

NEW APPLICATION



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ARIZONA CORPORATION COMMISSION

ORIGINAL



W-01557A-15-0079

Arizona Corporation Commission
DOCKETED

MAR 04 2015

DOCKETED BY *EJP*

FINANCING APPLICATION

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2015 MAR - 4 A 11:01
AZ CORP COMMISSION
DOCKET CONTROL

LAKE VERDE WATER COMPANY, Inc
UTILITY NAME

NEW APPLICATION - emergency Rate
DOCKET NO(S) increase

W-01557A

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance.

IN ORDER TO PROCESS YOUR APPLICATION
PLEASE FORWARD THE ORIGINAL
AND THIRTEEN COPIES OF THE
APPLICATION PLUS
THREE PACKETS OF THE SUPPORTING
DOCUMENTATION TO:

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL CENTER
1200 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007

Lake Verde Water Company, Inc.

**W-01557A
P. O. Box 2777
Camp Verde, Arizona, 86322**

February 9, 2015

**Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ. 85007-2927**

RE: Emergency Rate Increase:

The Lake Verde Water Company is a water supply system serving a population of approximately 125 persons with 68 water connections, two wells, { one of which is non-operational} two pressure tanks, One large storage tank, { which has rusted out and is non-operational } and one distribution system. Lake Verde was assigned water system Public Water System (PWS") permit #13-038.

Lake Verde Water Company Inc. is requesting the Emergency Rate Increase as it is necessary to protect the Health and Welfare of the individuals being provided drinking water from and through our water distribution system.

Lake Verde Water Company Inc. is subject to regulations under the State's safe drinking water laws. Therefore we are required to serve water to residents in compliance with the federal Maximum Contaminant levels for various contaminants, including arsenic. Since November 2008, it has been determined that the Arsenic levels found within our water system are in fact to high and do represent an immediate threat the health and welfare of its users.

On May 20, 2010, I, Dugan Mc Donald, the President of Lake Verde Water Company signed a Consent Order DW-42-10 on behalf of the water company to make the repairs necessary to bring the water company and the water being distributed in to compliance with the stated safe drinking water standards.

**** Although these intentions where made in good faith. There is simple no money generated from the distribution of the water. The average bill sent out to our customer's amounts to only about 15.00 dollars per month. As the company has not had a rate increase for some 40 years. This amount therefor does not even cover the general maintenance of the facilities. Much less all paper work and the testing required. This water company has for many years been operated as a non-profit company that is to say that no one has ever relied upon the company for an income in anyway.**

On November 19, 2014; The Department of Environmental Quality; In conjunction with the Arizona Attorney Generals Office, through the Superior Court of Arizona, Maricopa County did issue a demand. That Lake Verde Water Company Inc. shall bring its Water Company and the distribution system into compliance with the said safe water act. This is something that the Water Company is willing to do, but has never had the funds available to do so. As stated herein there is simply no money generated by this company. Therefore to pay for or take care of such an expensive endeavor is impossible.

As a result of the demands made by the State of Arizona and Lake Verde Water Company's good faith efforts to bring the water company into compliance an inspection of the water company facilities was scheduled

Based upon an inspection of the Lake Verde Water system conducted on the 5th day of February 2015, by the ACC, ADEQ, and the certified operator of the water system. During the course of the inspection many deficiencies were identified that must be taken care of, or added to the system RIGHT AWAY in order for the system to operate properly and thereafter be able to deliver safe drinking water. The following is a list of the items and improvements that must be made to the system:

*** Emendate improvements / ** Needed future improvements**

1. * Arsenic removal systems, for each of the two well locations, including engineering design and installation cost. [100,000.00 dollars]
2. * Construction of a new buildings to house and protect the arsenic removal systems and equipment. [50,000.00 dollars]
3. * New water storage tanks for each of the existing well locations. [120,000.00 dollars for two tanks]
4. * New pressure tanks at each of the two well locations. [20,000.00 dollars for two tanks]
5. * Funds to rebuild the lower well, as it is not operational, [10,000.00 dollars]
6. * New fencing around each of the two well site locations to protect the equipment from vandalism. [5,000.00 dollars]
7. **Up Grades to the system so fire protection may be available to the residents. [500,000 dollars]
8. * An increase in rates efficient enough in scope that the operator, the manager, and the maintenance workers of and for the system can be paid for their work. [30,000 dollars a year for each to be above the national poverty rate]

Please note the items listed above; with the exception of item #7; are all Essential items that should be considered fundamental to our on going efforts to provide a safe and reliable source of water.

Now therefore: For the reasons stated herein. Again, Lake Verde Water Company Inc., is respectfully asking for an Emergency Rate Increase; As this will help ensure that the required improvement can be made to the system in a timely manor.

Thank you



Dugan Mc Donald
For: Lake Verde Water Company Inc.