



0000151991

MEMORANDUM

TO: Docket Control

FROM: Steve M. Olea
Director
Utilities Division

ORIGINAL

Date: March 24, 2014

RE: STAFF REPORT FOR WHITE HILLS WATER COMPANY, INC. –
APPLICATION FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER SERVICE (DOCKET NO. W-
01982A-14-0009)

Attached is the Staff Report for White Hills Water Company, Inc.'s application for approval of Certificate of Convenience and Necessity to provide water service in portions of Mohave County, Arizona. Staff is recommending approval with conditions.

SMO:BNC:red|BH

Originator: Blessing Chukwu

Arizona Corporation Commission
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Service List for: White Hills Water Company, Inc.
Docket No. W-01982A-14-0009

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STAFF REPORT
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ARIZONA CORPORATION COMMISSION

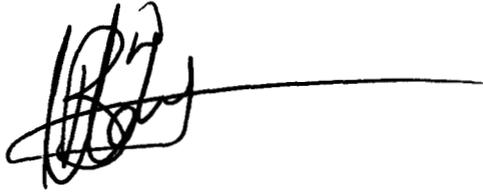
WHITE HILLS WATER COMPANY, INC.
W-01982A-14-0009

APPLICATION FOR APPROVAL OF
CERTIFICATE OF CONVENIENCE AND NECESSITY
FOR WATER SERVICE

MARCH 24, 2014

STAFF ACKNOWLEDGMENT

The Staff Report for White Hills Water Company, Inc. (Docket No. W-01982A-14-0009) was the responsibility of the Staff member signed below. Blessing Chukwu was responsible for the review and analysis of the Company's application. Del Smith was responsible for the engineering and technical analysis.

A handwritten signature in black ink, appearing to be 'B. Chukwu', with a long horizontal line extending to the right.

Blessing Chukwu
Executive Consultant III

A handwritten signature in black ink, appearing to be 'Del W. Smith', with a long horizontal line extending to the right.

Del Smith
Utilities Engineer Supervisor

EXECUTIVE SUMMARY
WHITE HILLS WATER COMPANY, INC.
DOCKET NO. W-01982A-14-0009

On January 10, 2014, White Hills Water Company, Inc. ("White Hills" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for approval of a Certificate of Convenience and Necessity ("CC&N") for water service, in portions of Mohave County, Arizona. On February 7, 2014, the Utilities Division ("Staff") of the Commission filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the Arizona Administrative Code ("A.A.C.").

White Hills is an Arizona Corporation, in good standing with the Commission's Corporation Division. The Company was authorized to provide water service in portions of Mohave County, Arizona, by Decision No. 38386, issued on February 21, 1966. On February 18, 2003, the Commission issued Decision No. 65649 rescinding White Hills' CC&N granted in Decision No. 38386 due to failure to file its 2001 Utility Annual Report.

By this application, White Hills is requesting the reinstatement of its revoked CC&N in Units 3, 4, & 6 and also a new CC&N for Unit 1 and specific lots in Unit 5 of Golden Horseshoe Ranchos Subdivision in White Hills, Mohave County, Arizona. The Company has been serving Unit 1 since 1998. The proposed Unit 5 extension area includes specific lots where facilities have been installed at the developer's expense to serve the lots when economic conditions improve and the lots are sold.

Staff concludes that White Hills has adequate production and storage capacity to serve the present customer base and reasonable growth.

Staff believes that granting a CC&N to White Hills would be in the public interest. The Company is now current on its annual reports and has existing customers and plant.

Staff recommends the Commission approve White Hills' application for a CC&N to provide water service for certain portions of Section 9, 17, 19, in Township 27 North, Range 19 West and certain portions of Section 9, in Township 27 North, Range 20 West (as set forth in Attachment C-2) within portions of Mohave County, Arizona, subject to compliance with the following conditions:

1. White Hills must charge its authorized rates and charges within its CC&N.
2. White Hills, as a compliance item in this docket, must notify the Commission of any proposed change in the ownership of the Company, at least 30 days prior to the change in ownership.
3. White Hills must not serve any customers that are not within or contiguous to the new CC&N granted in this docket.

4. White Hills should comply with A.A.C. R14-2-402(E) for serving contiguous lots.

Staff further recommends that the Commission's Decision granting the requested CC&N extension be considered null and void, after due process, should the Company fail to comply with any of these conditions.

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INTRODUCTION

On January 10, 2014, White Hills Water Company, Inc. ("White Hills" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for approval of a Certificate of Convenience and Necessity ("CC&N") for water service, in portions of Mohave County, Arizona.

On February 7, 2014, the Utilities Division ("Staff") filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the Arizona Administrative Code ("A.A.C.").

BACKGROUND

White Hills is an Arizona Corporation, in good standing with the Commission's Corporation Division. The Company was authorized to provide water service in portions of Mohave County, Arizona, by Decision No. 38386, issued on February 21, 1966. On February 18, 2003, the Commission issued Decision No. 65649 rescinding White Hills' CC&N granted in Decision No. 38386 due to failure to file its 2001 Utility Annual Report.

On August 29, 2013, the Company filed in Docket No. W-01982A-13-0285 a request for reinstatement of the CC&N revoked in Decision No. 65649 stating that "all annual reports have been submitted."

On January 10, 2014, White Hills filed this instant application requesting an approval to extend its CC&N to include Golden Horseshoe Ranchos Subdivision Unit 1. The Company has been serving Unit 1 since 1998. The Company also requested to extend its CC&N to include portions of Golden Horseshoe Ranchos Subdivision Unit 5, which is located in Section 19 Township 27 North, Range 19 West in Mohave County, Arizona. The proposed Unit 5 extension area includes specific lots where facilities have been installed at the developer's expense to serve the lots when economic conditions improve and the lots are sold. White Hills also requested for the reinstatement of the CC&N that was revoked in Decision No. 65649. Since the Company is seeking all of the CC&N area in this docket that it sought in Docket No. W-01982A-13-0285, Docket No. W-01982A-13-0285 was administratively closed on February 28, 2014.

PROPOSED CC&N

Before being revoked in Decision No. 65649, White Hills' CC&N covered three square miles, comprised of the Golden Horseshoe Ranchos Subdivision Units 3, 4 and 6, which is approximately 40 miles northwest of Kingman. The Company currently serves an area known as the Golden Horseshoe Ranchos Subdivision Units 1, 3, 4 and 6 in Mohave County, Arizona, without a CC&N. White Hills operates Arizona Department of Environmental Quality ("ADEQ") Public Water System ("PWS") No. 08-039 which serves Golden Horseshoe Ranchos Subdivision Units 3, 4 and 6, in Sections 9, 17 and 21, respectively, in Township 27 North, Range 19 West in Mohave County, Arizona. The Company also operates PWS No. 08-149

which serves Golden Horseshoe Ranchos Subdivision Unit 1, in Section 9 Township 27 North, Range 20 West in Mohave County, Arizona. Although PWS No. 08-149 has been in operation since 1998, the Company only recently filed to extend its CC&N to include the area served by PWS No. 08-149.

By this application, White Hills is requesting the reinstatement of its revoked CC&N in Units 3, 4, & 6 and also a new CC&N for Units 1 and specific lots in Unit 5 of Golden Horseshoe Ranchos Subdivision in White Hills, Mohave County, Arizona. The Company has been serving Unit 1 since 1998. The proposed Unit 5 extension area includes specific lots where facilities have been installed at the developer's expense to serve the lots when economic conditions improve and the lots are sold.

In support of the application, the Company submitted the request for service from Mr. John Morally for the specific lots in Golden Horseshoe Ranchos Subdivision Unit 5 and an agreement it had entered into with the Golden Horseshoe Ranchos Landowners' Association for Unit 1. Staff believes that since the Company is currently serving customers in Units 3, 4, & 6, the requirement for a request for service would not be applicable.

WATER SYSTEM

The Company has two water systems: PWS No. 08-039 and PWS No. 08-149. PWS No. 08-149 water system consists of two well sites, namely: Jan's Well Site and the Sweet Well Site. Jan's Well Site consists of one well, two 30,000-gallon storage tanks (total capacity 60,000 gallons), two 2-horsepower ("hp") booster pumps, three 120-gallon bladder/pressure tanks, a standpipe system and a distribution system serving 48 metered customers. The Sweet Well Site consists of one well and one 15,000 gallon storage tank. Staff visited this well site on October 17, 2013, however, at the time of Staff's inspection this well site was not in service. Both well sites are located in Golden Horseshoe Ranchos Unit 4. Distribution facilities have been installed to provide service to customers located in Units 3, 4, 5 and 6.

PWS No. 08-149 water system consists of one well, one 20,000-gallon storage tank, two 1.5-hp booster pumps, one 80-gallon bladder/pressure tank, a standpipe system and a distribution system serving 36 metered customers. The well is located in Golden Horseshoe Ranchos Unit 1. Distribution facilities have been installed to provide service to customers located in Unit 1. This system has been in operation since 1962.

Staff concludes that White Hills' water systems have adequate production and storage capacity to serve the present customer base and reasonable growth.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY COMPLIANCE

According to an ADEQ compliance status report, dated October 13, 2013, the Company's water systems, PWS Nos. 08-039 and 08-149 have no major monitoring or reporting deficiencies

and are currently delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and A.A.C., Title 18, Chapter 4.

ARIZONA DEPARTMENT OF WATER RESOURCES (“ADWR”) COMPLIANCE

The Company is not located within an ADWR Active Management Area (“AMA”). ADWR has determined that White Hills is currently in compliance with departmental requirements governing water providers and/or community water systems.

ACC COMPLIANCE

A check of the Utilities Division compliance database indicated that there were no delinquent compliance items for White Hills.

CURTAILMENT PLAN TARIFF

The Company has an approved curtailment tariff on file with the Commission.

CROSS CONNECTION TARIFF

The Company has an approved cross connection tariff on file with the Commission.

PROPOSED RATES

The Company provides water utility service to the affected area under its authorized rates and charges, which became effective February 1, 1985, in Decision No. 54305. The Company is currently seeking a rate increase in Docket No. W-01982A-13-0311. The application indicates that there are 92 customers receiving service from White Hills Water Company.

FRANCHISE

The Company filed, in the docket, a copy of the franchise agreement it has entered into with Mohave County.

STAFF’S POSITION ON THE CC&N

The ACC is required by the Arizona Revised Statutes (“A.R.S.”) § 40-281 et seq. to investigate all applicants for a CC&N and to issue a CC&N only upon a showing that the issuance to a particular applicant would serve the public interest. In determining whether or not the issuance of a CC&N to a particular applicant is in the public interest, Staff considers whether the applicant is a fit and proper entity to own and operate a water and/or wastewater utility.

The Company provided Staff with maps of the Golden Horseshoe Ranchos Subdivision and the White Hills water system. These maps were prepared by Mohave Engineering

Associates, Inc. (engineering consultants to the Company). The maps show the location of existing customers and the Company's distribution system facilities. Facilities that have been installed to serve future customers are also shown on these maps. As previously discussed in this report Staff, concludes that White Hills has adequate production and storage capacity to serve the present customer base and reasonable growth. The owners of the Company live in Maricopa County and must commute several hours one-way by car when issues arise that need their immediate attention. Local resources are very limited and most contractors commute from the Kingman area which adds significantly to company expenses. The Company anticipates that growth will occur in the area when economic conditions improve but no change in the customer base is expected until then.

Staff notes that it has been twenty-nine years since the last rate increase and that the Company has transferred ownership five times since 1997, back and forth to Mr. David Arthur & Mrs. Janice Arthur. The Company has not been able to provide documents supporting much of the plant changes since the last rate case. The CC&N application does not provide financial information as to additional expansion of White Hills Water Company beyond the current plant and 92 customers.

Based on the information provided in this docket and from Staff's review of other available materials regarding the Company, Staff concludes that:

- The Company has experience in operating a water facility.
- There is no evidence of negative determinations by ADWR and ADEQ and/or questionable business practices, and
- The Company has adequate financial capability to continue providing water service to its existing customers.

Staff believes that the ultimate obligation of the Commission is to protect the public interest; to that end Staff believes reasonable conditions to ensure the Company is conducting its business operation in a manner which will not compromise the interests of its customers should be required. Therefore, Staff recommends that the Company, as a compliance item in this docket, notify the Commission of any proposed change in the ownership of the Company, at least 30 days prior to any change in ownership.

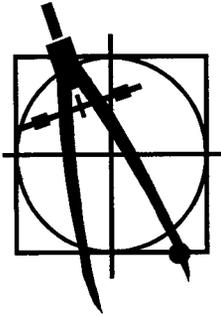
Staff believes that due to (1) the magnitude of the requested area, (2) the current economic conditions, and (3) the expected build-out period the Commission should not approve the entire requested area. Attachment C to this memorandum is a map of Staff's recommended CC&N service area, which is smaller than what the Company requested. Attachment C-2 is the associated legal description. Staff recommends approving the CC&N and/or extension to cover existing customers and plant. Specifically, Staff recommendation includes areas where the Company has existing customers or where facilities have been installed at the developer's expense to serve specific lots. Due to the developer's specific request for service, Staff recommends including the specific lots of Unit 5 extension area even though there are no existing customers served by the Company in that area.

RECOMMENDATIONS

Staff recommends the Commission approve White Hills' application for a CC&N to provide water service for certain portions of Section 9, 17, 19, in Township 27 North, Range 19 West and certain portions of Section 9, in Township 27 North, Range 20 West (as set forth in Attachment C-2) within portions of Mohave County, Arizona, subject to compliance with the following conditions:

1. White Hills must charge its authorized rates and charges within its CC&N.
2. White Hills, as a compliance item in this docket, must notify the Commission of any proposed change in the ownership of the Company, at least 30 days prior to the change in ownership.
3. White Hills must not serve any customers that are not within or contiguous to the new CC&N granted in this docket.
4. White Hills should comply with A.A.C. R14-2-402(E) for serving contiguous lots.

Staff further recommends that the Commission's Decision granting the requested CC&N extension be considered null and void, after due process, should the Company fail to comply with any of these conditions.



**ENGINEERING REPORT FOR
White Hills Water Co., Inc.**

**Docket No.
W-01982A-13-0311 (Rates)
W-01982A-14-0009 (CC&N)**

By Del Smith

March 6, 2014

CONCLUSIONS

1. The Arizona Corporation Commission (“ACC” or “Commission”) Utilities Division Staff (“Utilities Staff” or “Staff”) concludes that White Hills Water Co., Inc. (“White Hills” or “Company”) has adequate production and storage capacity to serve the present customer base and reasonable growth.
2. The Arizona Department of Environmental Quality (“ADEQ”) has reported that White Hills is currently delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and Arizona Administrative Code, Title 18, Chapter 4.
3. The Arizona Department of Water Resources (“ADWR”) has reported that White Hills is currently in compliance with departmental requirements governing water providers and/or community water systems. The White Hills service area is not located within an ADWR Active Management Area (“AMA”).
4. A check of the Utilities Division Compliance Section database showed that there are currently no delinquent Commission compliance items for White Hills.
5. White Hills has approved Curtailment and Backflow Tariffs on file with the Commission.
6. The Company anticipates that growth will occur in the area when economic conditions improve but no change in the customer base is expected until then.
7. Engineering Staff finds the certified operator fee of \$200 per month reasonable given the remote location of White Hills.
8. The bills for services provided by Mohave Engineering Associates (“MEA”) totaling \$16,087 are for engineering ‘as-built’ drawings and documentation which were needed to bring the water system(s) into compliance with ADEQ. Engineering Staff finds the charges for MEA services reasonable and appropriate.

RECOMMENDATIONS

1. Staff recommends that White Hills monitor water use for both systems and report water losses on a monthly basis in its Annual Reports to the Commission. The Company shall coordinate the reading from the well production meters and individual customer meters and report the results per system in its Annual Reports going forward. Staff further recommends that if the reported water loss is greater than 10 percent for either system White Hills shall prepare a water loss reduction report containing a detailed analysis and plan to reduce water loss to 10 percent or less for that particular system. If White Hills believes it is not cost effective to reduce the water loss to less than 10 percent, White Hills should submit a detailed cost benefit analysis to support its opinion. In no case shall the White Hills allow water loss to be greater than 15 percent for either system. The water loss reduction report or the detailed cost benefit analysis, whichever is submitted per this recommendation, shall be docketed as a compliance item no later than April 30th of the year following the excessive water loss.
2. Staff recommends an annual water testing expense of \$1,558 be used for purposes of this application.
3. Staff recommends that White Hills use the depreciation rates presented in Table C.
4. Staff recommends that the service line and meter installation charges listed under “Staff’s Recommendation” in Table D be adopted.
5. Staff recommends approval of the three BMP tariffs attached hereto as Exhibit A.
6. Staff further recommends that White Hills notify its customers, in a form acceptable to Staff, of the BMP Tariffs approved by the Commission and their effective date by means of either an insert in the next regularly scheduled billing or by a separated mailing and shall provide copies of the BMP Tariffs to any customer upon request. Staff will file a letter in the Docket confirming that White Hills’ tariffs have been updated with the tariffs approved by the Commission. The tariffs shall go into effect 30 days after the date notice is sent to customers. White Hills may request cost recovery of the actual costs associated with the BMPs implemented in its next general rate application.
7. The Utilities Division mapping section issued its memorandum for the White Hills CC&N application in Docket No. W-01982A-14-0009 on February 4, 2014. Attachment C to the memorandum is a map of Staff’s recommended CC&N service area and Attachment C-2 is the associated legal description.

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A. INTRODUCTION AND LOCATION OF COMPANY

On September 12, 2013, White Hills Water Co., Inc. (“White Hills” or “Company”) filed an application with the Arizona Corporation Commission (“ACC” or “Commission”) to increase its rates in Docket No. W-01982A-13-0311. See Section J for details regarding the Company’s Certificate of Convenience and Necessity (“CC&N”) Application in Docket No. W-01982A-14-0009. The ACC Utilities Division Staff (“Utilities Staff” or “Staff”) filed its letter of sufficiency regarding the Company’s rate application on February 7, 2014. The Company’s current rates were approved in Commission Decision No. 54305, dated January 3, 1985. Staff’s engineering reviews and analyses of the pending rate application and CC&N application are presented in this report. For purposes of processing the rate application White Hills is considered a Class D water utility company that provides public utility water service to 92 metered connections.¹ Figure 1 shows the location of the Company within Mohave County and Figure 2 shows the certificated area granted in Commission Decision No. 38386 covering three square miles (labeled Units 3, 4 and 6).

White Hills serves an outlying rural area approximately 40 miles northwest of Kingman known as the Golden Horseshoe Ranchos Subdivision Units 1, 3, 4 and 6. The Company was granted a Certificate of Convenience and Necessity (“CC&N”) in Commission Decision No. 38386 issued February 21, 1966. White Hills operates Arizona Department of Environmental Quality (“ADEQ”) Public Water System (“PWS”) No. 08-039 which serves Sections 9, 17 and 21 Township 27 North, Range 19 West in Mohave County, Arizona (referred to as Golden Horseshoe Ranchos Subdivision Units 3, 4 and 6, respectively).² White Hills also operates PWS No. 08-149 which serves Section 9 Township 27 North, Range 20 West in Mohave County, Arizona (referred to as Golden Horseshoe Ranchos Subdivision Unit1). Even though PWS No. 08-149 has been in operation since 1998, the Company only recently filed to extend its CC&N to include the area served by PWS No. 08-149 (see Section J for further discussion).

B. DESCRIPTION OF THE WATER SYSTEMS

The White Hills water systems were visited on October 17, 2013, by Staff members Mary Rimback and Del Smith. Staff was accompanied by Mr. Dave Arthur and Mrs. Jan Arthur, owners of the Company. The in-service plant (i.e. wells, tanks, pumps, and visible pipe) appeared to be in proper working order. The plant sites were in reasonably good condition. Staff did not observe any leaks at the well sites or in the distribution system. Kelly Grunder is the Company’s certified operator.³ David Cowen is the Company’s meter reader and handles minor system repairs. Mrs. Arthur handles the accounting and billing for the Company.

¹ Per plant data submitted with the application.

² This service area covers the CC&N area revoked in Decision No. 65649.

³ Kelly Grunder is a Certified Grade 2 Water Distribution System Operator, ADEQ Operator Identification No. OP020700.

PWS No. 08-039

This water system consists of two well sites identified for purposes of this report as Jan's Well Site and the Sweet Well Site. Jan's Well Site consists of Jan's Well, two 30,000-gallon storage tanks (total capacity 60,000 gallons), two 2-horsepower ("hp") booster pumps, three 120-gallon bladder/pressure tanks, a standpipe system and a distribution system serving 48 metered customers. The Sweet Well Site consists of the Sweet Well and one 15,000 gallon storage tank. At the time of Staff's inspection this well site was not in service. Both well sites are located in Golden Horseshoe Ranchos Unit 4. Distribution facilities have been installed to provide service to customers located in Units 3, 4, 5 and 6.

PWS No. 08-149

This water system consists of one well site identified for purposes of this report as the Unit 1 Well Site. The Unit 1 Well Site consists of the Unit 1 Well, one 20,000-gallon storage tanks, two 1.5-hp booster pumps, one 80-gallon bladder/pressure tanks, a standpipe system and a distribution system serving 36 metered customers. The Unit 1 Well Site is located in Golden Horseshoe Ranchos Unit 1. Distribution facilities have been installed to provide service to customers located in Unit 1. This system has been in operation since 1962.

Schematics of the water systems are illustrated in Figures 3A, 3B and 3C, and a detailed listing of the plant facilities is included in Table A below.

Table A. Plant Facilities Summary⁴

Well Data (PWS No. 08-039)

	Jan's Well	Sweet Well (Inactive)
ADWR Registration No.	55-912606	55-642196
Location	Lot 537*	Lots 533 & 534*
Casing Diameter (inches)	4	8
Casing Depth (feet)	812	704
Pump Horsepower (hp)	7.5	na
Pump Yield (gallons per minute)	33 - 35	na
Meter Size (inches)	2	na
Year Drilled	2011	1962

*Located in Golden Horseshoe Ranchos Unit 4.

⁴ The information listed was based on one, or a combination of, the following sources: 1) Company's Application, 2) Commission Annual Reports, 3) Arizona Department of Water Resources Records, 4) Information contained in the Company's Response to a Staff Data Requests and, 5) Information collected during Staff's site visit.

Water Storage, Booster Systems, & Structures (PWS No. 08-039)

Structure or Equipment	Location	Quantity – Capacity, Size
Storage Tanks	Jan's Well Site	2 – 30,000 Gallons
Bladder Tanks	Jan's Well Site	3 – 119 Gallons
Booster Pumps	Jan's Well Site	2 – 2 hp Single Speed
Security Fence	Jan's Well Site	6 Foot Chain Link*
Building (Wood Frame)	Jan's Well Site	2 - 8' X 12'
Standpipe System	Jan's Well site	1
Building (Wood Frame)	Sweet Well Site	1 – 20' X 20'
Storage Tank	Lot 521 (GHR Unit 4)	1 – 15,000 gallons (Inactive)
Building (Wood Frame)	Lot 521 (GHR Unit 4)	1 – 8' X 12'
Pressure Relief Valve	Lot 521 (GHR Unit 4)	1 – 2 inch
Security Fence	Lot 521 (GHR Unit 4)	6 Foot Chain Link*

Note: Security fences are not equipped with security wire.

Distribution Mains (PWS No. 08-039)

Diameter (inches)	Material	Length (feet)
2	PVC	6,528
3	Plastic	17,253
4	PVC	2,618
6	PVC C-900	5,280

Note: 1) PVC is poly vinyl chloride pipe used in water distribution systems and in general construction.

Meters (PWS No. 08-039)

Size	Quantity
5/8 x 3/4 inch	53

Well Data (PWS No. 08-149)

	Unit 1 Well
ADWR Registration No.	55-551185
Location	Lot 543*
Casing Diameter (inches)	9
Casing Depth (feet)	835
Pump Horsepower (hp)	5
Pump Yield (gallons per minute)	23 - 25
Meter Size (inches)	2
Year Drilled	1996

*Located in Golden Horseshoe Ranchos Unit 1.

Water Storage, Booster Systems, & Structures (PWS No. 08-149)

Structure or Equipment	Location	Quantity – Capacity, Size
Storage Tank	Unit 1 Well Site	1 – 20,000 Gallons
Bladder Tank	Unit 1 Well Site	1 – 80 Gallons
Booster Pumps	Unit 1 Well Site	2 – 1.5 hp (1-VSD & 1 - Single Speed back-up)
Security Fence	Unit 1 Well Site	6 Foot Chain Link*
Building (Wood Frame)	Unit 1 Well Site	1 - 12' X 20'
Standpipe System	Unit 1 Well site	1

Note: Security fences are not equipped with security wire.

Distribution Mains (PWS No. 08-149)

Diameter (inches)	Material	Length (feet)
4	PVC (SDR Series)	22,558
6	PVC (SDR Series)	3,269

Meters (PWS No. 08-149)

Size	Quantity
5/8 x 3/4 inch	39

Fire Hydrants (PWS Nos. 08-039 & 08-149)

Size/Description	Quantity
Standard	0

MOHAVE COUNTY

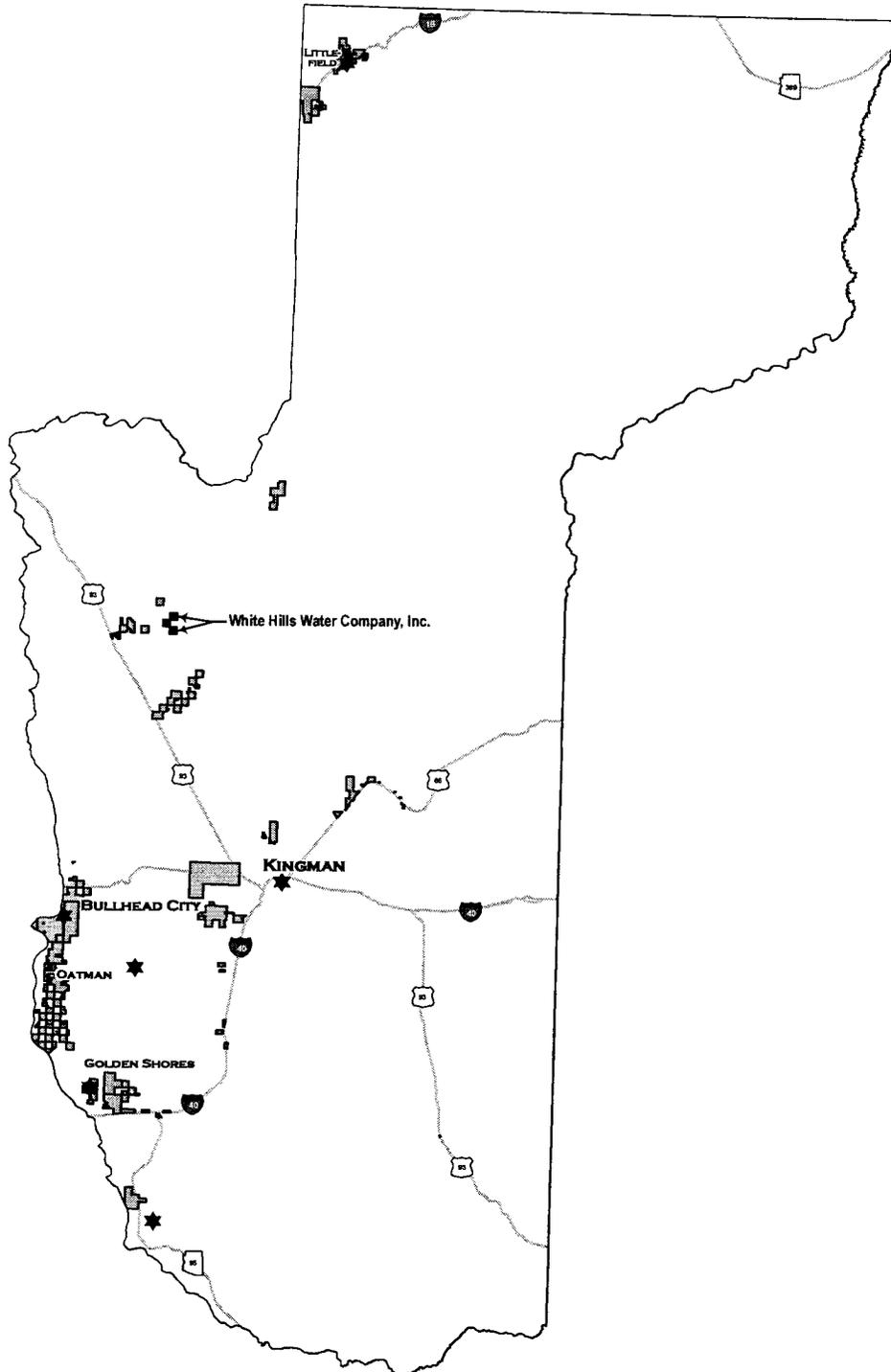


Figure 1. County Map

MOHAVE COUNTY

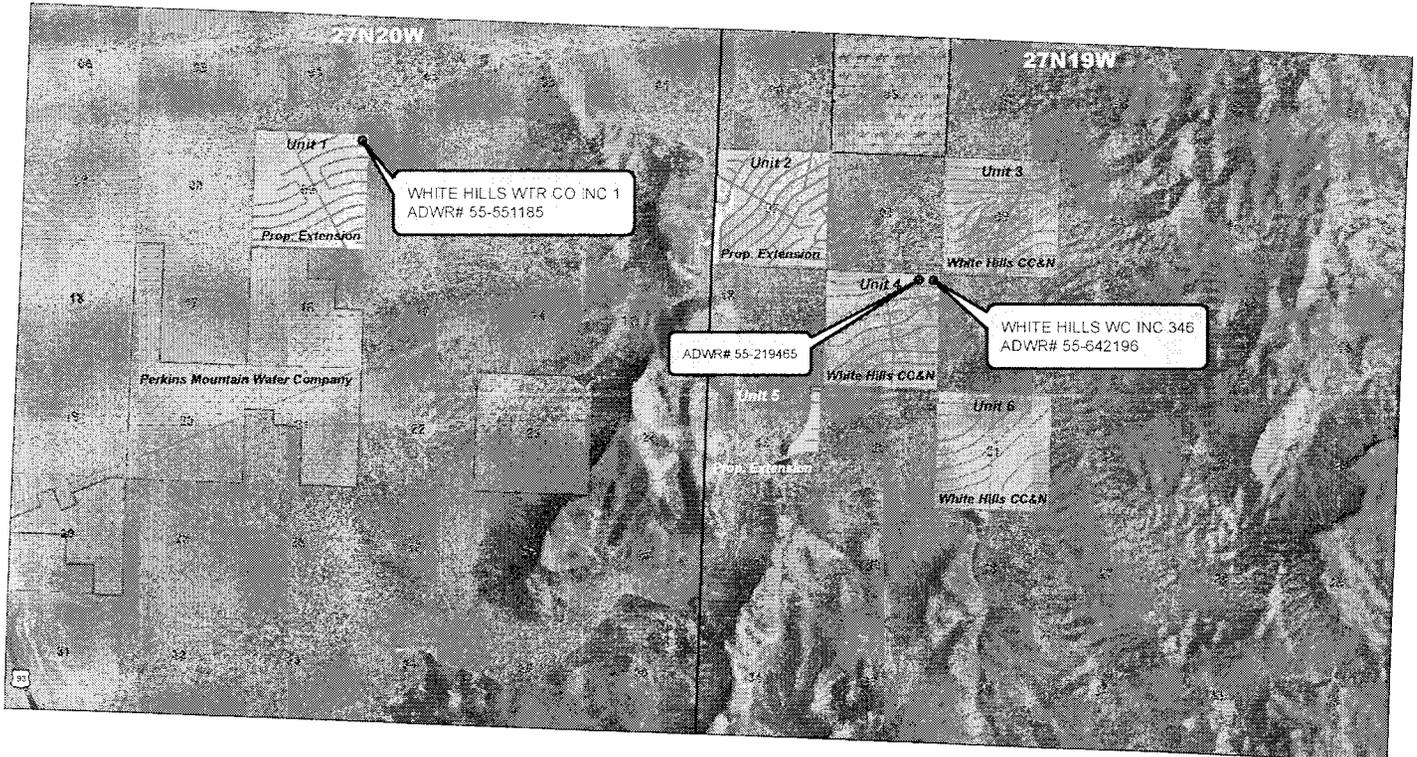
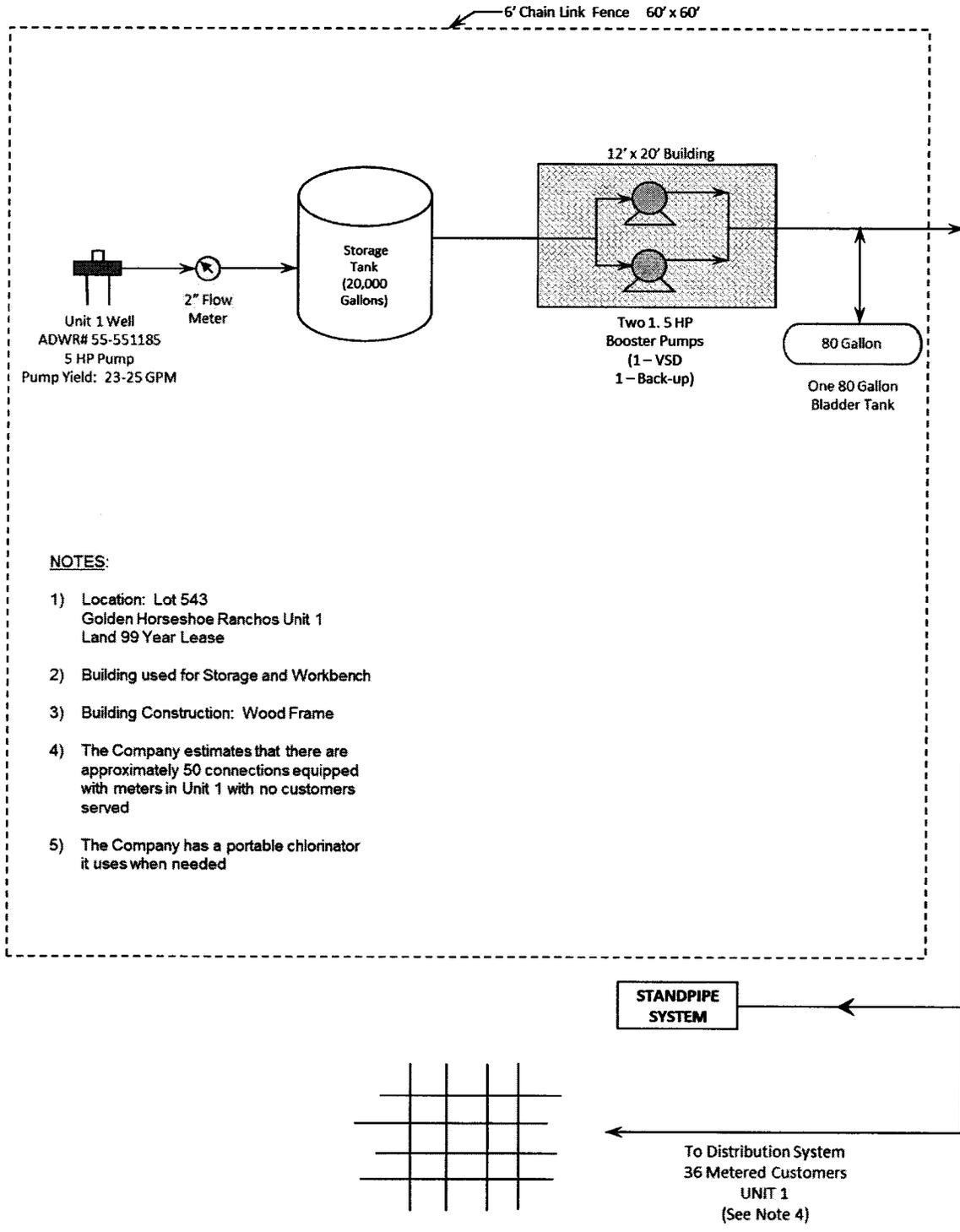


Figure 2. Certificated Area

SCHEMATIC OF WHITE HILLS WATER COMPANY, INC. UNIT 1
PWSID NO. 08-149
SHEET 1 OF 1

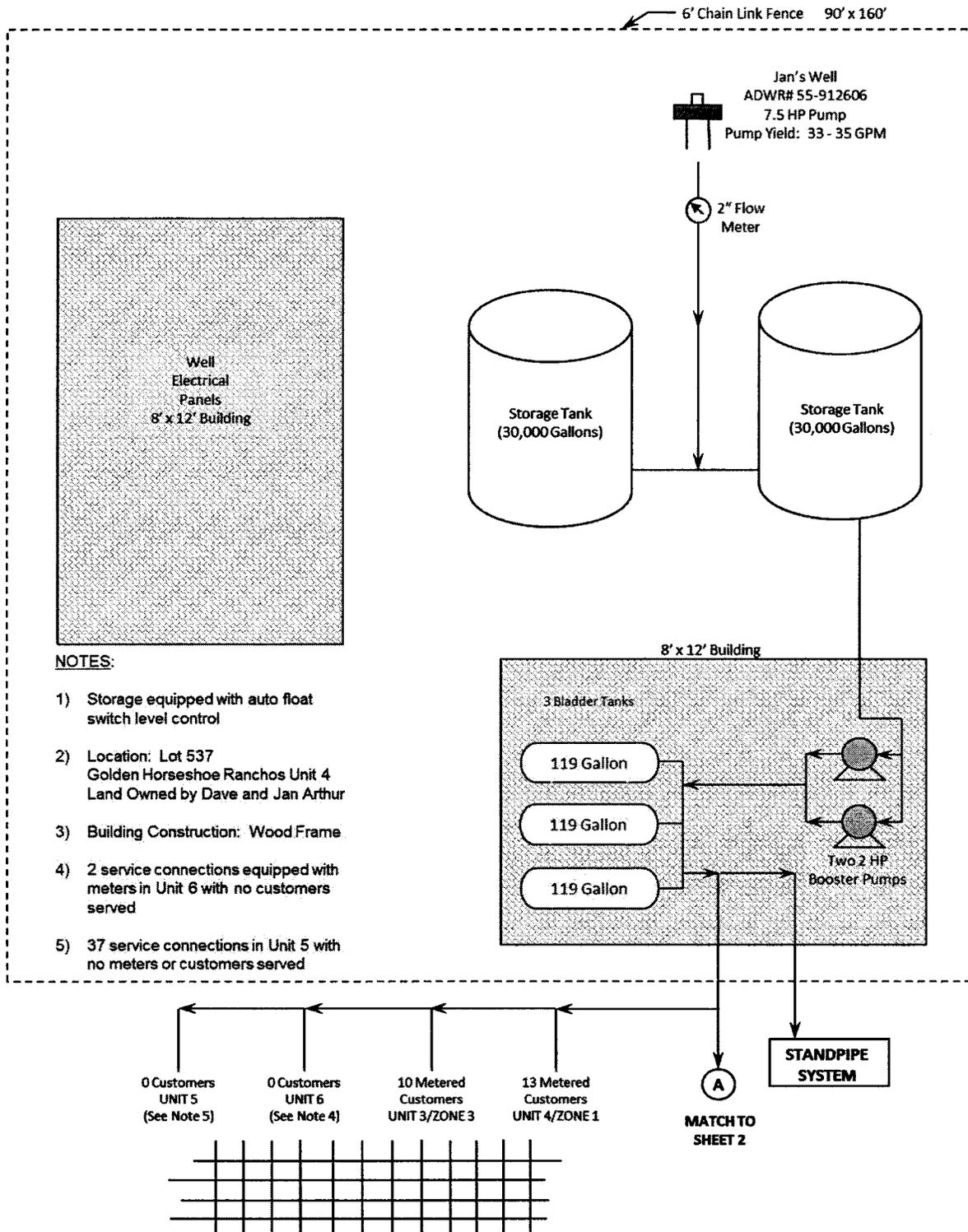


NOTES:

- 1) Location: Lot 543
 Golden Horseshoe Ranchos Unit 1
 Land 99 Year Lease
- 2) Building used for Storage and Workbench
- 3) Building Construction: Wood Frame
- 4) The Company estimates that there are approximately 50 connections equipped with meters in Unit 1 with no customers served
- 5) The Company has a portable chlorinator it uses when needed

Figure 3A. Water System Schematic

SCHEMATIC OF WHITE HILLS WATER COMPANY, INC. UNITS 346
PWSID NO. 08-039
SHEET 1 OF 2

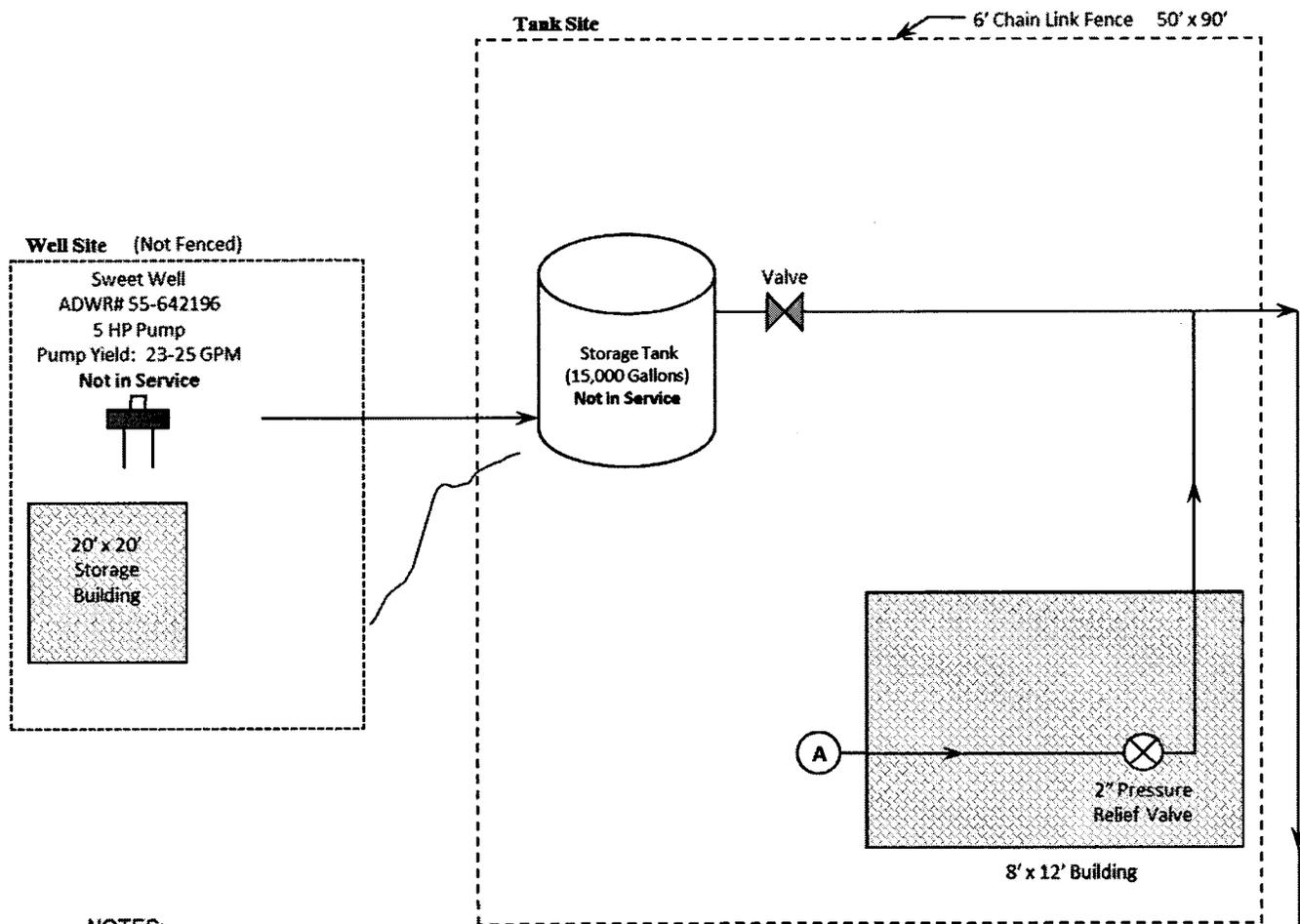


NOTES:

- 1) Storage equipped with auto float switch level control
- 2) Location: Lot 537
Golden Horseshoe Ranchos Unit 4
Land Owned by Dave and Jan Arthur
- 3) Building Construction: Wood Frame
- 4) 2 service connections equipped with meters in Unit 6 with no customers served
- 5) 37 service connections in Unit 5 with no meters or customers served

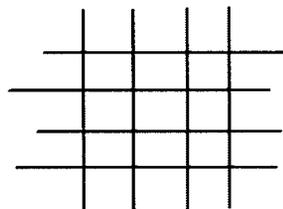
Figure 3B. Water System Schematic

SCHEMATIC OF WHITE HILLS WATER COMPANY, INC. UNITS 346
PWSID NO. 08-039
SHEET 2 OF 2



NOTES:

- 1) Location of Well: Lots 533 & 534
 Golden Horseshoe Ranchos Unit 4
 Land Deeded to Water Company
- 2) Location of Storage Tank: Lot 521
 Golden Horseshoe Ranchos Unit 4
 Land 99 Year Lease
- 3) Tank Equipped with Solar Powered Auto
 Level Control
- 4) Building Construction: Wood Frame



← To Distribution System
 25 Metered Customers
 UNIT 4/ZONE 2

Figure 3C. Water System Schematic

C. WATER USE

Water Sold

PWS #08-039

Figure 4A represents the water consumption data provided by White Hills for the test year ending December 31, 2012. Customer consumption included a high monthly water use of 96 gallons per day (“gpd”) per connection in May, and the low water use of 47 gpd per connection in January. The average daily demand during the twelve-month period was approximately 67 gpd per connection.

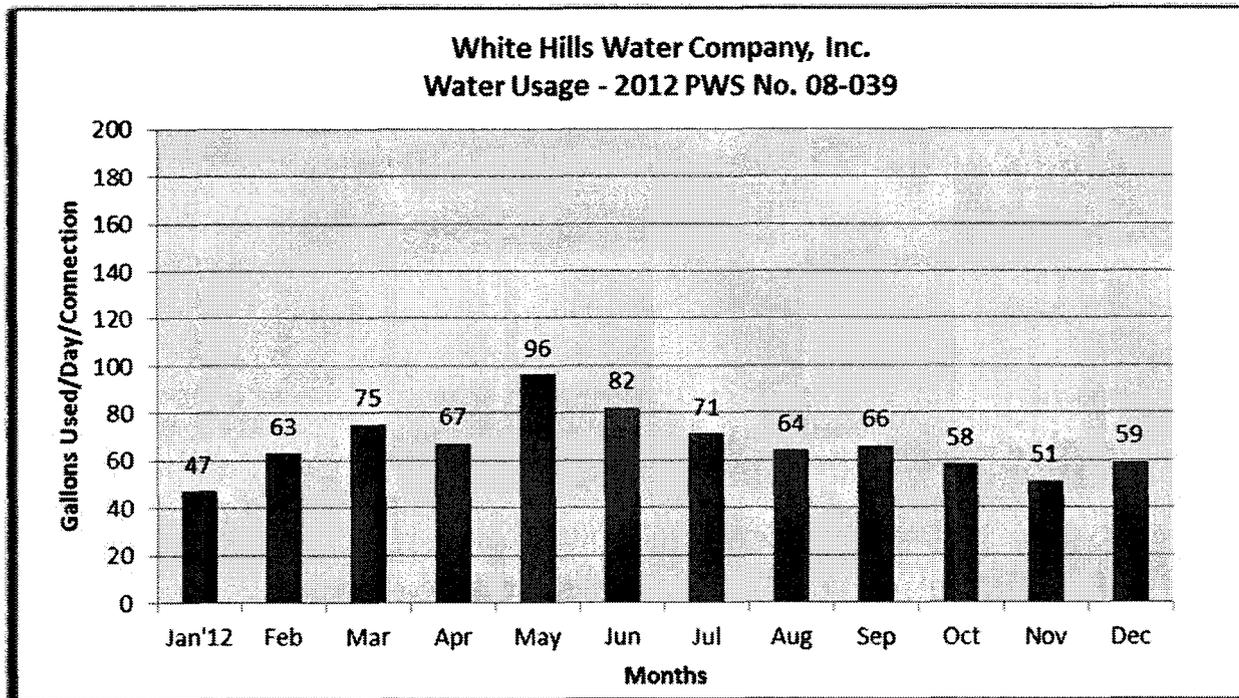


Figure 4A. Water Use

PWS #08-149

Figure 4B represents the water consumption data provided by White Hills for the test year ending December 31, 2012. Customer consumption included a high monthly water use of 182 gallons per day gpd per connection in September, and the low water use of 65 gpd per connection in February. The average daily demand during the twelve-month period was approximately 116 gpd per connection.

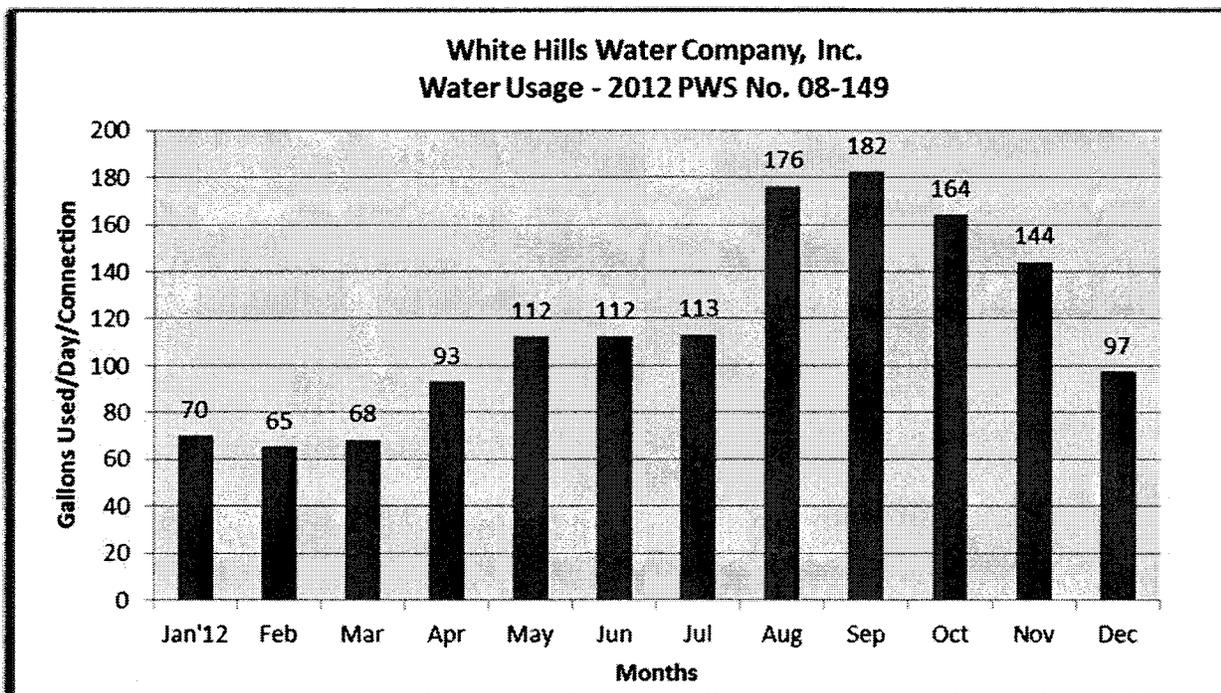


Figure 4B. Water Use

Non-accounted For Water

Non-accounted for water should be 10 percent or less. It is important to be able to reconcile the difference between water sold and the water produced by the source. A water balance will allow a company to identify water and revenue losses due to leakage, theft, and flushing. Non-accounted for water could not be calculated for White Hills because of a lack of sufficient data.

Staff noted during its review of the water use data sheets in the Company's annual reports for the test year and prior years that the amount of water pumped by the Company's wells was missing, it does not appear this information was recorded and tracked even though the Company's wells are equipped with meters.

Staff recommends that White Hills monitor water use for both systems and report water losses on a monthly basis in its Annual Reports to the Commission.⁵ The Company shall coordinate the reading from the well production meters and individual customer meters and report the results per system in its Annual Reports going forward. Staff further recommends that if the reported water loss is greater than 10 percent for either system White Hills shall prepare a water loss reduction report containing a detailed analysis and plan to reduce water loss to 10

⁵ White Hills shall collect the data needed to accurately complete the water use data sheets contained in the Annual Report form.

percent or less for that particular system. If White Hills believes it is not cost effective to reduce the water loss to less than 10 percent, White Hills should submit a detailed cost benefit analysis to support its opinion. In no case shall the White Hills allow water loss to be greater than 15 percent for either system. The water loss reduction report or the detailed cost benefit analysis, whichever is submitted per this recommendation, shall be docketed as a compliance item no later than April 30th of the year following the excessive water loss.

System Analysis

PWS #08-039

This water system has one well that produces water at a rate of approximately 33 gallons per minute (“gpm”). The system has two 30,000-gallon storage tanks. There are no fire hydrants in the distribution system, and the system is not subject to a formal fire flow requirement.

During the peak month, May 2012, the water system was serving 52 connections and a standpipe when White Hills reported 155,450 gallons of water sold. Average daily demand for the month of May 2012 was determined to be 5,015 gpd. Staff concludes that the White Hills water system has adequate production and storage capacity to serve the present customer base and any reasonable growth.

PWS #08-149

This water system has one active well that produces water at a rate of approximately 23 gpm. The water system has one 20,000-gallon storage tank. There are no fire hydrants in the distribution system, and the system is not subject to a formal fire flow requirement.

During the peak month, September 2012, the water system was serving 37 connections and a standpipe when White Hills reported 201,854 gallons of water sold. Average daily demand for the month of May 2012 was determined to be 6,728 gpd. Staff concludes that the White Hills water system has adequate production and storage capacity to serve the present customer base and any reasonable growth.

D. GROWTH

The number of metered connections remained the same between 2009 and 2012. White Hills reported a total of 92 metered connections during this period.⁶ White Hills currently serves only residential customers, the Company does not expect any commercial development in its service area. The Company anticipates that growth will occur in the area when economic conditions improve but no change in the customer base is expected until then.

⁶ Staff’s historical growth figures are based on the data reported by White Hills in its annual reports submitted to the Commission.

E. ADEQ COMPLIANCE

Compliance

ADEQ regulates the White Hills water systems under ADEQ PWS Nos. 08-039 and 08-149. ADEQ Compliance Status Reports, dated October 13, 2013, indicate that the White Hills water systems have no major monitoring or reporting deficiencies, and are currently delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and Arizona Administrative Code, Title 18, Chapter 4.

Water Testing Expense

In addition to Total Coliform and Lead & Copper, both of White Hill's water systems are subject to mandatory participation in the Monitoring Assistance Program ("MAP").⁷ PWS #08-149 is also required to test for Arsenic once per year. The Company reported water testing expenses of \$1,891.95 (including the MAP fee) during the test year. The monitoring and testing expenses, that were reviewed, evaluated, and recalculated by Staff, are represented in Table B for PWS #08-039 and PWS #08-149. Staff recommends an annual water testing expense of \$1,558 be used for purposes of this application.

Table B. Water Testing Costs

Monitoring PWS #08-039	Cost per Test	Quantity of Tests per 3 years	Annual Testing Cost
Total Coliform	\$20	36	\$240
MAP – IOCs, Radiochemical, Nitrate, Nitrite, Asbestos, SOCs, & VOCs	MAP	MAP	\$382 (Note 1)
Lead & Copper	\$45	15 (Note 2)	\$225
Total Annual Cost	-	-	\$847
Monitoring PWS #08-0149	Cost per Test	Quantity of Tests per 3 years	Annual Testing Cost
Total Coliform	\$20	36	\$240
MAP – IOCs, Radiochemical, Nitrate, Nitrite, Asbestos, SOCs, & VOCs	MAP	MAP	\$350 (Note 3)
Lead & Copper	\$45	5 (Note 4)	\$75
Arsenic/Metal Preparation	\$46	3 (Note 5)	\$46
Total Annual Cost	-	-	\$711
Total Annual Costs (PWS #08-039 & #08-149)	-	-	\$1,558

1) The ADEQ MAP invoice for Calendar Year 2012 was \$381.52, 2) Assumes lead and copper testing will remain at five (5) tests annually, 3) The ADEQ MAP invoice for Calendar Year 2012 was \$350.43, 4) Assumes lead and copper testing will remain at five (5) tests triennially, 5) Assumes Arsenic will remain at one (1) test per year.

⁷ The MAP program is mandatory for water systems, which serve less than 10,000 persons (approximately 3,300 service connections).

Certified Operator Fees

The certified operator charges the Company \$100 per system per month totalling \$200 per month. The operator drives from Bullhead City each month to take the monthly microbiological samples to the lab and does any other testing as required, plus the other duties of a certified operator. Engineering Staff finds the certified operator fee of \$200 per month reasonable especially given the remote location of this water company.

F. ARIZONA DEPARTMENT OF WATER RESOURCES (“ADWR”) COMPLIANCE

The White Hills service area is not located within an ADWR Active Management Area. ADWR has determined that White Hills is currently in compliance with departmental requirements governing water providers and/or community water systems.⁸

G. ACC COMPLIANCE

A check of the Utilities Division Compliance Section database showed that there are currently no delinquent Commission compliance items for White Hills.⁹

H. DEPRECIATION RATES

Staff’s typical and customary depreciation rates, which vary by National Association of Regulatory Utility Commissioners (“NARUC”) plant categories, are illustrated in Table C. These rates represent typical and customary values within a range of anticipated equipment life. Staff recommends that White Hills use the depreciation rates presented in Table C.

⁸ Per ADWR Water Provider Compliance Status Report dated September 17, 2013.

⁹ Per Compliance Section email dated October 2, 2013.

Table C. Depreciation Rate Table for Water Companies

NARUC Acct. No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
304	Structures & Improvements	30	3.33
305	Collecting & Impounding Reservoirs	40	2.50
306	Lake, River, Canal Intakes	40	2.50
307	Wells & Springs	30	3.33
308	Infiltration Galleries	15	6.67
309	Raw Water Supply Mains	50	2.00
310	Power Generation Equipment	20	5.00
311	Pumping Equipment	8	12.5
320	Water Treatment Equipment		
320.1	Water Treatment Plants	30	3.33
320.2	Solution Chemical Feeders	5	20.00
320.3	Point-of-Use Treatment Devices	10	10.00
330	Distribution Reservoirs & Standpipes		
330.1	Storage Tanks	45	2.22
330.2	Pressure Tanks	20	5.00
331	Transmission & Distribution Mains	50	2.00
333	Services	30	3.33
334	Meters	12	8.33
335	Hydrants	50	2.00
336	Backflow Prevention Devices	15	6.67
339	Other Plant & Misc Equipment	15	6.67
340	Office Furniture & Equipment	15	6.67
340.1	Computers & Software	5	20.00
341	Transportation Equipment	5	20.00
342	Stores Equipment	25	4.00
343	Tools, Shop & Garage Equipment	20	5.00
344	Laboratory Equipment	10	10.00
345	Power Operated Equipment	20	5.00
346	Communication Equipment	10	10.00
347	Miscellaneous Equipment	10	10.00
348	Other Tangible Plant	---	-----

I. OTHER ISSUES

1. Service Line and Meter Installation Charges

White Hills has proposed to increase its existing service line and meter installation charges.¹⁰ The proposed charges are refundable advances (refunding is required over ten years independent of the revenue generated). Since White Hills may at times install meters on existing service lines, it would be appropriate for some customers to only be charged for the meter installation.

Staff recommends that meter sizes 3-inches and larger be priced at cost. In addition, at cost pricing would apply if installation requires the use of heavy equipment such as a backhoe or involves crossing an improved road. Staff further recommends that the service line and meter installation charges listed under “Staff’s Recommendation” in Table D be adopted.

Table D. Service Line and Meter Installation Charges

Meter Size	Company Proposed				Staff’s Recommendation		
	Company Current Tariff	Service Line Charge	Meter Charge	Total Charge	Service Line Charge	Meter Charge	Total Charge (Note 1)
5/8 x 3/4-inch	\$100	\$1,200	\$350	\$1,550	\$565	\$158	\$723
3/4-inch	\$120	-	-	-	\$565	\$260	\$825
1-inch	\$160	-	-	-	\$629	\$321	\$950
1-1/2-inch	\$300	-	-	-	\$699	\$536	\$1,235
2-inch Turbine	\$400	\$1,200	\$1,500	\$2,700	\$1,054	\$1,066	\$2,120
3-inch Turbine	-	-	-	-	-	-	At Cost
4-inch Turbine	-	-	-	-	-	-	At Cost
6-inch Turbine	-	-	-	-	-	-	At Cost

Notes: 1) At cost pricing would apply if installation requires the use of heavy equipment such as a backhoe or involves crossing an improved road.

2) At cost pricing would apply for meter sizes larger than two inches.

2. Curtailment Tariff

White Hills has an approved Curtailment Tariff on file with the Commission.

3. Backflow Prevention Tariff

White Hills has an approved Backflow Prevention Tariff on file with the Commission.

¹⁰ The Company’s current charges were approved in Decision No. 54305 and became effective February 1, 1985.

4. Best Management Practices ("BMP") Tariff

Based on discussion with Staff, White Hills has selected three tariffs for implementation in its service area. The three proposed tariffs include the Public Education Program Tariff, 2.3 (New Homeowner Landscape Information Tariff) and 5.2 (Water System Tampering Tariff). Staff concludes that these BMP Tariffs are relevant to White Hills' service area. Staff recommends approval of the three BMP tariffs selected, attached hereto as Exhibit A.

Staff further recommends that White Hills notify its customers, in a form acceptable to Staff, of the BMP Tariffs approved by the Commission and their effective date by means of either an insert in the next regularly scheduled billing or by a separated mailing and shall provide copies of the BMP Tariffs to any customer upon request. Staff will file a letter in the Docket confirming that White Hills' tariffs have been updated with the tariffs approved by the Commission. The tariffs shall go into effect 30 days after the date notice is sent to customers. White Hills may request cost recovery of the actual costs associated with the BMPs implemented in its next general rate application.

5. Clarification of Certain Plant Additions

The bills for services provided by Mohave Engineering Associates ("MEA") totaling \$16,087 (\$11,359 + \$4,728) are for engineering 'as-built' drawings and documentation which were needed to bring the water system(s) into compliance with ADEQ. Engineering Staff finds the charges for MEA services reasonable and appropriate.

J. CC&N APPLICATION (DOCKET NO. W-01982A-14-0009)

Introduction

The Commission in Decision No. 65649, dated February 18, 2003, rescinded White Hills' CC&N granted in Decision No. 38386 due to the Company's failure to file its 2001 Utility Annual Report. On August 29, 2013, the Company filed in Docket No. W-01982A-13-0285 a request for reinstatement of the CC&N revoked in Decision No. 65649 stating that all annual reports had been submitted. On January 10, 2014, the Company filed an application in Docket No. W-01982A-14-0009 to extend its CC&N to include Golden Horseshoe Ranchos Subdivision Unit 1 the Company has been serving Unit 1 since 1998. The Company also requested to extend its CC&N to include a portion of Section 19 Township 27 North, Range 19 West in Mohave County, Arizona (referred to as Golden Horseshoe Ranchos Subdivision Unit 5). The proposed Unit 5 extension area includes specific lots where facilities have been installed at the developer's expense to serve the lots when economic conditions improve and the lots are sold. The Company again requested reinstatement of the CC&N revoked in Decision No. 65649. Staff filed its letter of sufficiency in Docket No. W-01982A-14-0009 on February 7, 2014. Since the Company is seeking all of the CC&N area in this Docket that is sought in Docket No. W-01982A-13-0285, Docket No. W-01982A-13-0285 was administratively closed on February 28, 2014.

Staff's Review and Conclusions

The Company provided Staff with maps of the Golden Horseshoe Ranchos Subdivision and the White Hills water system. These maps were prepared by MEA (engineering consultants to the Company). The maps show the location of existing customers and the Company's distribution system facilities. Facilities that have been installed to serve future customers are also show on these maps. As previously discussed in this report, Staff concludes that White Hills has adequate production and storage capacity to serve the present customer base and reasonable growth. The owners of the Company live Maricopa County and must commute several hours one-way by car when issues arise that need their immediate attention. Local resources are very limited and most contractors commute from the Kingman area which adds significantly to Company expenses. The Company anticipates that growth will occur in the area when economic conditions improve but no change in the customer base is expected until then.

The Utilities Division mapping section issued its memorandum for the White Hills CC&N application in Docket No. W-01982A-14-0009 on February 4, 2014. Attachment C to the memorandum is a map of Staff's recommended CC&N service area and Attachment C-2 is the associated legal description. Staff's recommended CC&N includes areas where the Company has existing customers or where facilities have been installed at the developer's expense to serve specific lots. Staff recommends including the specific lots of Unit 5 extension area even though there are no existing customers served by the Company in that area.

EXHIBIT A

BEST MANAGEMENT PRACTICES (BMPs)

Company: White Hills Water Company, Inc.

Decision No.: _____

Phone: 480-981-0559

Effective Date: _____

Public Education Program Tariff

PURPOSE

A program for the Company to provide free written information on water conservation measures to its customers and to remind them of the importance of conserving water (Required Public 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 shall provide two newsletters to each customer; one to be provided in the spring, the other in the fall. The goal of the letters is to provide timely information to customers in preparation of the hot summer months, and the cold winter months, in regards to their water uses. The Company shall remind customers of the importance of water conservation measures and inform them of the information available from the Company.
2. Information in the newsletters shall include water saving tips, home preparation recommendations for water systems/pipes, landscape maintenance issues for summer and winter, water cistern maintenance reminders and additional pertinent topics. Where practical, the Company shall make this information available in digital format which can be e-mailed to customers upon request or posted on the Company's website.
3. Communication channels shall include one or more of the following: water bill inserts, messages on water bills, Company web page, post cards, e-mails and special mailings of print pieces, whichever is the most cost-effective and appropriate for the subject at hand.
4. Free written water conservation materials shall be available in the Company's business office and the Company shall send information to customers on request.
5. The Company may distribute water conservation information at other locations such as libraries, chambers of commerce, community events, etc., as well.
6. The Company shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of each communication channel (i.e., the way messages will be provided) and the number of times it has been used.
 - b. The number of customers reached (or an estimate).
 - c. A description of the written water conservation material provided free to customers.

Company: White Hills Water Company, Inc.

Decision No.: _____

Phone: 480-981-0559

Effective Date: _____

New Homeowner Landscape Information Tariff – BMP 2.3

PURPOSE

A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.3: New Homeowner Landscape Information).

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. Upon establishment of water service the Company shall provide a free "Homeowner Landscape Packet" to each new customer in the Company's service area. The packet will include at a minimum: a cover letter describing the water conservation expectations for all customers in the Company's service area, all applicable tariffs, a basic interior-exterior water saving pamphlet, xeriscape landscape information, and information on where to find low water use plant lists, watering guidelines, and a rain water harvesting pamphlet.
2. Upon customer request, the Company shall provide:
 - a. On-site consultations on low water use landscaping and efficient watering practices.
 - b. A summary of water saving options.
3. The number of packets provided to new customers will be recorded and made available to the Commission upon request.

Company: White Hills Water Company, Inc.

Decision No.: _____

Phone: 480-981-0559

Effective Date: _____

WATER SYSTEM TAMPERING TARIFF – BMP 5.2

PURPOSE

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Company shall provide to all its customers, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.

If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

MEMORANDUM

TO: Blessing Chukwu
Executive Consultant III
Utilities Division

FROM: Lori H. Miller *LHM*
GIS Specialist
Utilities Division

THRU: Del Smith *DS*
Engineering Supervisor
Utilities Division

DATE: February 4, 2014

RE: **WHITE HILLS WATER COMPANY, INC. (DOCKET NO. W-01982A-14-0009)**

The area requested by White Hills ("Company") for reinstatement of its CC#N has been plotted as follows:

- Attachment A is the Company's original CC#N before revocation.
- Attachment B is the area the Company is requesting for its CC#N. The legal description is the one filed in the Company's application, but for purposes of this memo, is labeled as Attachment B-2.
- Attachment C is Staff's recommended CC#N service area with map and legal description (Attachment C-2).

/lhm

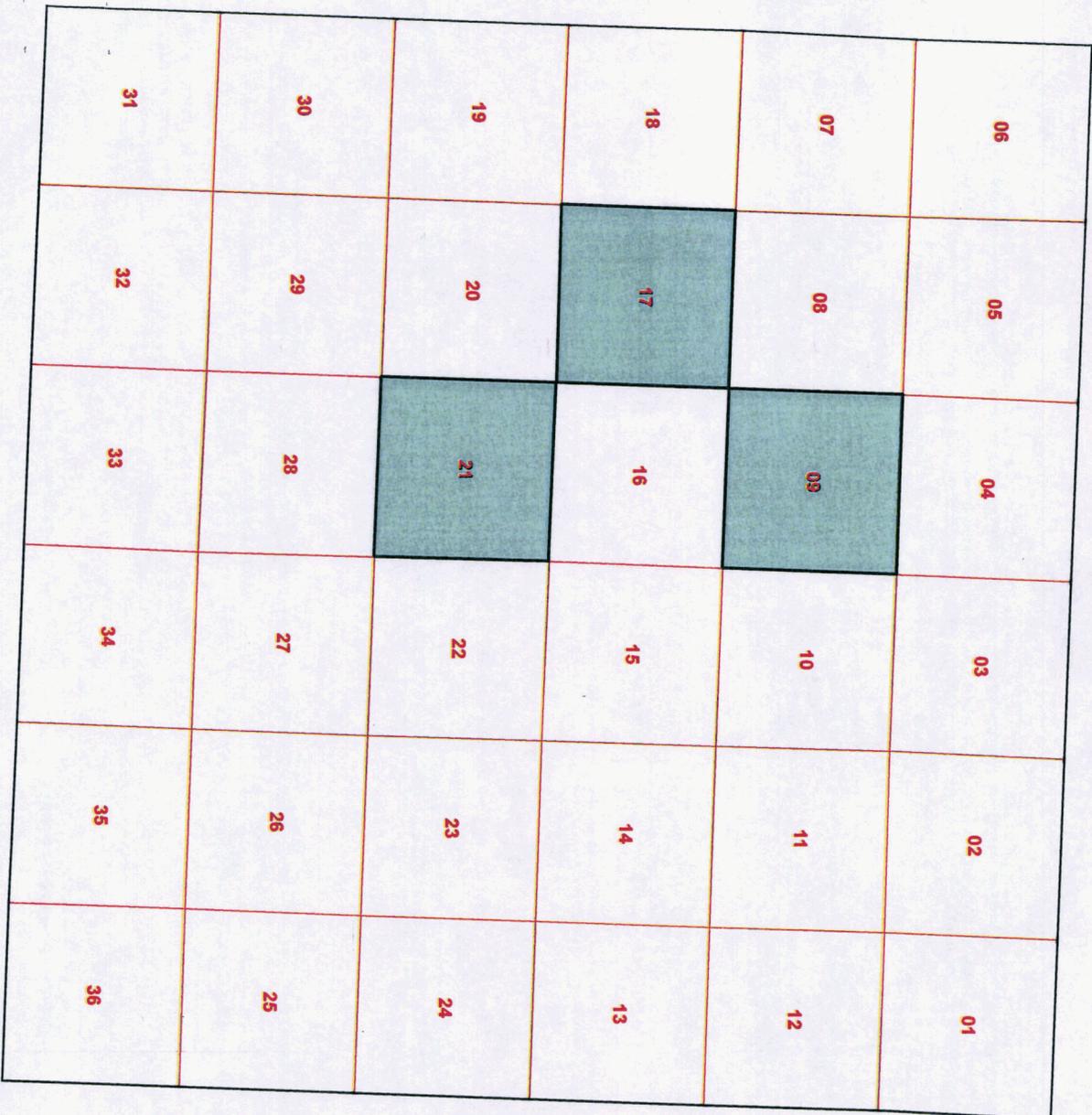
Attachment

cc: Mr. and Mrs. David Arthur
Mr. Del Smith
Ms. Deb Person (Hand Carried)
File

MOHAVE COUNTY

Map No. 28

RANGE 19 West



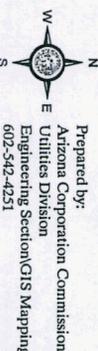
TOWNSHIP 27 North



W-01982A (1)

White Hills Water Company, Inc.
Original CC&N revoked by Decision No. 65649

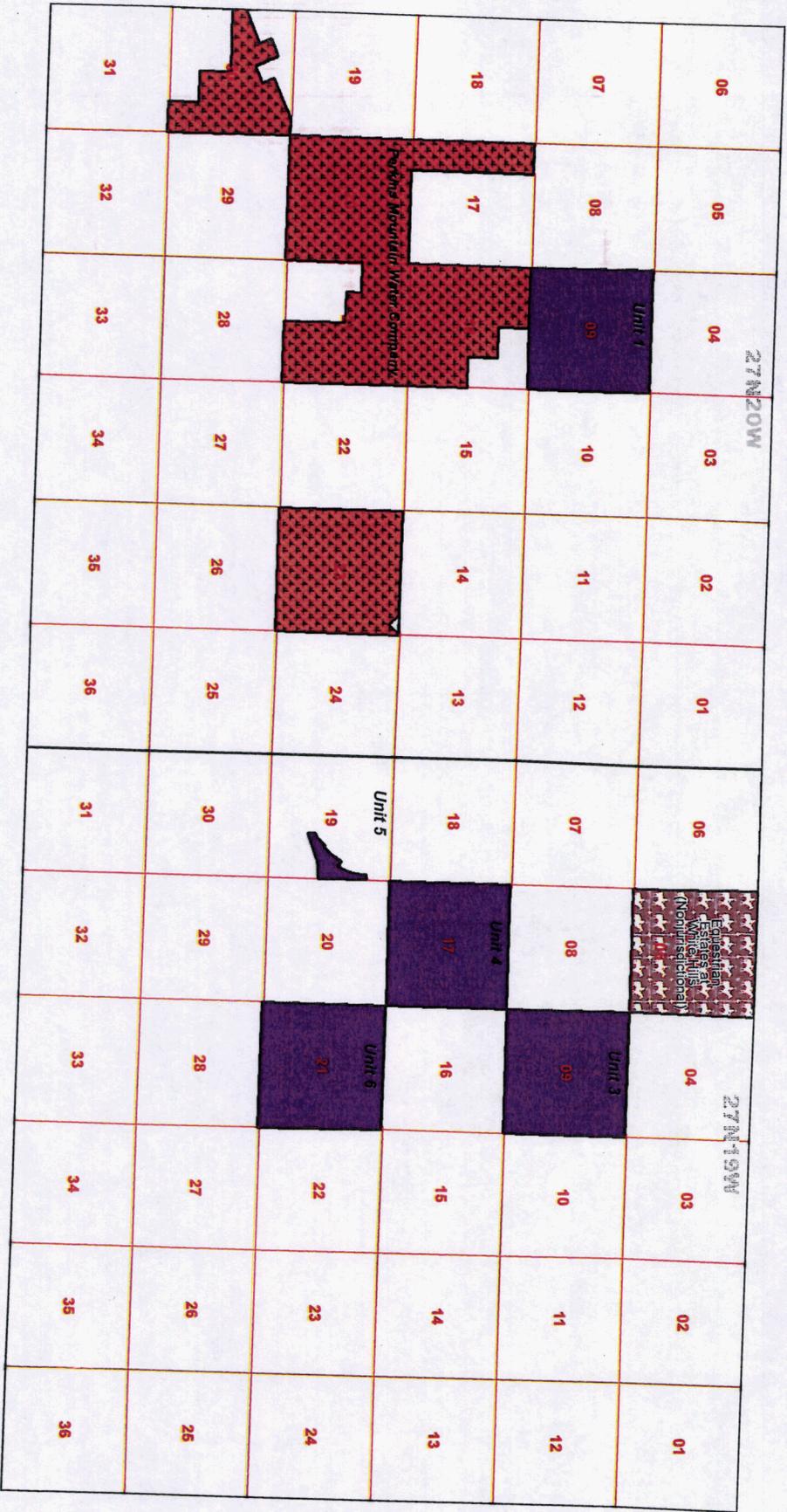
Attachment A



Prepared by:
Arizona Corporation Commission
Utilities Division
Engineering Section/GIS Mapping
602-542-4251

Pursuant to ARS § 39-121.03 this map is 'Not for Commercial Use'

MOHAVE COUNTY



Company Requested Area

Attachment B

WHITE HILLS WATER COMPANY
DOCKET NO. W-01982A-13-0285
LEGAL DESCRIPTION

All of **Section 9** (Golden Horseshoe Ranchos **Unit 3**), all of **Section 17** (Golden Horseshoe Ranchos **Unit 4**) and all of **Section 21** (Golden Horseshoe Ranchos **Unit 6**), Township 27 North, Range 19 West, and all of **Section 9** (Golden Horseshoe Ranchos **Unit 1**) Township 27 North, Range 20 West, of the Gila and Salt River Base and Meridian, Mohave County, Arizona.

That portion of **Section 19** (Golden Horseshoe Ranchos **Unit 5** – Lots 272 through 307), Township 27 North, Range 19 West, further described as follows:

Beginning at the Northeast corner of said Section 19;

Thence S 00° 00' 30" W a distance of 981.91 feet to a point on the east section line;

Thence West a distance of 35 feet to the northeast corner of Lot 272 and the POINT OF BEGINNING;

Thence West a distance of 232.80 feet to the beginning of a curve to the right having a radius of 2267.63 feet, an angle of 30°, and a tangent direction of S 00° 00' 30" W;

Thence S 30° 00' W a distance of 79.38 feet;

Thence N 60° 00' W a distance of 250 feet;

Thence S 30° 00' W a distance of 117.70 feet to the beginning of a curve to the right having a radius of 1139.36 feet and an angle of 15°;

Thence S 45° 00' W a distance of 490.41 feet to the beginning of a curve to the right having a radius of 30 feet and a length of 77.43 feet;

Thence S 42° 53' W a distance of 508.21 feet;

Thence S 72° 10' W a distance of 237.14 feet;

Thence South a distance of 293.71 feet;

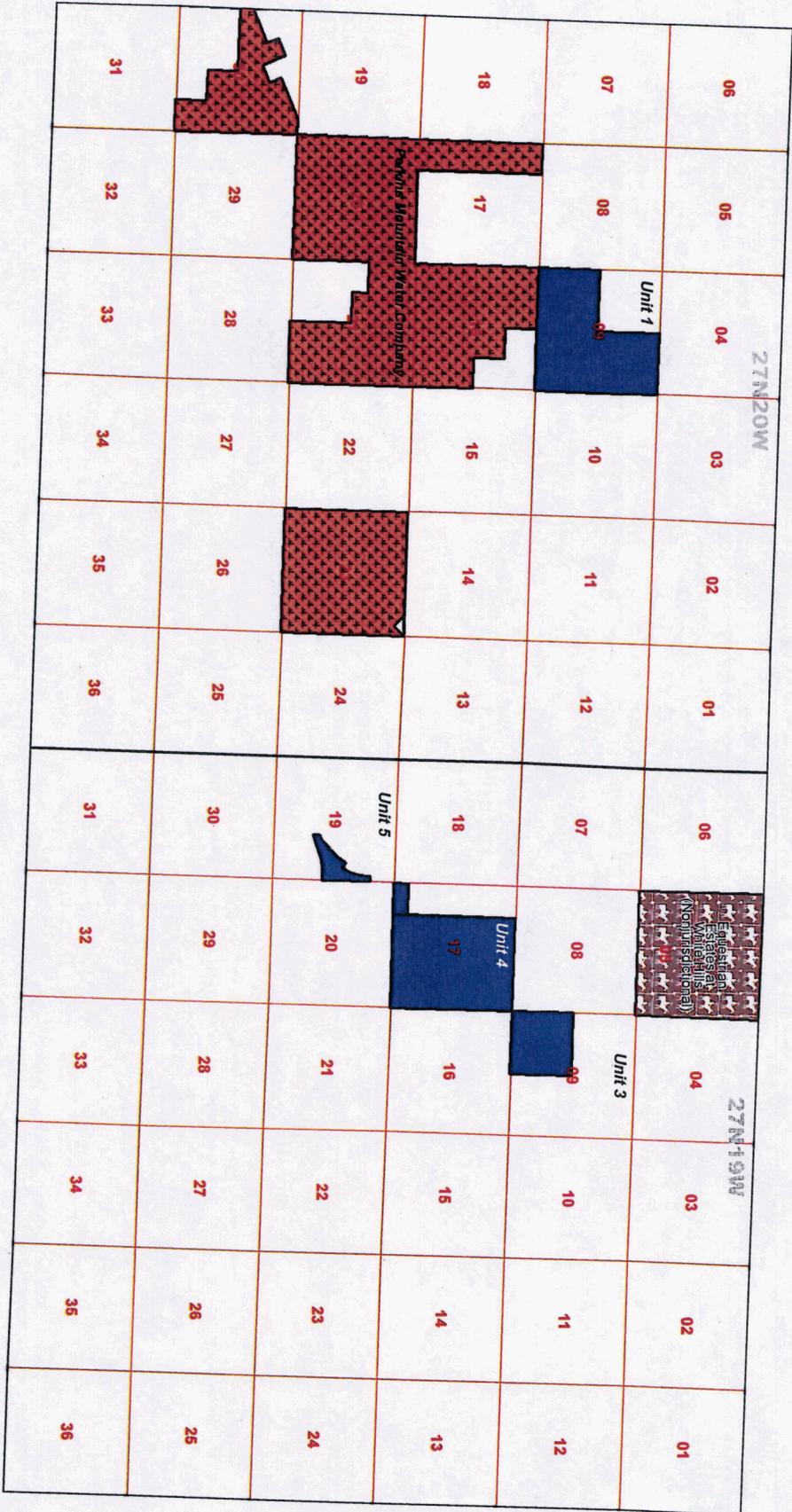
Thence N 72° 10' E a distance of 1150.61 feet to the beginning of a curve to the right having a radius of 1274.75 feet and an angle of 17° 50';

Thence East a distance of 459.00 feet;

Thence N 01° 14' 30" E a distance of 361.43 feet;

Thence N 00° 00' 30" E a distance of 1682.04 feet, more or less, to the POINT OF BEGINNING.

MOHAWE COUNTY



Staff Recommended Area

WHITE HILLS WATER COMPANY
DOCKET NO. W-01982A-13-0285
STAFF'S RECOMMENDED LEGAL DESCRIPTION

The Southwest Quarter of **Section 9** (Golden Horseshoe Ranchos **Unit 3**), the East Half and East Half of the West Half and the South Half of the Southwest Quarter of the Southwest Quarter of **Section 17** (Golden Horseshoe Ranchos **Unit 4**), Township 27 North, Range 19 West, and the East Half and the Southwest Quarter of **Section 9** (Golden Horseshoe Ranchos **Unit 1**) Township 27 North, Range 20 West, of the Gila and Salt River Base and Meridian, Mohave County, Arizona.

That portion of **Section 19** (Golden Horseshoe Ranchos **Unit 5** – Lots 272 through 307), Township 27 North, Range 19 West, further described as follows:

Beginning at the Northeast corner of said Section 19;

Thence S 00° 00' 30" W a distance of 981.91 feet to a point on the east section line;

Thence West a distance of 35 feet to the northeast corner of Lot 272 and the POINT OF BEGINNING;

Thence West a distance of 232.80 feet to the beginning of a curve to the right having a radius of 2267.63 feet, an angle of 30°, and a tangent direction of S 00° 00' 30" W;

Thence S 30° 00' W a distance of 79.38 feet;

Thence N 60° 00' W a distance of 250 feet;

Thence S 30° 00' W a distance of 117.70 feet to the beginning of a curve to the right having a radius of 1139.36 feet and an angle of 15°;

Thence S 45° 00' W a distance of 490.41 feet to the beginning of a curve to the right having a radius of 30 feet and a length of 77.43 feet;

Thence S 42° 53' W a distance of 508.21 feet;

Thence S 72° 10' W a distance of 237.14 feet;

Thence South a distance of 293.71 feet;

Thence N 72° 10' E a distance of 1150.61 feet to the beginning of a curve to the right having a radius of 1274.75 feet and an angle of 17° 50';

Thence East a distance of 459.00 feet;

Thence N 01° 14' 30" E a distance of 361.43 feet;

Thence N 00° 00' 30" E a distance of 1682.04 feet, more or less, to the POINT OF BEGINNING.