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Q Mountain Vista Water  
PO BOX 4930  
Quartzsite, AZ 85359  
928-927-3088

RECEIVED

2015 AUG 28 P 3: 12

AZ CORP COMMISSION  
DOCKET CONTROL

August 28, 2015

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

RE: Q Mountain Mobile Home Park Water, Docket W-02518A-13-0414  
Authority for HOA Board of Director's to File Rate Application

Dear Sirs,

Please find enclosed the original and thirteen copies of the Q Mountain Mobile Home Park HOA Board of Director's notification to the water customers. The notification consists of 6 pages that includes the notification letter from the Board of Directors, a sample water bill with an explanation for calculating the imposed rates, and a copy of the Docket of the Town of Quartzsite's rate increases for the affected 5 years and the approved Resolution.

Thank you for your assistance.

Michael A. Glover, President  
Board of Directors  
Q Mountain Vista HOA

Arizona Corporation Commission  
**DOCKETED**

AUG 28 2015

DOCKETED BY

**ORIGINAL**

August 28, 2015

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2015 AUG 28 P 3:12

Q Mountain Vista Water and HOA Members:

The Purchased Water Adjuster Mechanism Tariff was designed by and approved by the Arizona Corporation Commission last year to allow Q Mountain Vista Water to recover increases imposed by the Town of Quartzsite. This mechanism is in place until 2018, and as a result, the costs of your water usage will increase on August 1 of each year through 2018.

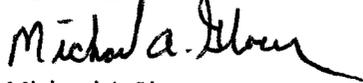
Although notification was given to Q Mountain Vista Water and HOA Members of this increase, notification was not provided to the Arizona Corporation Commission as required. Therefore the August water bills will reflect an adjustment to refund/credit the amount inadvertently assessed for the July usage. Please review your August bill to ensure that you are returned a credit of \$.73 per 1000 gallons of water used and \$.08 for the meter fee and contact the office if you have any questions or concerns.

A copy of notification will be delivered to the Arizona Corporation Commission as required. I apologize for all confusion and inconvenience caused by my error.

The 2015 rate increase will be effective October 1, 2015.

Enclosed are copies of an example water bill with explanation of how the rate is calculated, and a copy of the increase scheduled and approved by the Town of Quartzsite.

The use of personal funds was used for this mailing. Thanks for your patience and understanding regarding this matter.



Michael A Glover  
President Board of Directors  
Q Mountain Vista HOA and Water

Q Mountain Vista Water  
PO BOX 4930  
605 EMERALD DR.  
QUARTZSITE, AZ 85359  
(928) 927-3088

\*\*\*\*\* REPRINT OF BILL DATED 08/04/15 \*\*\*\*\*

Acct #: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

For service at:  
[REDACTED]  
QUARTZSITE, AZ 85359

Readings:  
06/28/15 [REDACTED] 00000  
07/31/15 [REDACTED] 10600  
Usage: [REDACTED] 10000

Prior Balance -65.23  
Water 52.50  
Usage Surcharge 24.10  
Service Fee 17.00  
Surcharge on Base 1.02  
Taxes 7.23  
-----  
Total Due 36.62

Credit Balance  
carried forward from  
prior month

Commodity - 2,000 gal @ \$2.50 per 1000 gal; 5,000  
gal @ \$5.00 per 1000 gal; 3,000 gal @ \$7.50 per  
1000 gal

Commodity surcharge \$2.41 per 1000 gallons of  
water used

Bill Date: 08/04/15

Meter Fee

Surcharge on  
Quartzsite base rate

Transaction Privilege Tax

Amount due after \$65.23 credit is  
applied - \$101.85 - \$65.23 = \$36.62

COPY  
EXAMPLE

## How to analyze your water bill from Q Mountain Vista Water

There are 5 components that make up the total of the water bill:

**Commodity Rate** - This is the amount that is assessed for the amount of water used. There are 3 tiers to this rate of usage; Tier 1 is the rate charged for the 1st 2,000 gallons used; Tier 2 is the rate charged for the next 5,000 gallons used; Tier 3 is the rate charged for any usage over 7,000 gallons.

**Commodity Surcharge** - This is the amount that Q Mountain Vista Water users are charged to pay for the increase in water usage imposed by Quartzsite Town.

**Service Fee (Meter fee)** - This is the fee that Q Mountain Water Company charges to provide the infrastructure (pipes, meters, valves, etc.) to the residence.

**Service Fee Surcharge** - This is the amount approved by the Arizona Corporation Commission to pay for the increase in fees imposed on Q Mountain Water Company by Quartzsite Town.

**Tax** - This is the transaction privilege tax assessed for the service provided. For the next 3 years the Q Mountain Water Company will experience an increase in their Commodity and Service Surcharge rates as a result of increases in the Commodity and Service Rates imposed by Quartzsite Town.

Based on an example bill of 10,000 gallons usage the breakdown is as follows:

Tier 1 - 2,000 gallons commodity rate at \$2.50 per thousand gallons;  $\$2.50 \times 2 = \$5.00$

Tier 2 - 5,000 gallons commodity rate at \$5.00 per thousand gallons;  $\$5.00 \times 5 = \$25.00$

Tier 3 - 3,000 gallons commodity rate at \$7.50 per thousand gallons;  $\$7.50 \times 3 = \$22.50^*$

**Total 10,000 gallons commodity usage cost = \$52.50**

In July 2015, the Town of Quartzsite imposed a \$2.19 increase in the commodity rate to Q Mountain Vista Water from \$2.37 per thousand gallons of water used to \$4.56. To pay for the increase, the Arizona Corporation Commission approved a surcharge increase for Q Mountain Vista Water.

The usage surcharge calculation approved by the Arizona Corporation Commission is as follows:

$\$2.19$  (rate increase) + 10% allowable loss mandated by AZCC ( $\$2.19 \times .10$ ) =  $\$0.22^{**}$

**Commodity Surcharge  $\$2.19 + \$0.22 = \$2.41$  per thousand gallons of water used**

**Total 10,000 gallons commodity surcharge rate is  $10 \times \$2.41 = \$24.10$**

**Total commodity usage rate is  $\$52.50 +$  surcharge rate  $\$24.10 = \$76.60^{***}$**

**\*\*\*This is the charge for the amount of water used**

In 2015 the Town of Quartzsite increased the service fee to Q Mountain Vista Water to \$1,068.28 for our 6" meter. Because **Q Mountain Vista Water service fee remained unchanged at \$17.00**, the Arizona Corporation Commission approved a surcharge increase for Q Mountain Vista Water.

The Service fee surcharge calculation approved by the Arizona Corporation Commission is as follows:

\$1068.28 (new monthly town rate) - \$843.23 (town base rate) = \$225.05  
Q Mountain Vista Water number of average monthly customers = 220.7

**Total surcharge 225.05 / 220.7 = \$1.02\*\***  
**Total service fee rate is \$17.00 + \$1.02 = \$18.02\*\*\*\***

\*\*\*\*This is the charge for the water infrastructure (meter, pipes, valves, etc.)

<b>Total monthly charge for 10,000 gallons</b>	<b>\$76.60</b>
	<b><u>+18.02</u></b>
	<b>\$94.62</b>

**Tax 7.64%\*\* X \$94.62 = \$7.23 + \$94.62 TOTAL = \$101.85**

Example Bill shows a \$65.23 credit balance carried forward.

\$101.85

- 65.23

\$ 36.62 = current amount due

\*All usage over 7,000 gallons is charged a commodity usage rate of \$7.50 per thousand gallons.

\*\*Number shown reflects rounded value.

Q Mountain Mobile Home Park

Docket # W-02518A-13-0414

Decision # 74605

EXHIBIT A TO RESOLUTION NO. 14-06

PROPOSED WATER RATES					
Base Rates	FY 14 - 15	FY 15 - 16	FY 16 - 17	FY 17 - 18	FY 18 - 19
¾" Meter	31.51	32.05	32.56	32.91	33.46
1" Meter	52.51	53.41	54.27	54.86	55.77
1.5" Meter	105.02	106.83	108.53	109.72	111.54
2" Meter	168.03	170.92	173.65	175.54	178.46
3" Meter	315.05	320.48	325.59	329.15	334.61
4" Meter	525.09	534.14	542.66	548.58	557.68
6" Meter	1050.18	1068.28	1085.31	1097.15	1115.37
8" Meter	1680.29	1709.24	1736.50	1755.44	1784.59
Commodity Rate (Per 1000 Gallons)	FY 14 - 15	FY 15 - 16	FY 16 - 17	FY 17 - 18	FY 18 - 19
Residential	3.90	4.56	5.36	5.58	5.81
Commercial	3.90	4.56	5.36	5.58	5.81
RV Parks	3.90	4.56	5.36	5.58	5.81
Bulk Water Hauler	7.79	9.12	10.72	11.16	11.62

FY = Fiscal Year

The Town of Quartzsite's Fiscal Year is JULY 1 - JUNE 30.

**RESOLUTION NO. 14-06**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF QUARTZSITE, LA PAZ COUNTY, ARIZONA, ESTABLISHING INCREASED WATER FEES AND SERVICE CHARGES PURSUANT TO A.R.S. § 9-511.01; PROVIDING FOR REPEAL OF ALL CONFLICTING RESOLUTIONS; AND PROVIDING FOR SEVERABILITY.**

WHEREAS, Arizona Revised Statutes Section 9-511.01 and Quartzsite Town Code, Chapter 17, Sections 17-1-3 and 17-2-2 authorize the Town Council to establish water rates by resolution; and

WHEREAS, it is the policy of the Council to establish rates for enterprise operations sufficient to recover the costs of providing the services; and

WHEREAS, staff has prepared an analysis which indicates that water rates will need to be increased to offset increases in the operating costs of the system, to become self-sustaining, and to assure the long-term financial stability of Quartzsite's water system; and

WHEREAS, the rates set forth herein are found to be just and reasonable; and

WHEREAS, the Council at their meeting of July 22, 2014 directed staff to notify the public of the need to increase water service fees and establish and publish a date of public hearing and setting of water service fees; and

WHEREAS, the Public Hearing having been held in accordance with Arizona and Quartzsite laws,

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the Town of Quartzsite, Arizona that water fees and service charges as set forth in Exhibit A attached hereto are hereby established as the water fees and service charges for the Town effective October 1, 2014.

FURTHER RESOLVED that if any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Quartzsite, Arizona this 26<sup>th</sup> day of August 2014.

ATTEST:

  
Town Clerk

  
Mayor Foster

**APPROVED AS TO FORM:**

  
Curtis, Goodyin, Sullivan,  
Udall & Schwab, PLC Town Attorneys  
By: