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1 COMMISSIONERS

- 2 BOB STUMP – Chairman
- 3 GARY PIERCE
- 4 BRENDA BURNS
- 5 BOB BURNS
- 6 SUSAN BITTER SMITH

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE APPLICATION
9 OF MONTEZUMA RIMROCK WATER
10 COMPANY, LLC FOR APPROVAL OF
11 FINANCING TO INSTALL A WATER LINE
12 FROM THE WELL ON TIEMAN TO WELL
13 NO. 1 ON TOWERS.

Docket No. W-04254A-12-0204

14 IN THE MATTER OF THE APPLICATION
15 OF MONTEZUMA RIMROCK WATER
16 COMPANY, LLC FOR APPROVAL OF
17 FINANCING TO PURCHASE THE WELL
18 NO. 4 SITE AND THE COMPANY
19 VEHICLE.

Docket No. W-04254A-12-0205

20 IN THE MATTER OF THE APPLICATION
21 OF MONTEZUMA RIMROCK WATER
22 COMPANY, LLC FOR APPROVAL OF
23 FINANCING FOR AN 8,000-GALLON
24 HYDRO-PNEUMATIC TANK.

Docket No. W-04254A-12-0206

25 IN THE MATTER OF THE RATE
26 APPLICATION OF MONTEZUMA
RIMROCK WATER COMPANY, LLC.

Docket No. W-04254A-12-0207

27 JOHN E. DOUGHERTY,
28
29 COMPLAINANT,
30
31 V.
32 MONTEZUMA RIMROCK WATER
33 COMPANY, LLC
34
35 RESPONDENT

Docket No. W-04254A-11-0323

Arizona Corporation Commission

DOCKETED

MAY 09 2014

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1 IN THE MATTER OF THE APPLICATION
2 OF MONTEZUMA RIMROCK WATER
3 COMPANY, LLC FOR APPROVAL OF A
RATE INCREASE.

Docket No. W-04254A -08-0361

4 IN THE MATTER OF THE APPLICATION
5 OF MONTEZUMA RIMROCK WATER
6 COMPANY, LLC FOR APPROVAL OF A
7 FINANCING APPLICATION.

Docket No. W-04254A -08-0362

8 **MONTEZUMA RIMROCK WATER COMPANY'S COMMENTS AND**
9 **PROPOSED CONDITIONS**

10 Following the April 8, 2014 open meeting, Montezuma Rimrock Water Company
11 ("MRWC" or "Company") submits the following comments and proposed conditions
12 relating to the Recommended Opinion and Order dated March 26, 2014. Based on the
13 underlying record, the evidence is undisputed that MRWC is providing safe, reliable and
14 adequate water service to customers. In fact, as testified by Commission Staff, Ms. Olsen
15 and MRWC have dramatically improved water service to customers, including
16 compliance with arsenic standards for drinking water. MRWC also understands the
17 Commission's concerns with the Company's accounting and book keeping practices. On
18 that issue, MRWC has contacted Sterling Financial Services to assist the Company with
19 its book keeping and accounting practices. MRWC has attached the April 10, 2014 letter
20 from Sterling Financial as Exhibit A.

21 As such, MRWC proposes that the Commission approve the Recommended
22 Opinion and Order with an additional requirement that MRWC retain an independent
23 professional accountant, subject to Commission Staff approval, to review the Company's
24 books and maintain them in accordance with applicable requirements. MRWC also would
25 be willing to have that professional accountant provide semi-annual reports to the
26 Commission verifying the accuracy of the Company's books and financing documents to

1 allow the Commission adequate oversight relating to the Company's financial
2 documentation.

3 RESPECTFULLY SUBMITTED this 9th day of May, 2014.

4

FENNEMORE CRAIG

5

6

By 

Todd C. Wiley
2394 E. Camelback Road, Suite 600
Phoenix, AZ 85016
Attorneys for Montezuma Rimrock Water
Company, LLC.

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An original and 13 copies
11 of the foregoing was filed
12 this 9th day of May, 2014,
with:

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

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A copy of the foregoing
was hand delivered/mailed/emailed this
9th day of May, 2014, to:

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18

Sarah N. Harpring
Administrative Law Judge
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

19

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Charles Hains
Wes Van Cleve
Legal Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

21

22

23

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25



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Steve Olea
Utilities Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

John E. Dougherty, III
P.O. Box 501
Rimrock, Arizona 86335

9109604/028469.0003

EXHIBIT A

STERLING FINANCIAL SERVICES^{LLC}

1865 West SR 89A, Suite C • Sedona, Arizona 86336 • phone 928.282.3684 • fax 928.282.3776 • www.sterlingfinancialaz.com

April 10, 2014

To: Fennemore Craig

Attn: Todd Wiley

From: Marc Sterling, President
Sterling Financial Services, LLC

RE: Patricia Olsen - Montezuma Rimrock Water Co./Bookkeeping & Annual Report

Dear Mr. Wiley,

Ms. Patricia Olsen is a tax client of ours and recently spoke with me in regards to obtaining Sterling Financial Services to begin doing her bookkeeping for the above-referenced water company. I explained to her that we would be willing to do them and that we were very capable of maintaining complete accuracy, as well as keeping in accordance with the NARUC guidelines and completion of the required annual reports.

I also informed her that Cathedral Vista Water Company has been a client of ours for almost a year now and they are also regulated by NARUC and must comply with similar reporting which includes assisting in the preparation of financial statements.

We are an established successful company with over 30 years of experience, having a wide variety of clients and businesses. We can offer her professional qualified services to meet the needs of the water company.

If you have any questions, please feel free to contact me.

Sincerely,



Marc Sterling