

NEW APPLICATION

ORIGINAL

CORDES LAKES WATER COMPANY -U-2060
NOTES



0000139012

RECEIVED

2012 AUG -6 P 2:30

AZ CORP COMMISSION
DOCKET CONTROL

W-02060A-12-0356

Cordes Lakes Water Company last received a rate increase on March 1, 2008, based upon test year data for 2006. At the time that the increase data was submitted for consideration the economy was very strong and the increase granted was based upon the revenue of new lot development fees and on turnover fees. Since 2008, moves have been very slow and in 2011, no meters were installed.

The decision for the last increase required the Company to investigate methods of reducing water loss from leaks and old water meters. While we continue to look for and repair leaks, we have not had the finances to make a major effort to reduce leaks. We are proposing the approval of enough funds to run the system and additional funds to hire a leak detection company.

The leaks at Cordes Lakes are found to be in pipe installed before 1974. The pipe carries a pressure rating of CI125 which was approved by the ADEQ and Commission at that time.

We are proposing an approximate increase of 20% to cover the cost of operating the system without the need to advance monies from outside sources.

Arizona Corporation Commission

DOCKETED

AUG - 6 2012

DOCKETED BY	

CORDES LAKES WATER COMPANY

DOCKET U-2060

CERTIFICATE FROM ARIZONA DEPT OF REVENUE

MAPS RECEIPT FOR 2011

ADEQ COMPLIANCE LETTER

SAMPLE BILL

Certificate of Compliance Letter of Good Standing Cordes Lakes Water Co.

This Certificate of Compliance is issued pursuant to Arizona Revised Statutes Section 42-1110 and/or Section 43-1151. It certifies that, according to department records, the above named taxpayer has filed and paid all taxes due under Title 42 and Title 43, specifically and only as to the following described tax types and identification/license numbers:

TAX TYPE

Federal Employer Identification Number
Transaction Privilege Tax License
Withholding License

IDENTIFICATION

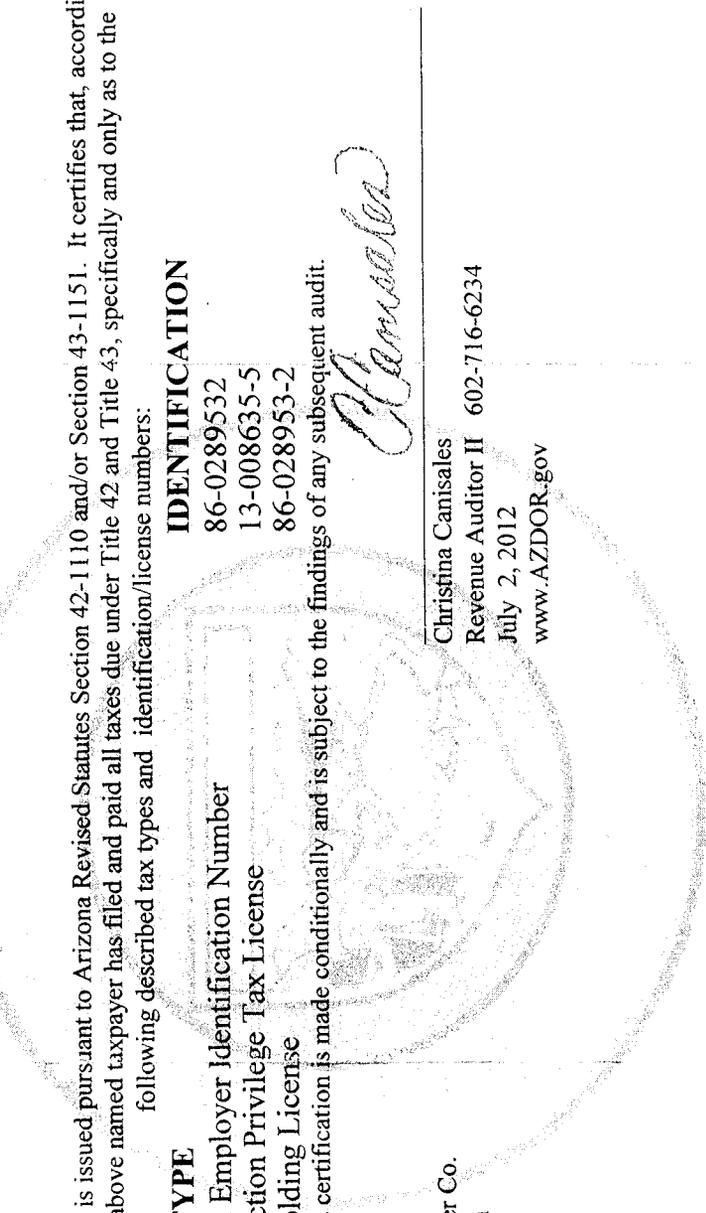
86-0289532
13-008635-5
86-028953-2

This certification is made conditionally and is subject to the findings of any subsequent audit.



Issued To:
Cordes Lakes Water Co.
Attn: Neil Folkman
PO Box 219
Tempe, AZ 85280

Christina Canisales
Revenue Auditor II 602-716-6234
July 2, 2012
www.AZDOR.gov



2013 PUBLIC WATER INFORMATION UPDATE CARD
A.A.C. R 18-4-303(B)

PWS ID NUMBER : AZ 04 13023 (Please Print)
PWS Name: Cordes Lakes Water Company
PWS Legal Owners Name : _____
Legal Owners Phone : 480-966-5804 Fax: 480-967-7857
Legal Owners Mailing Address PO Box 219

Tempe, AZ 85280
Certified Operators Name: Don Ross Cert. Op # 05277
Number of Service Connections: 1288

Population Served: (# of persons regularly served by the water system)
 Non-residential population Full-time Residents (12 months / yr)
 Or part time residents (6-11 months/ yr) 2417 (estimated)

Name of person completing this card (print):
Bradley Folkman
Title: Treas Phone: 480-966-5804
Signature: [Signature]
Questions: Please Call 1(800) 234 - 5677, ext. 771 - 4518

Docket U-2020

Janice K. Brewer
GovernorARIZONA DEPARTMENT
OF
ENVIRONMENTAL QUALITY1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.govHenry R. Darwin
Director

November 21, 2011

Cordes Lakes Water Company
Attn: Neil Folkman
P.O. Box 219
Tempe, AZ 85280**RE: Inspection Results for Cordes Lakes Water Company
Public Water System (PWS) AZ0413023
ICE Database Inspection Identification Number 179862**

Dear Mr. Folkman:

The Water Quality-Utility Field Services Unit (WQUFSU) of the Arizona Department of Environmental Quality (ADEQ) has enclosed an inspection report regarding the inspection conducted at the above referenced facility on October 17, 2011. The inspection was conducted to determine compliance with Arizona Revised Statute (A.R.S.) §49-351 et seq. and Arizona Administrative Codes A.A.C. R18-4-101 et. seq and A.A.C. R18-5-101 et seq.

No significant deficiencies were noted during the course of the inspection. No ADEQ action will result from this inspection.

If you have any questions regarding this letter, or if I can be of any assistance, please feel free to contact me at (602) 771-4785 or 1-800-234-5677.

Sincerely,

Steve Camp
Environmental Engineering Specialist
Utility Field Services Unitcc: Cordes Lakes Water Company, 20175 E. Stagecoach Rd Mayer, AZ 86333
Ref # UFS12-130

Cordes Lakes Water Company
November 21, 2011
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**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY DIVISION - COMPLIANCE SECTION
UTILITY FIELD SERVICES UNIT
INSPECTION REPORT-DRINKING WATER**

INSPECTION REPORT

Facility: Cordes Lakes Water Company	System # 13-023
Inspected By: Steve Camp	Date: October 17, 2011
Accompanied By: Donald Ross, Dick Ross	County: Yavapai
Recommendations By: Steve Camp	Report Date: November 21, 2011
Number of Plants: 4	Wells: 4
Population: 3000	Service Connections: 1450

The system is in compliance with the following ADEQ requirements:

		<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>UNKNOWN</u>
1.	A certified operator is employed by the owner per ADEQ regulations.	X			
2.	The system meets ADEQ monitoring and reporting requirements.	X			
3.	This system meets ADEQ requirements for operation and maintenance of the physical facilities.	X			

Inspection Purpose and Scope:

This was an inspection to determine compliance with Arizona Administrative Code (A.C.C.) R18-4-101 et seq.

Facility Description:

This is a community water system and serves a subdivision in Cordes Junction. The system consists of four wells, six booster stations, and four active storage tanks.

Inspector Comments:

Donald Ross, operator of the Cordes Lakes Water Company, was furnished with a copy of the Notice of Inspection Rights form, which he reviewed and signed prior to the inspection.

This system serves a subdivision in Cordes Lakes with 1450 service connections. There are four active wells and one inactive well.

Cordes Lakes Water Company

November 21, 2011

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Well #1 (55-609346) has a dry pellet chlorinator installed on the well head. Chlorinating pellets used in the system meet the National Sanitation Foundation (NSF) standard 60 for materials that come into contact with drinking water systems. Treated water fills a 45,000 gallon storage tank and is pressurized into the distribution system with two pressure tanks and a hydropneumatic tank and enters as entry point to the distribution system #001 (EPDS001).

Well #2 (55-518196) has a similar pellet drop system and fills a 30,000 gallon storage tank and is pressurized in to the system with two pumps and a hydropneumatic tank and enters the distribution system as EPDS002.

Well #4 (55-609347) has the same type chlorinator. This well fills a 45,000 gallon storage tank. Water is pressurized with two pumps and a hydropneumatic tank and enters the distribution site at EPDS004. The well number posted for the well was 55-60347. This is not the full well number. The entire well number should be posted.

Well #5 (55-565855) has a pellet drop chlorinator. This well fills a 100,000 gallon storage tank. A booster with two pumps and a hydropneumatic tank enter the distribution system as EPDS005.

Well #3 (55-609234) is abandoned and was physically disconnected from the system. There is a tank at the site that Cordes Lakes is planning on moving to the King Mountain booster site.

Two additional booster station are in the distribution system to boost pressure. The King Mountain and the Antelope booster stations have two pumps and a hydropneumatic tank. As stated above, Cordes Lakes is planning on moving the storage tank at the abandoned well site 003 to the King Mountain site for additional storage.

Monitoring and Reporting

This system participates in the Monitoring Assistance Program (MAP). Therefore, the system is only required to obtain distribution system samples, and any increased monitoring parameters identified through MAP sampling. The MAP program samples for regulated volatile organic chemicals (VOCs), regulated synthetic organic chemicals (SOCs), and regulated inorganic chemicals (IOCs). Because of the efficiency and the cost-effectiveness of the program, it was expanded in recent years to include asbestos, radionuclides, nitrite, nitrate, and nickel.

The following is a summary of the status of the sampling requirements of Cordes Lakes Water Company:

Total Coliform

Cordes Lakes has a population of 3,000 and is required to obtain two total coliform sample per month. Cordes Lakes is currently taking three total coliform samples. No deficiencies were noted in the monthly total coliform monitoring and reporting. Total coliform reports have been submitted to ADEQ in a timely fashion.

Cordes Lakes Water Company
November 21, 2011
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Lead and Copper

Cordes Lakes is on a triennial cycle and is current on lead and copper sampling. The facility is in compliance with lead and copper sampling.

Disinfection By Products (DBPs)

No deficiencies were noted in the disinfection by product monitoring and reporting.

Maximum Residual Disinfection Levels (MRDLs)

Cordes Lakes is required to obtain MRDL readings each month. The MRDL readings are taken at the time and place the total coliform samples are obtained. No deficiencies were noted in the reporting of the monthly MRDL reading.

Consumer Confidence Report

Cordes Lakes is current with distributing Consumer Confidence reports annually, detailing the water quality for the previous calendar year. Therefore, no deficiencies were noted in the annual Consumer Confidence Report filing.

Compliance Summary

1. Monitoring and Reporting Requirements.

- Cordes Lakes is not missing any monitoring or reporting data.

2. Operator Certification Requirements.

- This is a grade 2 water treatment and grade 2 water distribution system. Donald Ross is the operator and holds a grade 4 water distribution and grade 3 water treatment certification. Mr. Ross's certifications expire on July 31, 2014.

3. Operation & Maintenance (O&M) Requirements.

- Post the entire well number for well # 4.

CORDES LAKES WATER CO.

P O BOX 1207
EL CAJON CA 92022-1207

Service: (928) 632-5445

AMOUNT PAID

BILLING DATE	ACCOUNT NUMBER
07/23/12	[REDACTED]
DUE DATE	AMOUNT DUE
Upon Receipt	(\$4.49)

PLEASE MAKE ADDRESS CORRECTIONS BELOW

[REDACTED ADDRESS]



DETACH AND MAIL ABOVE PORTION WITH PAYMENT. KEEP BOTTOM PORTION FOR YOUR RECORDS.

Description	Meter Readings		Usage	Read Code	Readings Dates	
	Previous	Present			Previous	Present
Gallons	108270	108680	410	Final Reading	6/26/2012	7/20/2012

Previous Balance	\$41.80
Unapplied Deposit	(\$60.00)
Water Charge	\$12.15
Superfund Tax	\$0.00
Sales Tax	\$0.94
Late Fee	\$0.62

CREDIT BALANCE - DO NOT PAY

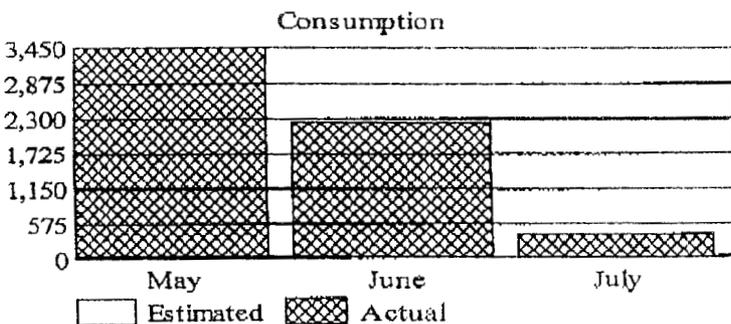
Last Payment Date **05/08/12**

Total Due **(\$4.49)**

This bill is due and payable when rendered. Any amount not received in 15 days will be considered delinquent and subject to the company's termination procedure.

Lot # 0517

CUSTOMER	
[REDACTED]	
SERVICE ADDRESS	
[REDACTED]	
ACCOUNT NUMBER	BILLING DATE
[REDACTED]	07/31/12
METER NUMBER	DUE DATE
123275	Upon Receipt
BILLING PERIOD	
From 06/30/12 to 07/31/12 = 31 Days	



CORDES LAKES WATER CO.

P O BOX 1207
EL CAJON CA 92022-1207
Service: (928) 632-5445

CORDES LAKES WATER COMPANY

DOCKET U-2060

SCHEDULES

CORDES LAKES WATER COMPANY --U-2060
NOTES TO SCHEDULES

Rental Expense: The Company maintains three offices. One office is located at Cordes Junction. This office is open for service for four hours per day. There is a one office person and three operators that work out of the Cordes Junction Office. This office is rented. A second office is located in El Cajon, California. This office handles all of the billing, mail collection, and has the computer server. A post office box is maintained at the El Cajon Office. All of the books and records for the company are kept in Tempe, Arizona, where the company maintains the third office. The meter reading computers are maintained in Tempe. Because of the shortage of funds, some of the rents have not been paid.

Billing Service: This fee is paid to the office in El Cajon to avoid maintaining a payroll in California. This arrangement avoids the higher cost for Medical insurance and 401K plan Expenses. The amounts are for a supervisor and one part time office person who do the mailing, folding, and checking deposits.

Payroll & Payroll Taxes: Several of the employees and officers are paid by more than one entity. To save money on payroll services and taxes the payroll account for the Cordes Lakes Water Company is charged or credited as required to allow the companies to write only a single paycheck. Cordes water's senior operator works 90% outside of Cordes but is paid by the Company. By outside marital agreement, the salary for Neil Folkman is paid to Laurie Folkman. Cordes is rebated \$15,500 per month. In turn, Cordes reimburses other companies for service, because of the revenue shortage. Some of the payments from the company have not been made.

Meter size and Revenue: The information in the schedules present fees for 1-in meters, but the company only has 7 active 1-in meters and no active meters larger than 1-in. The company installs only a $\frac{3}{4}$ in short length meter, and does not install $\frac{5}{8} \times \frac{3}{4}$ meters. The company keeps separate billing records for commercial accounts, but charges only the residential rate. We have not proposed a commercial rate as we have, with, only one exception, very small commercial customers.

CORDES LAKES WATER COMPANY –U-2060
SCHEDULE A-1 COMPUTATION OF INCREASE IN GROSS REVENUE
REQUIREMENTS

ADJUSTED RATE BASE	\$496,789
ADJUSTED OPERATING INCOME	(\$17,373)
CURRENT RATE OF RETURN	0%
REQUIRED OPERATING INCOME	\$20,000 + \$30,000 FOR LEAK REPAIR
OPERATING INCOME DEFICIENCY	\$68,000
INCREASE IN GROSS REVENUE REQUIREMENTS	\$48,000 TO INCLUDE \$10 TO LEAK REPAIR

CORDES LAKES WATER COMPANY -- U-2060
 SCHEDULE A-2 -- SUMMARY RESULTS OF OPERATIONS

	TEST YEAR	PREVIOUS YEAR	PREVIOUS YEAR	PREVIOUS YEAR	PROJECTED YEAR	PROJECTED YEAR
	2011	2010	2009	2012	2012	2012
			PRESENT RATE	PRESENT RATE	PRESENT RATE	PROPOSED RATE
GROSS REVENUE	\$436,451	\$447,015	\$468,210	\$450,000	\$527,000	
PAYROLL ADJUSTMENT TO INCOME	\$167,692	\$182,936	\$178,898	\$168,000	\$168,000	
TOTAL INCOME	\$604,143	\$629,951	\$647,108	\$618,000	\$695,000	
DEDUCTIONS & EXPENSES	\$584,321	\$638,621	\$630,181	\$643,620	\$673,520	
OPERATING INCOME	\$19,822	(\$8,670)	\$16,927	(\$25,620)	\$21,480	

CORDES LAKES WATER COMPANY – U-2060
SCHEDULE A-4 -- CONSTRUCTION EXPENDITURES AND GROSS
UTILITY PLANT IN SERVICE

YEAR	CONSTRUCTION EXPENDITURES	GROSS PLANT IN SERVICE
2009	\$3,523	\$595,790
2010	\$1,165	\$596,655
TEST YEAR	\$4,949	\$601,604
2012	\$10,000	\$616,604
2013	\$43,000	\$659,604
2014	\$40,000	\$699,604

CORDES LAKES WATER COMPANY- U-2060
SCHEDULE B-1 -- SUMMARY OF ORIGINAL COST RATE BASE

GROSS UTILITY PLANT IN SERVICE	\$601,634
LESS ACCUMULATED DEPRECIATION	\$139,712
NET UTILITY PLANT IN SERVICE	\$461,922
PLUS: ALLOWANCE FOR WORKING CAPITAL	\$74,147
LESS: SERVICE DEPOSITS	\$18,170
LESS: METER ADVANCES	\$21,110
NET	\$34,867
TOTAL ORIGINAL COST RATE BASE	\$496,789

CORDES LAKES WATER COMPANY – U-2060
SCHEDULE B-2 & B-3 – PROFORMA ADJUSTMENTS



NO PROFORMA ADJUSTMENTS ARE BEING PRESENTED



CORDES LAKES WATER COMPANY – U-2060
SCHEDULE B-4

THE COMPANY WILL NOT PRODUCE ANY RECONSTRUCTION COST DATA

CORDES LAKES WATER COMPANY – U-2060
SCHEDULE B-5 ALLOWANCE FOR WORKING CAPITAL

1/24	ELECTRIC	\$1,322
1/08	OPERATING & MAINTENANCE	\$72,825
	WORKING CAPITAL	\$74,147

O & M CALCULATED USING TOTAL EXPENSES (C-1)
LESS DEPRECIATION AND ELECTRIC

CORDES LAKES WATER COMPANY – U-2060
SCHEDULE C-1 AND C-2

THERE ARE NO ADJUSTMENTS BEING PRESENTED IN THESE SCHEDULES.

CORDES LAKES WATER COMPANY – U-2060
SCHEDULE C-3 ADJUSTMENTS AS TO TAXES

IT IS EXPECTED THAT ONLY THE STATE MINIMUM \$45.00 WILL BE PAID IN THE NEXT FIVE YEARS.

CORDES LAKES WATER COMPANY – U-2060
SCHEDULE D-1 COST OF CAPITAL

ITEM	END OF TEST YEAR		END OF PROJECTED YEAR	
	AMT	RATE	AMT	RATE
LONG TERM DEBT	0		\$50,000	0
SERVICE DEPOSIT	\$18,170	6%	\$20,000	6%

CORDES LAKES WATER COMPANY - U-2060
 SCHEDULE -- E-1 COMPARATIVE BALANCE SHEET

PRIOR PERIOD 2009 PRIOR PERIOD 2010 TEST YEAR 2011

ASSETS

LAND	35,665	35,665	35,665
PUMP HOUSE & FENCES	6,657	6,657	6,657
WELLS	167,348	167,348	167,348
PUMPS	26,558	26,558	26,558
TANKS	141,632	141,632	141,632
WATER MAINS	15,099	15,099	15,099
METERS	69,677	70,842	70,842
VEHICLES	69,049	69,049	71,461
EQUIPMENT	59,315	59,315	59,315
OFFICE	4,490	4,490	7,027

ASSETS	595,490	596,655	601,604
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ACCUMULATED DEPRECIATION	135,024	171,566	139,712
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LIABILITIES

CUSTOMER DEPOSIT	16,980	17,360	18,170
METER ADVANCES	25,853	23,726	21,110
401K PAYABLE	18,902	21,164	26,487
TOTAL LIABILITIES	61,735	62,250	65,767

DEFERRED CREDIT	51,589	47,403	43,219
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CAPITAL

STOCK	50,000	50,000	50,000
RETAINED EARNINGS	595,520	596,685	601,634

CORDES LAKES WATER COMPANY - U-2060
 SCHEDULE -- E-2 COMPARATIVE INCOME STATEMENT

	PRIOR YEAR ENDING 12/31/2009	PRIOR YEAR ENDING 12/31/2010	PRIOR YEAR ENDING 12/31/2011
SALES	468,210	447,015	436,451
RECEIVED FOR CONTRACT LABOR	178,898	182,936	167,692
TOTAL INCOME	647,108	629,951	604,143
DEPRECIATION	36,446	35,443	37,195
INCOME TAXES	0	45	45
PROPERTY TAXES	15,763	9,137	18,187
SALES TAX	31,542	29,165	32,458
PAYROLL TAXES	31,080	86,724	175
PAYROLL	323,380	270,046	309,095
CONTRACT LABOR PAID	13,597	18,095	10,312
EMPLOYEE BENEFITS	20,902	21,164	29,422
PURCHASED POWER	30,697	29,365	31,723
REPAIR & MAINT	111,116	17,221	12,650
SUPPLIES	16,118	14,992	14,491
ACCOUNTING	3,550	3,650	3,660
BILLING SERVICES	23,752	24,031	24,118
COMPUTER PROGRAMMING	756	2,161	3,511
LEGAL	0	0	0
WATER TESTING	10,604	7,111	1,806
RENTS	32,960	31,225	28,150
TRANSPORTATION EXP	8,594	9,821	8,995
MEDICAL INSURANCE	41,088	39,764	33,033
LIABILITY INSURANCE	7,834	17,859	14,936
PERMITS	1,000	1,000	2,000
TRAVEL	0	0	0
UTILITIES EXCEPT ELECTRIC	2,200	3,071	3,391
BANK CHARGES	1,927	1,406	1,304
PAYROLL SERVICE	1,721	1,568	859
TOTAL EXPENSES	630,181	638,621	621,516
OPERATING INCOME	16,927	-8,670	-17,373
CONTRIB IN AID W/O	4,185	4,185	4,185

CORDES LAKES WATER COMPANY -- U-2060
 SCHEDULE E-5 DETAIL OF UTILITY PLANT

DESCRIPTION	END OF TEST YEAR 2011	NET ADDITIONS YEAR 2011	END OF PRIOR YR 2010
STRUCTURES	\$ 6,657		\$ 6,657
WELLS	\$ 167,348		\$ 167,348
PUMPS	\$ 26,558		\$ 26,558
TANKS	\$ 141,632		\$ 141,632
WATERLINES	\$ 15,099		\$ 15,099
METERS	\$ 70,842		\$ 70,842
EQUIPMENT	\$ 59,315		\$ 59,315
TRUCKS	\$ 71,461	\$ 2,412	\$ 69,049
OFFICE	\$ 7,027	\$ 2,537	\$ 4,490
LAND	\$ 35,665		\$ 35,655
TOTAL PLANT	\$ 601,604	\$ 4,949	\$ 596,655
ACCUM DEPR	\$ 139,712		\$ 171,566
NET PLANT	\$ 461,892	\$ 4,949	\$ 425,089

CORDES LAKES WATER COMPANY -- U-2060
SCHEDULE -- E-7 OPERATING STATISTICS

	2011	2010	2009
RESIDENTIAL CUSTOMER NUMBERS	1,317	1,300	1,318
RESIDENTIAL CUSTOMER USAGE MILLIONS GALLONS	65,496	64,025	74,682
AVERAGE ANNUAL GALLONS RESIDENTIAL CUSTOMER	49,170	49,250	56,630
AVERAGE ANNUAL REVENUE RESIDENTIAL CUSTOMER	\$331	\$343	\$343
ELECTRIC COST \$ PER 1000 GALLONS	\$0.48	\$0.46	\$0.40

CORDES LAKES WATER COMPANY --U-2060
 SCHEDULE F-1 -- PROJECTED INCOME STATEMENT

	TEST YEAR ENDING 12/31/2011	PROJECTED YEAR 12/31/2012 PRESENT RATE	PROJECTED YEAR 12/31/2012 PROPOSED RATE
SALES	\$ 436,451	\$ 450,000	\$ 527,000
RECEIVED FOR CONT LABOR	\$ 167,692	\$ 168,000	\$ 168,000
TOTAL INCOME	\$ 604,143	\$ 618,000	\$ 695,000
DEPRECIATION	\$ 37,195	\$ 42,000	\$ 42,000
INCOME TAX	\$ 45	\$ 45	\$ 45
PROPERTY TAX	\$ 18,187	\$ 18,500	\$ 18,500
SALES TAX	\$ 32,458	\$ 33,000	\$ 39,500
PAYROLL TAX	\$ 175	\$ 175	\$ 175
PAYROLL	\$ 309,095	\$ 309,000	\$ 309,000
CONTRACT LABOR PAID	\$ 10,312	\$ 12,000	\$ 12,000
EMPLOYEE BENEFITS	\$ 29,422	\$ 32,000	\$ 32,000
PURCHASED POWER	\$ 31,723	\$ 33,000	\$ 33,000
REPAIR & MAINT	\$ 12,650	\$ 12,000	\$ 35,000
SUPPLIES	\$ 14,491	\$ 14,600	\$ 15,000
ACCOUNTING	\$ 3,660	\$ 3,700	\$ 3,700
BILLING SERVICE	\$ 24,118	\$ 25,000	\$ 25,000
COMPUTER PROGRAM	\$ 3,511	\$ 1,000	\$ 1,000
LEGAL AND RATE CASE	-	\$ 5,000	\$ 5,000
WATER TESTING	\$ 1,806	\$ 2,000	\$ 2,000
RENTS	\$ 28,150	\$ 33,000	\$ 33,000
TRANSPORTATION EXP	\$ 8,995	\$ 9,000	\$ 9,000
MEDICAL INSURANCE	\$ 33,033	\$ 35,000	\$ 35,000
LIABILITY INSURANCE	\$ 14,936	\$ 15,000	\$ 15,000
PERMITS	\$ 2,000	\$ 2,500	\$ 2,500
TRAVEL	-	\$ 500	\$ 500
UTILITIES EXCEPT ELECTRIC	\$ 3,391	\$ 3,200	\$ 3,200
BANK CHARGES	\$ 1,304	\$ 1,500	\$ 1,500
PAYROLL SERVICE	\$ 859	\$ 900	\$ 900
TOTAL EXPENSES	\$ 621,516	\$ 643,620	\$ 673,520
OPERATING INCOME	\$ (17,373)	\$ (25,620)	\$ 21,480
CONTRIB IN AID OF CONST	\$ 4,185	\$ 4,185	\$ 4,185
NET INCOME	\$ (13,188)	\$ (21,435)	\$ 25,665

CORDES LAKES WATER COMPANY -- U-2060
 SCHEDULE F-3 - PROJECTED CONSTRUCTION

	TEST YEAR	YEAR ENDING 12/31/2012	YEAR ENDING 12/31/2013	YEAR ENDING 12/31/2014
LAND				
PUMP HOUSES & FENCES				
WELLS				
PUMPS		\$ 5,000	\$ 3,000	
TANKS				
MAINS			\$ 30,000	\$ 30,000
METER & SERVICES		\$ 10,000	\$ 10,000	\$ 10,000
VEHICLES		\$ 2,537	\$ 2,000	

THE \$30,000 SHOW FOR 2013 & 2014 IS DESIGNATED FOR LEAK DETECTION AND REPAIR.
 THE \$10,000 SHOWN FOR 2013 & 2014 IS DESIGNATED FOR METER LOSS PREVENTION.

CORDES LAKES WATER COMPANY -- U-2060
SCHEDULE F-4 ASSUMPTIONS USED IN PROJECTIONS

1	CUSTOMER GROWTH	5 PER YEAR
2	INFLATION	0.50%
3	ELECTRIC INCREASE	2.50%
4	CONSTRUCTION EXPENDITURE	\$30,000 FOR TWO YEARS FOR LEAK DETECTION AND REPAIR \$10,000 FOR THREE YEARS FOR METER TESTING AND REPLACEMENT
5	CAPITAL CHANGES	LOAN TO COVER LEAK DETECTION AND REPAIRS. ALL LOANS AT PRIME RATE.

CORDES LAKES WATER COMPANY --U-2060
 SCHEDULE H-1 -- SUMMARY OF REVENUE PRESENT
 AND PROPOSED RATES

CUSTOMER CLASSIFICATION

ALL CLASSES	PRESENT RATE	PROPOSED RATE	% INCREASE
ESTABLISHMENT CHARGE	\$25.00	\$30.00	20
ESTABLISHMENT CHG-AFTER HOURS	\$35.00	\$40.00	14
RECONNECT CHARGE	\$15.00	\$20.00	33
RECONNECT CHARGE - AFTER HOURS	\$25.00	\$30.00	20
NSF CHARGE	\$12.50	\$15.00	20
METER REREAD - NO CHARGE IF CORRECT	\$10.00	\$12.00	20
METER TEST - NO CHARGE IF CORRECT	\$25.00	\$25.00	0
DEFERRED PAYMENT (PER MONTH)	1.50%	1.50%	0
DEPOSIT AMOUNT	*	*	0
DEPOSIT INTEREST	*	*	0
RE-ESTABLISHMENT (WITHIN 12 MONTHS)	**	**	0
LATE CHARGE (PER MONTH)	1.50%	2.00%	33
ROAD CUTTING OR BORING	COST	COST	0

"PER COMMISSION RULE A.A.C. R14-2-403B

**NUMBER OF MONTHS OFF SYSTEM TIMES MONTHLY MINIMUM
 PER COMMISSION RULE A.A.C. R14-2-403D

SERVICE LINE AND METER INSTALLATION CHARGES (REFUNDABLE)

	SERV LINE	METER	TOTAL
3/4 - IN METER	\$ 355.00	\$ 165.00	\$ 520.00
1-IN METER	\$ 405.00	\$ 205.00	\$ 610.00
1-1/2 IN METER	\$ 440.00	\$ 415.00	\$ 855.00
2-IN METER	\$ 600.00	\$ 915.00	\$ 1,515.00
3-IN METER	\$ 775.00	\$ 1,420.00	\$ 2,195.00
4-IN METER	\$ 1,110.00	\$ 2,250.00	\$ 3,360.00
6-IN METER	\$ 1,670.00	\$ 4,445.00	\$ 6,115.00

CORDES LAKES WATER COMPANY -- U-2060
 SCHEDULE H-3 CHANGES IN REPRESENTATIVE RATE SCHEDULE

BLOCK	PRESENT BASE RATE	PRESENT EXCESS 1 = 3000	PRESENT EXCESS 3 = 8000	PRESENT EXCESS 8000 = ABOVE
0	\$11.00	\$2.80	\$4.30	\$5.00
3000		\$19.40		
8000			\$40.90	
20000+				\$100.90

	PROPOSED BASE RATE	PROPOSED EXCESS 1 = 3000 GALLONS	PROPOSED EXCESS 3 = 8000 GALLONS	PROPOSED EXCESS 8000 = ABOVE GALLONS
0	\$13.50	\$3.30	\$5.25	\$6.00
3000		\$23.10		
8000			\$49.35	
20000+				\$121.35

CORDES LAKES WATER COMPANY -- U-2060
 SCHEDULE H-4 TYPICAL BILL ANALYSIS

USAGE	PRESENT RATE	PROPOSED RATE	INCREASE	%
0	\$ 11.00	\$ 13.50	\$ 2.50	22.7%
1000	\$ 13.80	\$ 16.80	\$ 3.00	21.7%
2000	\$ 16.60	\$ 20.10	\$ 3.50	21.1%
3000	\$ 19.40	\$ 23.40	\$ 4.00	20.6%
4000	\$ 23.70	\$ 28.65	\$ 4.95	20.9%
5000	\$ 28.00	\$ 33.90	\$ 5.90	21.1%
6000	\$ 32.30	\$ 39.15	\$ 6.85	21.2%
7000	\$ 36.60	\$ 44.40	\$ 7.80	21.3%
8000	\$ 40.90	\$ 49.65	\$ 8.75	21.4%
9000	\$ 45.90	\$ 55.65	\$ 9.75	21.2%
10000	\$ 50.90	\$ 61.65	\$ 10.75	21.1%
11000	\$ 55.90	\$ 67.65	\$ 11.75	21.0%
12000	\$ 60.90	\$ 73.65	\$ 12.75	20.9%
13000	\$ 65.90	\$ 79.65	\$ 13.75	20.9%
14000	\$ 70.90	\$ 85.65	\$ 14.75	20.8%
15000	\$ 75.90	\$ 91.65	\$ 15.75	20.8%
16000	\$ 80.90	\$ 97.65	\$ 16.75	20.7%
17000	\$ 85.90	\$ 103.65	\$ 17.75	20.7%
18000	\$ 90.90	\$ 109.65	\$ 18.75	20.6%
19000	\$ 95.90	\$ 115.65	\$ 19.75	20.6%
20000	\$ 100.90	\$ 121.65	\$ 20.75	20.6%
25000	\$ 125.90	\$ 151.65	\$ 25.75	20.5%
30000	\$ 150.90	\$ 181.65	\$ 30.75	20.4%
35000	\$ 175.90	\$ 211.65	\$ 35.75	20.3%
40000	\$ 200.90	\$ 241.65	\$ 40.75	20.3%
50000	\$ 250.90	\$ 301.65	\$ 50.75	20.2%
60000	\$ 300.90	\$ 361.65	\$ 60.75	20.2%
80000	\$ 400.90	\$ 481.65	\$ 80.75	20.1%
100000	\$ 500.90	\$ 601.65	\$ 100.75	20.1%

CORDES LAKES WATER COMPANY -- U-2060
 SCHEDULE H-5 BILL COUNT

BLOCK USAGE	BILL COUNT	CUMULATIVE NO	BILLS %TOTAL	CUMULATIVE AMOUNT	CONSUMPTION % TOTAL
0	986	986	6.3%	0	0.0%
0-1000	2,086	3,072	19.7%	1,043	1.6%
1000-2000	2,316	5,388	34.6%	4,517	6.9%
2000-3000	2,211	7,599	48.8%	10,044	15.4%
3000-4000	2,012	9,611	61.7%	17,086	26.1%
4000-5000	1,559	11,170	71.7%	24,101	36.9%
5000-6000	1,161	12,331	79.2%	30,486	46.6%
6000-7000	793	13,124	84.3%	35,641	54.5%
7000-8000	563	13,687	87.9%	39,863	61.0%
8000-9000	407	14,094	90.5%	43,322	66.3%
9000-10000	296	14,390	92.4%	46,134	70.6%
10000-11000	254	14,644	94.3%	48,801	74.7%
11000-12000	158	14,802	95.0%	50,618	77.4%
12000-13000	143	14,945	96.0%	52,394	80.2%
13000-14000	90	15,035	96.5%	53,609	82.0%
14000-15000	92	15,127	97.1%	54,943	84.1%
15000-16000	67	15,194	97.6%	55,981	85.6%
16000-17000	54	15,248	97.9%	56,872	87.0%
17000-18000	42	15,290	98.2%	57,607	88.1%
18000-19000	42	15,332	98.4%	58,384	89.3%
19000-20000	32	15,364	98.7%	59,008	90.3%
20000-25000	112	15,476	99.4%	61,528	94.1%
25000-30000	34	15,510	99.6%	62,463	95.6%
30000-35000	20	15,530	99.7%	63,113	96.6%
35000-40000	13	15,543	99.8%	63,600	97.3%
40000-50000	9	15,552	99.9%	64,005	97.9%
50000-75000	7	15,559	99.9%	64,038	98.0%
75000-100000	14	15,573	100.0%	65,263	99.8%
100+	1	15,574	100.0%	65,363	100.0%

CORDES LAKES WATER COMPANY

DOCKET U-2060

WATER COMPANY PLANT DESCRIPTION

CORDES LAKES WATER COMPANY		SYSTEM ASSETS		
SYSTEM NUMBER	13-023			
DWR #	55-609346			
POE #	1			
MAP LOCATION				
PID #				
LOT #	970			
ADDRESS	20452 E ANTELOPE			
STORAGE TANK	2 @ 45,000 GAL STEEL			
PRESS. TANK	1 @ 2000 GAL STEEL			
METER SIZE	3-INCH			
WELL SIZE	6-INCH			
WELL DEPTH	404 FEET			
WELL CASING	14-INCH			
CASING DEPTH	UNKNOWN			
STATIC LEVEL	95-FEET			
DRAW DOWN	179-FEET			
PUMP CAPACITY	65 GPM			
PUMPS WELL	1 @ 7-1/2 HP			
BOOSTER PUMPS	2 @ 7-1/2 HP			
AIR COMPRESSOR	1 @ 1/3 HP			
POWER	230 VOLTS			
ROTO PHASE	NONE			
PUMP HOUSE	8 X 8 WOOD			
FIRE HYDRANT	2-1/2 IN JONES HD			
FENCING	374-FT CHAIN LINK			

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CORDES LAKES WATER COMPANY		SYSTEM ASSETS	
			7/1/2012
SYSTEM NUMBER	13-023		
DWR #	55-518196		
POE #	2		
MAP LOCATION			
PID #	500-32-486		
LOT #	2935		
ADDRESS	15646 S BLACK MT		
STORAGE TANK	1 @ 30,000 GAL		
PRESS. TANK	1 @ 5,000 GAL		
METER SIZE	3-INCH		
WELL SIZE	8-INCH		
WELL DEPTH	380-FEET		
WELL CASING	8-INCH		
CASING DEPTH	380-FEET		
STATIC LEVEL	89- FEET		
DRAW DOWN	UNKNOWN		
PUMP CAPACITY	95 GPM		
PUMPS WELL	1 @ 7-1/2 HP		
BOOSTER PUMPS	2 @ 7-1/2 HP		
AIR COMPRESSOR	1 @ 1/3 HP		
POWER	230 VOLT SINGLE		
ROTO PHASE	NONE		
PUMP HOUSE	8 X 8 BLOCK		
FIRE HYDRANT	1 STANDARD		
FENCING	178-FT CHAIN LINK		

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CORDES LAKES WATER COMPANY		SYSTEM ASSETS
		7/1/2012
SYSTEM NUMBER	13-023	
DWR #	55-609234	NOT IN USE
POE #	3	
MAP LOCATION		
PID #		
LOT #	844	
ADDRESS	16410 E ANTELOPE	
STORAGE TANK	1 @ 16,000 GAL STEEL	
PRESS. TANK	1 @ 3,000 GAL STEEL	
METER SIZW	3-INCH	
WELL SIZE	6-INCH	
WELL DEPTH	555 FEET	
WELL CASING	6-INCH	
CASING DEPTH	343 FEET	
STATIC LEVEL	56 FEET	
DRAW DOWN	500 FEET	
PUMP CAPACITY	12 GPM	
PUMPS WELL	1 @ 2 HP	
BOOSTER PUMPS	2 @ 5 HP	
AIR COMPRESSOR	1 @ 1.3 HP	
POWER	230 V SINGLE	
ROTO PHASE	NONE	
PUMP HOUSE	10 X 12 WOOD	
FIRE HYDRANT	NONE	
FENCING	104 FT CHAIN LINK	

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CORDES LAKES WATER COMPANY		SYSTEM ASSETS	
SYSTEM NUMBER	13-023		
DWR #	55-609347		
POE #	4		
MAP LOCATION			
PID #			
LOT #	2378		
ADDRESS	20534 E NAVAJO		
STORAGE TANK	1 @ 30,000 GAL		
PRESS. TANK	1 @ 5,000 GAL		
METER SIZW	3-INCH		
WELL SIZE	12-INCH		
WELL DEPTH	500 FEET		
WELL CASING	12-INCH		
CASING DEPTH	500 FEET		
STATIC LEVEL	64 FEET		
DRAW DOWN	115 FEET		
PUMP CAPACITY	94 GPM		
PUMPS WELL	1 @ 7-1/2 HP		
BOOSTER PUMPS	2 @ 10 HP		
AIR COMPRESSOR	1 @ 1.3 HP		
POWER	230 V SINGLE		
ROTO PHASE	YES		
PUMP HOUSE	12 X 12 BLOCK		
FIRE HYDRANT	2-1/2 JONES HEAD		
FENCING	304 FT CHAIN LINK WITH SLATS		

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CORDES LAKES WATER COMPANY		SYSTEM ASSETS	
SYSTEM NUMBER	13-023		
DWR #	BOOSTER ONLY		
POE #	N/A		
MAP LOCATION	ANTELOPE - 6		
PID #			
LOT #	TRACT A		
ADDRESS	E ANTELOPE DR		
STORAGE TANK	NONE		
PRESS. TANK	1 @ 500 GAL		
METER SIZE	NONE		
WELL SIZE	N/A		
WELL DEPTH	N/A		
WELL CASING	N/A		
CASING DEPTH	N/A		
STATIC LEVEL	N/A		
DRAW DOWN	N/A		
PUMP CAPACITY	N/A		
PUMPS WELL	NONE		
BOOSTER PUMPS	2 @ 5HP		
AIR COMPRESSOR	NONE		
POWER	230 VOLT SINGLE		
ROTO PHASE	NONE		
PUMP HOUSE	NONE		
FIRE HYDRANT	NONE		
FENCING	50 FT CHIAN LINK		

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CORDES LAKES WATER COMPANY		SYSTEM ASSETS		
SYSTEM NUMBER	13-023			
DWR #	BOOSTER ONLY			
POE #	N/A			
MAP LOCATION	KING DR - 7			
PID #				
LOT #	1545			
ADDRESS	S KING DR			
STORAGE TANK	NONE			
PRESS. TANK	1 @ 500 GAL			
METER SIZE	NONE			
WELL SIZE	N/A			
WELL DEPTH	N/A			
WELL CASING	N/A			
CASING DEPTH	N/A			
STATIC LEVEL	N/A			
DRAW DOWN	N/A			
PUMP CAPACITY	N/A			
PUMPS WELL	NONE			
BOOSTER PUMPS	1 @ 5HP-1@ 7-1/2HP			
AIR COMPRESSOR	1 @ 1/3 HP			
POWER	230 VOLT SINGLE			
ROTO PHASE	NONE			
PUMP HOUSE	NONE			
FIRE HYDRANT	NONE			
FENCING	52 FT CHAIN LINK			

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CORDES LAKES WATER COMPANY		SYSTEM ASSETS	
SYSTEM NUMBER	13-023	NOT IN USE	
DWR #	BOOSTER ONLY		
POE #	N/A		
MAP LOCATION	MOON MTN-8		
PID #			
LOT #	2115		
ADDRESS	19614 MOON MTN		
STORAGE TANK	NONE		
PRESS. TANK	3 @ 100 GAL		
METER SIZE	NONE		
WELL SIZE	N/A		
WELL DEPTH	N/A		
WELL CASING	N/A		
CASING DEPTH	N/A		
STATIC LEVEL	N/A		
DRAW DOWN	N/A		
PUMP CAPACITY	N/A		
PUMPS WELL	NONE		
BOOSTER PUMPS	1 @ 5HP-1@ 7-1/2HP		
AIR COMPRESSOR	NONE		
POWER	230 VOLT SINGLE		
ROTO PHASE	NONE		
PUMP HOUSE	NONE		
FIRE HYDRANT	NONE		
FENCING	68 FT CHAIN LINK		

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CORDES LAKES WATER COMPANY		SYSTEM ASSETS	
SYSTEM NUMBER	13-023		
DWR #	55-565855		
POE #	5		
MAP LOCATION			
PID #			
LOT #	405		
ADDRESS	16410 IND BEND		
STORAGE TANK	1 @ 100,000 GAL		
PRESS. TANK	1 @ 5,000 GAL		
METER SIZW	3-INCH		
WELL SIZE	10-INCH		
WELL DEPTH	550 FEET		
WELL CASING	10-INCH		
CASING DEPTH	343 FEET		
STATIC LEVEL	90 FEET		
DRAW DOWN	187 FEET		
PUMP CAPACITY	65 FEET		
PUMPS WELL	1 @ 10 HP		
BOOSTER PUMPS	2 @ 7-1/2 HP		
AIR COMPRESSOR	1 @ 1.3 HP		
POWER	230 V SINGLE		
ROTO PHASE	NONE		
PUMP HOUSE	8 X 8 WOOD		
FIRE HYDRANT	NONE		
FENCING	444 FT CHAIN LINK WITH SLATS		