallons of treated water 50% break | 52,600,000 | 39,700,000 |
| BV's to lead bed 90% break | 70,000 | 52,000 |
| Gallons of treated water 90% break | 57,300,000 | 43,200,000 |
| By-pass amount | 36% | 23% |
| Run to 3 ppb treated BV | 56,000 | 39,000 |
| Effective BV, treated + bypass | 87,000 | 51,000 |
| Gallons of water, treated + bypass | 71,700,000 | 41,600,000 |

With 110-cf of media at 17-ppb arsenic, a design life of 1.4 yr is anticipated.

Data provided by: Thomas McCandless, Sr. Ind. Manager, Dow Water Solutions.
 The Dow Chemical Company, 3308 Preston Road, Suite 350-122.
 Plano, TX 75093
 (972) 491-7104



ADSORBSIA™ As500 Titanium Based Media

A titanium oxide adsorbent for the removal of arsenic, lead, and other heavy metals

Typical Physical and Chemical Properties

| Product Type | Titanium oxide based granulation | |
|--|----------------------------------|-----------------|
| Particle size range | Mesh | 16-60 |
| On 16 mesh | % | <5 |
| Through 60 mesh | % | <10 |
| Moisture Content | % | <15 |
| Bulk Density | g/L | 480 |
| | lbs/ft ³ | 30 |
| Specific surface area | m ² /g | 200 |
| Pore volume | cc/g | 0.4 |
| Equilibrium Capacity ^a (@ 50 ppb, pH 7) | | |
| Arsenic (V) | g/Kg | 12 - 15 |
| Arsenic (III) | g/Kg | 3 - 4 |
| Selenite (IV) | g/Kg | 4 - 5 |
| Lead (II) | g/Kg | 11 ^b |

a. Static equilibrium capacity is measured at room temperature in ANSI/NSF Standard 53 challenge water.

b. Lead data collected at pH 4

Contact a Dow sales representative for a copy of the sales specification.

Typical Properties and Applications

ADSORBSIA™ As500 media is an easy to use granular titanium oxide with strong affinity for arsenic, lead and other heavy metals. This distinct media is designed for non-regenerative applications. The inherently high adsorptive capacity of Dow's titanium oxide based technology has been formulated into a mechanically stable granulation suitable for use in a broad range of potable water applications. When exhausted, it is removed from the vessel and replaced with new media. Spent media from arsenic loading tests have been shown to pass the U.S. Environmental Protection Agency's TCLP extraction protocol as well as both the WET and TTLC tests for California. ADSORBSIA As500 media is NSF/ANSI 61 certified without limitations.

Docket #W-02102B-12-0286

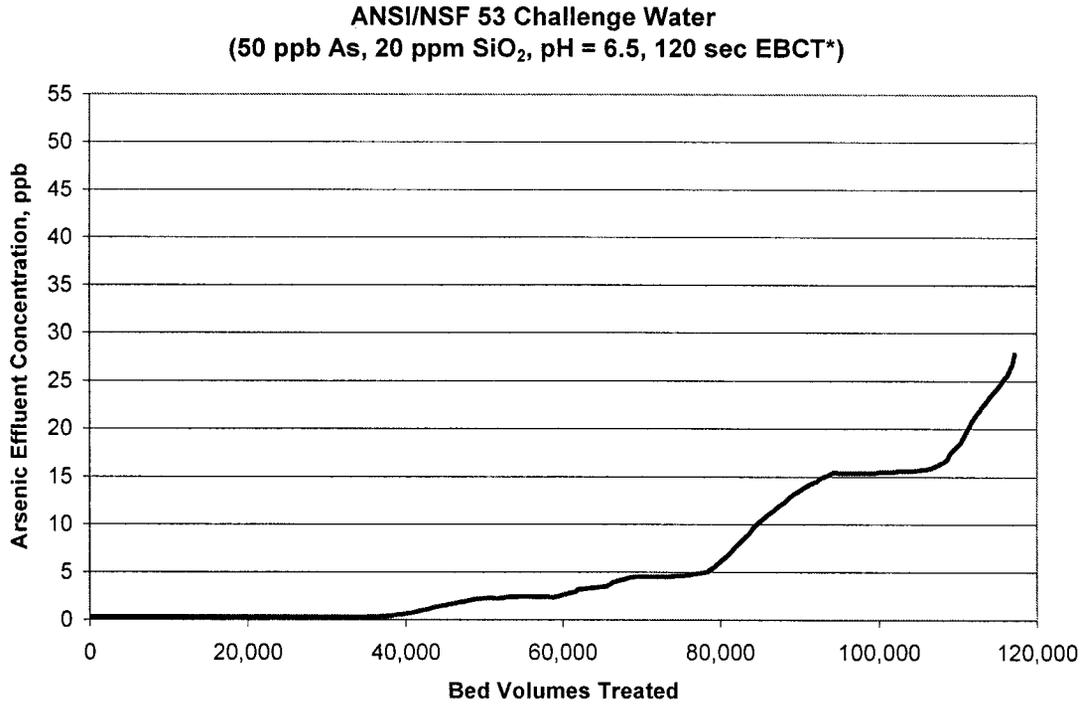


Figure 1. ADSORBSIA™ As500 media dynamic arsenic adsorption at pH 6.5. *EBCT = empty bed contact time

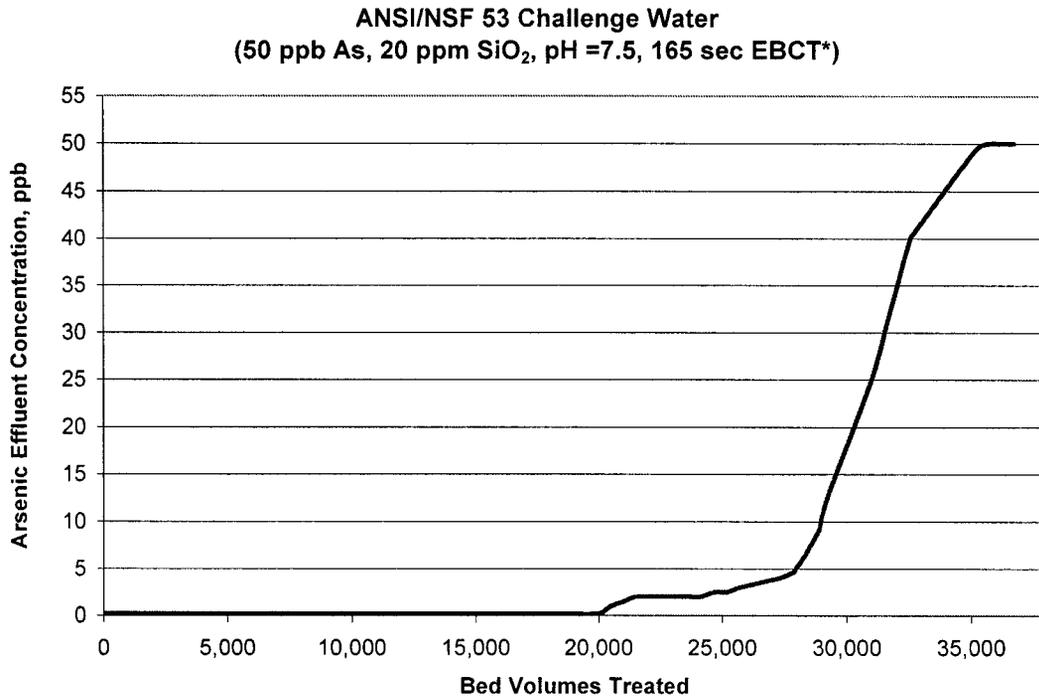


Figure 2. ADSORBSIA™ As500 media dynamic arsenic adsorption at pH 7.5. *EBCT = empty bed contact time

Docket #W-02102B-12-0286

ANSI/NSF 53 Challenge Water
(10 ppb As, 10ppm SiO₂, pH = 6.5, 165 sec EBCT*)

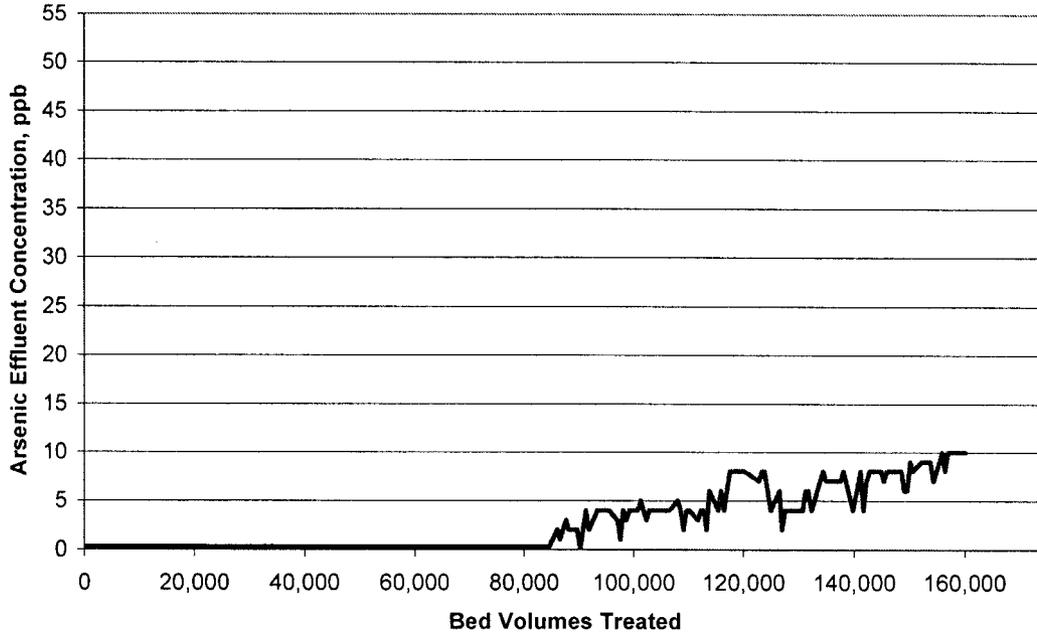


Figure 3. ADSORBSIA™ As500 media dynamic arsenic adsorption at pH 6.5, with low arsenic level. *EBCT = empty bed contact time

ADSORBSIA™ As500 Media Backwash Expansion at 17 °C

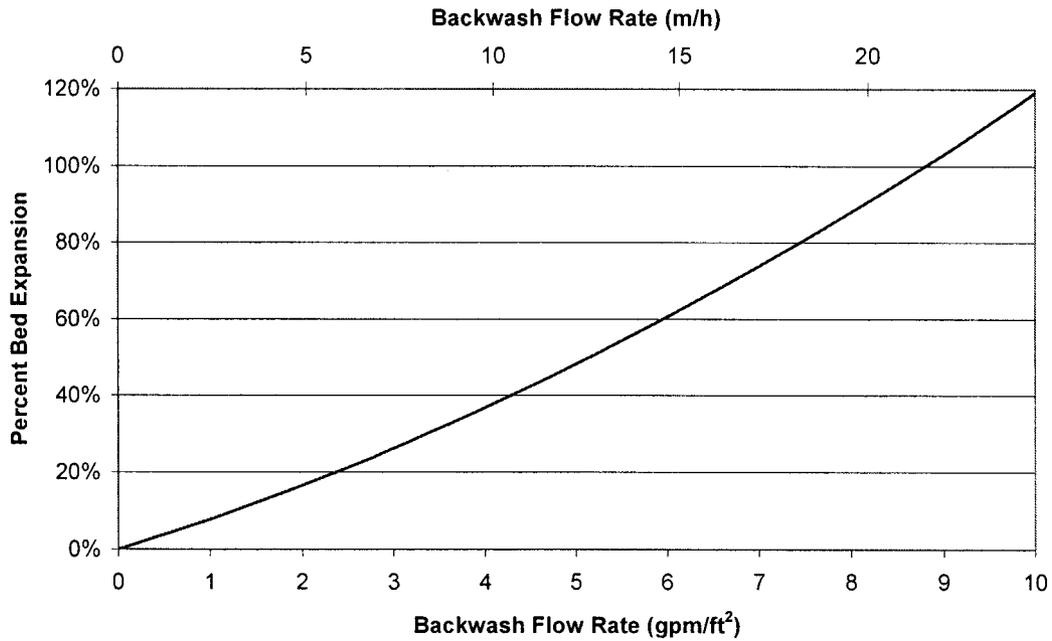


Figure 4. Backwash expansion data.

Docket #W-02102B-12-0286

Pressure drop for ADSORBSIA™ As500 media
per unit of depth, at 15 °C

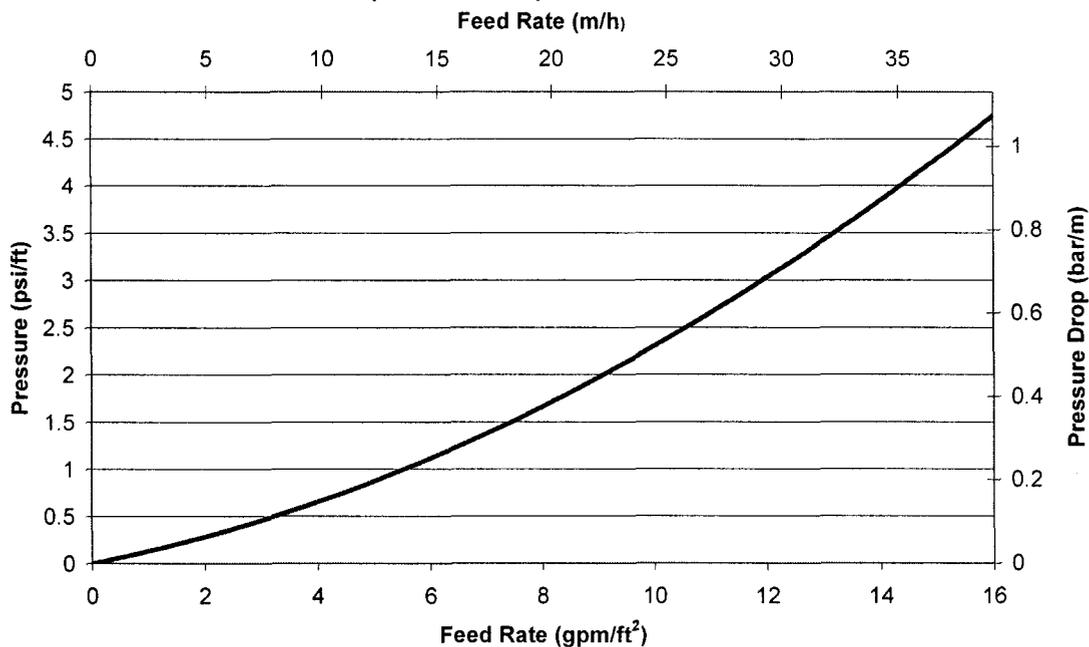


Figure 5. Pressure drop as a function of feed rate.

Note: This product may be subject to drinking water application restrictions in some countries; please check the application status before use and sale.

ADSORBSIA™ Titanium-based Media
For more information about ADSORBSIA, call Dow
Water & Process Solutions:
North America: 1-800-447-4369
Latin America: (+55) 11-5188-9222
Europe: (+32) 3-450-2240
Pacific: +60 3 7958 3392
Japan: +813 5460 2100
China: +86 21 3851 1000
<http://www.adsorbisia.com>

Notice: Spent media from arsenic loading tests have been shown to pass the U.S. EPA's TCLP extraction protocol as well as the WET and TTLC tests for California. These test results indicate that spent media can meet the criteria for disposal in a landfill as non-hazardous waste. However, use conditions can vary and Customers must confirm that spent media meets their local landfill requirements for disposal as non-hazardous waste.

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