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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

BOB STUMP, Chairman
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2014 DEC -9 P 2:54

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
RIO VERDE UTILITIES, INC., TO EXTEND ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR WATER SERVICE TO SERVE
RIO VERDE HIGHLANDS AND PORTIONS OF
RIO VERDE UNITS TEN AND ELEVEN.

DOCKET NO. WS-02156A-14-0401

SUPPLEMENT TO APPLICATION

Rio Verde Utilities, Inc., ("Rio Verde"), hereby files the attached Exhibit 1 as a supplement to its application in the above-captioned docket. The eleven pages of Exhibit 1 should be substituted for the third page of the application titled "Exhibit."

Undersigned counsel inadvertently omitted this Exhibit from the Application and apologizes for any inconvenience he may have caused.

Respectfully submitted on December 9, 2014, by:

Craig A. Marks
Craig A. Marks, PLC
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Craig.Marks@azbar.org
Attorney for Rio Verde Utilities, Inc.

Original and 13 copies filed
on December 9, 2014, with:

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

Arizona Corporation Commission

DOCKETED

DEC 09 2014

DOCKETED BY

EXHIBIT 1

Required Information Supporting Application for an Extension of Certificate of Convenience and Necessity

EXHIBIT 1

ARIZONA CORPORATION COMMISSION

SUPPLEMENTAL INFORMATION SUPPORTING APPLICATION FOR AN EXTENSION CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER

A. The legal name, mailing address and telephone number of the Applicant (Company) is:

Rio Verde Utilities, Inc.
25609 N. Danny Lane, Suite 1
Rio Verde, AZ 85263
480-471-7247

B. If the applicant operates under a "d.b.a." or under a name other than the Applicant (Company) name listed above, specify:

Not Applicable

C. List the full name, mailing address and telephone number of the management contact:

James Thomson, President
Rio Verde Utilities, Inc.
25609 N. Danny Lane, Suite 1
Rio Verde, AZ 85263
480-471-7247

D. List the full name, mailing address and telephone number of the attorney for the Applicant:

Craig A. Marks
Craig A. Marks, PLC
10645 N. Tatum Blvd., Suite 200-676
Phoenix, AZ 85028
(480) 367-1956
Craig.Marks@azbar.org

E. List the full name, mailing address and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the Applicant:

Michael L. Kleminski, General Manager
 Rio Verde Utilities, Inc.
 25609 N. Danny Lane, Suite 1
 Rio Verde, AZ 85263
 480-471-7247

F. List the full name, mailing address and telephone number of the on-site manager of the utility:

Michael L. Kleminski, General Manager
 Rio Verde Utilities, Inc.
 25609 N. Danny Lane, Suite 1
 Rio Verde, AZ 85263
 480-471-7247

G. The Applicant is a:

<input checked="" type="checkbox"/> Corporation:	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> "C", <input type="checkbox"/> "S", <input type="checkbox"/> Non-Profit	<input type="checkbox"/> Limited, <input type="checkbox"/> General
<input checked="" type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

H. If Applicant is a corporation:

1. List full names, titles and mailing addresses of all Officers and Directors:

Officers

John W. Mooty, Chairman
 80 S Eighth St.
 Minneapolis, MN 55402

James Thomson, President
Rio Verde Utilities, Inc.
25609 N. Danny Lane, Suite 1
Rio Verde, AZ 85263

Directors

John W. Mooty, Chairman
80 S Eighth St.
Minneapolis, MN 55402

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.

See Attachment H

3. Attach a certified copy of the Articles of Incorporation.

Not Applicable – CC&N Extension

4. Attach a certified copy of the corporation's By-Laws.

Not Applicable – CC&N Extension

5. If a for-profit corporation, indicate the number of shares of stock authorized for issue:

10,000,000 shares authorized for issue.

6. If stock has been issued, indicate the number of shares issued and date of issue:

2,840,721 shares issued at various times.

- I. If the Applicant is a partnership:

This Section Not Applicable

- J. If the Applicant is a Limited Liability Company:

This Section Not Applicable

- K. List the legal name and mailing address of each other utility in which the applicant has an ownership interest:

None

- L. Attach a legal description of the requested service area, expressed in terms of **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to

parcels and dockets will not be accepted.

See Attachment L

- M. List the name of each county in which the requested extension area is located and a description of the area's location in relation to the closest municipality, which shall be named:

The extension area is located in Maricopa County.

The extension area consists of portions of existing Rio Verde Unit Ten and Rio Verde Unit Eleven.

The extension area is located approximately 5.0 miles north of the Town of Fountain Hills (closest municipality) and approximately 5.5 miles east of the City of Scottsdale.

- N. Attach a complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under R14-2-402 subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met.

The area is within the current water service area of Rio Verde Utilities. No additional facilities are planned or necessary and a preliminary engineering report is not necessary.

- O. Provide the estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof.

The area is within the current water service area of Rio Verde Utilities. No additional facilities are planned or necessary.

- P. Provide documentation establishing the applicant's financial condition, including at least the applicant's current assets and liabilities, an income statement, the applicant's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the applicant's utility plant in service for the first five years following approval of the application

See Attachment P for the 2013 Audited Financial Statements for Rio Verde Utilities, Inc. Since the area is already served by Rio Verde Utilities, the Company will receive no additional revenues and incur no additional expenses. The Company will make no expenditures for plant in service.

- Q. Provide rates proposed to be charged.

Rio Verde Utilities, Inc. will charge its existing rates and charges per tariffs on file with the Commission.

- R. Provide the estimated annual operating revenues and expenses for the first five years of operation for the requested service area or extension area, expressed separately for residential, commercial, industrial, and irrigation services, and including a description of each assumption made to derive the estimates.

Since the area is already served by Rio Verde Utilities, the Company will receive no additional revenues and incur no additional expenses. The financial statements provided as Attachment P, provide the current level of operating revenues and expenses.

- S. Provide a detailed description of the proposed construction timeline for facilities with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction.

Construction of all facilities is complete.

- T. Provide a copy of any requests for service from persons who own land within the proposed extension area, which shall identify the applicant by name.

All landowners within the CC&N extension area are currently water customers of Rio Verde Utilities, Inc. and have previously requested service from Rio Verde Utilities, Inc.

- U. Provide maps of the proposed extension area identifying:

1. The boundaries of the area, with the total acreage noted;

See Maps U1 and U2.

2. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted;

See Map - U3, Sheet 1.

3. The owner of each parcel within the area;

See Map - U3, Sheet 2.

4. Any municipality corporate limits that overlap with or are within five miles of the area;

See Map - U1.

5. The service area of any public service corporation, municipality, or district currently

providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided;

The only water and sewer provider within one mile of the CC&N Extension Area is Rio Verde Utilities, Inc. See Map – U1.

6. The location within the area of any known water service connections that are already being provided service by the applicant;

See Map – U3. All parcels in the CC&N extension area currently receive water service from Rio Verde Utilities, Inc.

7. The location of all proposed developments within the area;

There are no proposed developments within the extension area. The extension area consists of portions of Rio Verde Units 10 and 11 that have been provided water service by Rio Verde Utilities, Inc. for many years.

8. The proposed location of each water system and the principal components described in R14-2-402 subsection (B) (5) (n);

There are no proposed facilities or water systems. The extension area consists of portions of Rio Verde Units 10 and 11 that have been provided water service by Rio Verde Utilities, Inc. for many years.

9. The location of all parcels for which a copy of a request for service has been submitted.

See Map – U3.

- V. Provide a copy of each notice to be sent, as required, to a municipal manager or administrator.

See Attachment V.

- W. A copy of each notice sent, as required, to a landowner not requesting service.

Not Applicable. All landowners within the CC&N Extension Area have requested service from Rio Verde Utilities, Inc. See Paragraph T, above.

- X. For each landowner not requesting service, provide either the written response received from the landowner or, if no written response was received, a description of the actions by the applicant to obtain a written response.

Not Applicable. All landowners within the CC&N Extension Area have requested service from Rio Verde Utilities, Inc. See Paragraph T, above.

- Y. Provide a copy of each city, county, or state agency approval required by law to construct

the proposed facilities or operate the utility within the proposed service area or extension area or, for any approval not yet obtained, the status of the applicant's application for the approval;

1. The franchise from either the City or County for the area requested.

Rio Verde Utilities, Inc. will apply for a franchise extension from Maricopa County.

2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities.

Since no new facilities are required, no approvals are needed from the Arizona Department of Environmental Quality.

3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)

Not Applicable

4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)

Not Applicable

Z. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation. Include documentation to support the estimates.

Residential:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0 Fifth Year 0

There are 52 residential lots either completely or partially within the extension area that currently receive water service.

Commercial:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0 Fifth Year 0

Industrial:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0 Fifth Year 0

Irrigation:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0 Fifth Year 0

AA. Provide a description of how wastewater service is to be provided in the proposed service area or extension area and the name of each wastewater service provider for the area, if any;

Rio Verde Utilities, Inc. is already the certificated sewer provider for the CC&N extension area and provides sewer service to all parcels within the CC&N extension area.

- BB. Provide a letter from each wastewater service provider identified confirming the provision of wastewater service for the proposed service area or extension area;

Not Applicable. Rio Verde Utilities, Inc. is the wastewater service provider.

- CC. Provide plans for or a description of water conservation measures to be implemented in the proposed service area or extension area, including, at a minimum:

- i. A description of the information about water conservation or water saving measures that the utility will provide to the public and its customers;

Rio Verde Utilities, Inc. has implemented a Public Education Program in accordance with the Modified Non-Per Capita Conservation Program required by ADWR. Typical education measures include:

Each new account is given a conservation information packet.

A billing insert to customers discussing water conservation efforts available for both inside and outside of customer homes.

Email to customers discussing water conservation and providing water conservation information and ideas for preparing homes for cold weather conditions.

Distribution through Rio Verde Homeowners Assn. of conservation information flyers.

Presentations to Rio Verde Homeowners Assn. regarding conservation efforts.

Water conservation literature is made available at Rio Verde Utilities office, Rio Verde Homeowners Assn. office and the Rio Verde library.

- ii. A description of how the applicant will work with each wastewater service provider identified under subsection (B)(5)(aa) to encourage water conservation;

Rio Verde Utilities, Inc. is an integrated water and sewer provider.

- iii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features;

The extension area does not contain any new parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features. Rio

Verde Utilities, Inc. utilizes a combination of groundwater and CAP water to meet current customer demands.

- iv. A description of any plans for the use of reclaimed water;

All reclaimed wastewater effluent is directly reused within Rio Verde.

- v. A description of any plans for the use of recharge facilities;

Rio Verde Utilities, Inc. does not currently recharge effluent since it is fully used directly.

- vi. A description of any plans for the use of surface water; and

Rio Verde Utilities, Inc. fully utilizes its CAP Water allotment through and exchange with SRP for Verde River water.

- vii. A description of any other plans or programs to promote water conservation;

None.

- DD. Provide a backflow prevention tariff that complies with Commission standards, if not already on file.

Rio Verde Utilities, Inc. has an approved backflow prevention tariff on file with the Commission.

- EE. Provide a curtailment tariff that complies with Commission standards, if not already on file.

Rio Verde Utilities, Inc. is filing concurrently with this application an Application for Approval of a Curtailment Tariff.

- FF. Provide a copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval;

Rio Verde Utilities has an approved Physical Availability Determination ("PAD"), issued by ADWR on October 27, 1992. The PAD is provided as Attachment FF.

Rio Verde Unit Ten and Rio Verde Unit Eleven were developed in the late '80s with Plats being recorded during a period in which Rio Verde Utilities, Inc. was deemed to have an assured water supply. Accordingly no additional assured water supply action is necessary. The water demand for Unit Ten and Unit Eleven are included in the PAD.

- GG. Provide a compliance status report from the Arizona Department of Environmental

Quality ("ADEQ"), dated no more than 30 days of the CC&N extension application, for each water system operated by the Applicant, as identified by a separate ADEQ Public Water & Wastewater System Identification number;

See Attachment GG-1.

Provide a water use data sheet for the water system being extended by the Applicant;

See Attachment GG-2.

HH. Notarized signature of the applicant.

James Thomson
(Signature of Authorized Representative)

James Thomson
(Type or Print Name Here)

President
(Title)

SUBSCRIBED AND SWORN to before me this 4 day of DECEMBER, 2014

Annette L. Ciotta
NOTARY PUBLIC

My Commission Expires JUNE 18, 2017

