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TACNA WATER MANAGEMENT COM  
4743 E. 30<sup>TH</sup> PLACE YUMA, AZ 85365  
928-341-9685

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL – MARK RIMBACK  
1200 W WASHINGTON ST  
PHOENIX, AZ 85007

September 10, 2015

DOCKET NO: W-01344A-15-0251

RE: RATE APPLICATION

ATTACHED IS THE APPLICATION FOR LETTER OF GOOD STANDING AND SUPPORTING DOCUMENTS, SENT TO ARIZONA DEPARTMENT OF REVENUE ON SEPTEMBER 11, 2015. SUBMISSION OF CERTIFICATE WILL BE ISSUED TO DOCKET CONTROL UPON RECEIPT.

DAWN SIMPSON  
TACNA WATER MANAGEMENT COMPANY

RECEIVED

2015 SEP 15 A 11:18

AZ CORP COMMISS  
DOCKET CONTROL

ORIGINAL

Arizona Corporation Commission

DOCKETED

SEP 15 2015

DOCKETED BY



Arizona Department of Revenue • Collections Administrative Support

ATTN: TCA Process – 1600 W. Monroe – Phoenix, AZ 85007

Telephone: (602) 716-6234

TAX CLEARANCE APPLICATION

1. Applicant Information:

BUSINESS OR APPLICANT NAME: TACNA WATER MANAGEMENT COMPANY; DAYTIME PHONE NO.: (928) 341-9685; MAILING ADDRESS: 4743 E 30TH PLACE; CITY: YUMA; STATE: AZ; ZIP CODE: 85365

2. Tax Clearance Purpose: Check only one box.

CERTIFICATE OF COMPLIANCE FOR DISSOLUTION OR WITHDRAWAL:

- Discontinuation of Corporation (not applicable to estate, trust, or individual application types)
Withdrawal from Arizona (not applicable to estate, trust, or individual application types)

LETTER OF GOOD STANDING:

- Healthy Forest Certification, Residency, Air Carrier Apportionment, Sale of Business, Personal, Other: ARIZONA CORPORATION COMMISSION, Renewable Energy Tax Incentive

COMPLIANCE CHECK:

- Gaming

3. Application Type: Check only one box and provide tax identification number(s).

Corporation (checked), Federal Employer I.D. No./Taxpayer I.D. No.: 20-5811082; S Corporation; Partnership, AZ Transaction Privilege License No.: 20993783-E; Tax Exempt Organization; Limited Liability Company, AZ Withholding Tax License No.; Limited Liability Partnership; Estate, Social Security No.; Trust; Individual; Sole Proprietor

4. Signature

NANCY MILLER, ACC ASSIGNED INTERIM MANAGER; PRINT NAME, PRINT SPECIFIC TITLE (Corporate Officer, Partner, Individual); Signature, DATE: 09/10/2015

5. Mail application to: Arizona Department of Revenue, Collections Administrative Support, ATTN: TCA Process – 1600 W. Monroe – Phoenix, AZ 85007

Fax application to: 602-542-4771, ATTN: Collections Administrative Support – TCA Processing.

- Be sure to sign the application. Unsigned applications will not be processed.
If your application cannot be approved, you must clear all deficiencies and resubmit an application.
POWER OF ATTORNEY: If this application is submitted by anyone other than a corporate officer, general partner, or individual (sole proprietor), Arizona Form 285B, Disclosure Authorization Form, is required. Visit our website at www.azdor.gov and click on the Forms link to obtain Form 285B.

**ARIZONA FORM**

**285**

Effective July 3, 2003

**General Disclosure/Representation Authorization Form**

ARIZONA DEPARTMENT OF REVENUE

**1. TAXPAYER INFORMATION: Please print or type.** *Enter only those that apply:*

Taxpayer Name <b>DONALD KELLAND</b>		Social Security No.	
Spouse's Name (if applicable)		Spouse's Social Security No.	
Present Address - number and street, rural route <b>2983 S. ARIZONA AVE</b>		Apartment/Suite No.	Employer Identification No.
City, Town or Post Office <b>YUMA</b>	State <b>AZ</b>	ZIP Code <b>85364-8231</b>	Daytime Phone (with area code) <b>(928) 580-1799</b>
		AZ Transaction Privilege Tax License No. <b>526445368</b>	

**2. APPOINTEE INFORMATION** *Enter one of the following identification numbers:*

Name <b>NANCY MILLER</b>		State and State Bar No.	
Present Address - number and street, rural route <b>4743 E. 30TH PL</b>		Apartment/Suite No.	State and Certified Public Accountant No.
City, Town or Post Office <b>YUMA</b>	State <b>AZ</b>	ZIP Code <b>85365</b>	Internal Revenue Service Enrolled Agent No.
Daytime Phone (with area code) <b>(928) 341-9685</b>		Social Security or Other ID No. Type	

**3. TAX MATTERS:** The appointee is authorized to receive confidential information for the tax matters listed below. By signing this form, I authorize the Department to release confidential information of the taxpayer(s) named above to the appointee named above for the tax type and tax year(s)/period(s) specified below. To grant additional powers, please see section 4. To grant a Power of Attorney, please skip section 4 and go to section 5.

TAX TYPE	YEAR(S) OR PERIOD(S)	TYPE OF RETURN/OWNERSHIP		
<input checked="" type="checkbox"/> Income Tax	<b>ALL</b>	<input type="checkbox"/> Individual Joint Return	<input type="checkbox"/> Individual Single Return	<input checked="" type="checkbox"/> Corporation
		<input type="checkbox"/> Partnership	<input type="checkbox"/> Fiduciary-Trust	<input type="checkbox"/> Fiduciary-Estate
<input checked="" type="checkbox"/> Transaction Privilege and Use Tax	<b>ALL</b>	<input type="checkbox"/> Individual/Sole Proprietorship	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Corporation
		<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> Trust
<input checked="" type="checkbox"/> Withholding Tax	<b>ALL</b>			
<input type="checkbox"/> Other (specify tax type):		Specify type of return(s)/ownership:		

**4. ADDITIONAL AUTHORIZATION:** Items 4a through 4h allow the taxpayer(s) to grant additional authorization to the appointee named above. Please check the boxes accordingly. An additional authorization must be in accordance with Arizona Supreme Court Rule 31. See instructions.

- 4a  Appointee shall have the power to sign a statute of limitations waiver on Taxpayer's behalf.
- 4b  Appointee shall have the power to execute a protest of a deficiency assessment or a denied refund claim or to execute an agreement on Taxpayer's behalf.
- 4c  Appointee shall have the power to request a formal hearing on Taxpayer's behalf.
- 4d  Appointee shall have the power to represent the taxpayer in any administrative tax proceeding.
- 4e  Appointee shall have the power to execute a closing agreement on Taxpayer's behalf.
- 4f  Appointee shall have the power to represent the taxpayer in any collection matter including an Offer-in-Compromise.
- 4g  Appointee shall have the authority to delegate to others any or all authority granted to appointee by this document.
- 4h  Other (please specify):

**5.  POWER OF ATTORNEY:** By checking the box on line 5, the taxpayer grants the above-named appointee a Power of Attorney to perform any and all acts that the taxpayer can perform with regard to the above-mentioned tax matters and tax year(s) or period(s). This Power of Attorney includes, but is not limited to, the powers listed in items 4a through 4h. The use of a Power of Attorney must be in accordance with Arizona Supreme Court Rule 31. Please specify any limitation to the Power of Attorney:

**6.  REVOCATION OF EARLIER AUTHORIZATION(S):** This authorization does not revoke any earlier authorizations or Powers of Attorney on file with the Arizona Department of Revenue unless the revocation box to the left is checked. The revocation will be effective as to all earlier authorizations and Powers of Attorney on file with the Arizona Department of Revenue except those specified (please specify):

7. **CORPORATIONS HAVING CONTROLLED SUBSIDIARIES:** A.R.S. §42-2003(A)(1) provides that confidential information relating to a corporate taxpayer may be disclosed to a designee of the taxpayer who is authorized in writing by the taxpayer. A principal corporate officer of a parent corporation may execute a written authorization for a controlled subsidiary. A principal corporate officer of a parent corporation that desires to designate a person to receive confidential information regarding the corporation's controlled subsidiaries must either attach a list containing the names of each controlled subsidiary that the parent company wants included in the disclosure authorization (a federal Form 851 may be used for this purpose) or taxpayer may complete the following to include all controlled subsidiaries in the disclosure authorization. In addition, there is space provided to exclude specific controlled subsidiaries from the disclosure authorization.

Please check one of the following:

Include all controlled subsidiaries. A controlled subsidiary, for purposes of A.R.S. §42-2003, is defined as more than 50% ownership or control.

Include all controlled subsidiaries except the subsidiaries named below. The following controlled subsidiaries are specifically excluded:

	NAME	EMPLOYER I.D. NO.	TAX YEARS (if not all years)
7a			
7b			
7c			
7d			
7e			
7f			

8. **SIGNATURE OF OR FOR TAXPAYER:** I hereby certify that the Arizona Department of Revenue is authorized to release any and all confidential information concerning the above-mentioned taxpayer. By signing this form, I certify that I have the authority, within the meaning of A.R.S. §42-2003(A), to execute this authorization form on behalf of the above-mentioned corporation(s), limited liability company(ies), trust(s), estate(s), partnership(s), and/or individual(s). I understand that to knowingly prepare or present a document which is fraudulent or false is a Class 5 felony pursuant to A.R.S. §42-1127(B)(2).

→ <u>Donald Kelland</u> <u>2-19-13</u>	→ <u>Nancy Miller</u> <u>2/19/13</u>
SIGNATURE DATE	SIGNATURE DATE
<u>DONALD KELLAND</u>	<u>NANCY MILLER</u>
PRINT NAME	PRINT NAME
<u>OWNER TACNA WATER MANAGEMENT CO. INC</u>	<u>MANAGER TACNA WATER MANAGEMENT CO INC</u>
TITLE	TITLE

9. **DECLARATION OF APPOINTEE:** Complete if Appointee has been given authority under any Section 4a through h or Section 5 or is otherwise authorized to practice law as defined in Rule 31(a) of the Arizona Rules of the Supreme Court.

Under penalties of perjury, I declare that I am one of the following:

9a A full-time officer, partner, member or manager of a limited liability company, or employee if the individual qualifies under Rule 31(d)13 of the Arizona Rules of the Supreme Court.

9b Attorney - an active member of the State Bar of Arizona.

9c Certified Public Accountant - duly qualified to practice as a Certified Public Accountant in Arizona.

9d Federally Authorized Tax Practitioner within the meaning of A.R.S. § 42-2069(D)(1). If appointee is engaged in practice with a federally authorized tax practitioner, provide the practitioner's name and CAF number below:

PRACTITIONER'S NAME \_\_\_\_\_ CAF NUMBER \_\_\_\_\_

9e Other - This may be any individual, providing the total amount in dispute, including tax, penalties, and interest is less than \$5,000.00.

If this Declaration of Appointee is not signed and dated, the representation authorization will be returned.

DESIGNATION Check one box for each appointee:	JURISDICTION (State)	SIGNATURE	DATE
<input type="checkbox"/> 9a <input type="checkbox"/> 9b <input type="checkbox"/> 9c <input type="checkbox"/> 9d <input type="checkbox"/> 9e			
<input type="checkbox"/> 9a <input type="checkbox"/> 9b <input type="checkbox"/> 9c <input type="checkbox"/> 9d <input type="checkbox"/> 9e			
<input type="checkbox"/> 9a <input type="checkbox"/> 9b <input type="checkbox"/> 9c <input type="checkbox"/> 9d <input type="checkbox"/> 9e			
<input type="checkbox"/> 9a <input type="checkbox"/> 9b <input type="checkbox"/> 9c <input type="checkbox"/> 9d <input type="checkbox"/> 9e			

POWER OF ATTORNEY

I, Donald Kelland, hereby appoint, Nancy Miller, of Sunstate Environmental Services, 4743 E. 30<sup>th</sup> Pl., Yuma, AZ 85365, as my attorney-in-fact (Agent) to exercise the powers and discretions described below:

My agent shall have full power and authority to act on my behalf regarding all matters, real and financial, to manage and conduct all of my affairs and to exercise all of my legal rights and powers, pertaining to Tacna Water Company, located in Tacna, Arizona. My agent's powers shall include, but not be limited to, the power to:

- 1) Open, maintain or close bank accounts (including, but not limited to, checking accounts, savings accounts, and certificates of deposit) regarding Tacna Water Co.
- 2) Conduct any business with any banking or financial institution with respect to any of my accounts, including, but not limited to, making deposits and withdrawals, negotiating or endorsing any checks or other instruments with respect to any such accounts, obtaining bank statements that pertain to Tacna Water Company.
- 3) Conduct any business concerning Tacna Water Co. and governing agencies, ie: Arizona Department of Environmental Quality, Arizona Department of Revenue, Arizona Corporation Commission, and any other agency concerning the Tacna Water Company.
- 4) My agent may NOT without my written permission, sell any land pertaining to the Tacna Water Company.

Signed this day, February 14, 2013

*Nancy Miller*

Nancy Miller

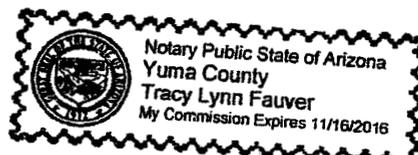
Sunstate Environmental Services,

*Donald Kelland*

Donald Kelland

owner, Tacna Water  
Company

*Tracy Lynn Fauver*  
2/14/13



## INTERIM MANAGEMENT AGREEMENT

### BY AND BETWEEN TACNA WATER COMPANY AND SUNSTATE ENVIRONMENTAL SERVICES

Sunstate Environmental Services (Sunstate) has been vested with the authority to act as interim manager of Tacna Water Company, located in Tacna, Arizona.

Sunstate shall use reasonable efforts to operate, manage and maintain Tacna Water Company in order to bring the utility into full compliance with Arizona law, Commission rules and orders and all other applicable regulatory rules.

Sunstate is not responsible or liable for the following:

-Any existing problem or violation, whether known or unknown, with Tacna Water Company system, management, or operations;

-Any future problem or violation, whether known or unknown, with Tacna Water Company system, management, or operations except those caused directly by gross negligence or willful misconduct by Sunstate or its agents.

Sunstate is under no obligation and is not liable to repay, settle, or otherwise resolve any debt, judgment, obligation, compensation, balance, taxes, or claim of or against Tacna Water.

As interim manager, Sunstate is entitled to a monthly fee for interim management of \$8.50 per meter (Management Fee). At its discretion, Sunstate may use Tacna Water Company income to pay for any of the following:

-Management fee

-Tacna Water operations, maintenance, and repairs

-Tacna Water debts

-Capital improvements cost

=-Any other financial obligation reasonably incurred by a prudent water system manager or owner

If Tacna Water Company's income during any month is insufficient to allow Sunstate to recoup the Management Fee noted above, the deficit shall be considered a debt of Tacna Water. Sunstate shall be entitled to collect any unpaid Management fees through future rates collect on behalf of Tacna Water. Sunstate has the right to file for an accounting order regarding interim operation expenditures and outlays.

In exchange for the Management fee, Sunstate will perform the following tasks, most of which are normally attendant with the operations and maintenance of a water company as a public service corporation, without additional charge:

- Mailing customer notification letters informing all the customers of the interim manager and contact information;
- Order to have meters read and bill and collect revenue promptly, including billing and collection for back due services,
- Address legitimate customer complaints;
- Connect and disconnect service in accordance with applicable tariffs,
- Test and monitor the system and source water as required by applicable regulations;
- Examine, prioritize, pay bill, or debts of the Tacna Water Company at a standard set by a prudent water system manager or owner in a similar situation;-
- Order minor repairs
- Keep financial records, file annual reports with all regulatory agencies;

Pursuant to conditions set forth below, Sunstate has the authority to perform, or contract with agents to perform, services (not covered by the immediately preceding points above) normally attendant with the general management of a water company as a public service corporation. Compensation for Management Services will be in addition to the Management fee. Prior to receiving any compensation for Management Services, Sunstate will provide a written scope of work, proposed hourly rates, cost estimates, and brief explanation of the proposed Management services to be rendered.

Sunstate may discontinue its activities as interim manager at any time and for any reason provided it gives 30 days written notice of any decision to discontinue.

By signature below, I acknowledge receipt of the foregoing and agree to comply with the terms set forth therein.

Nancy Miller

Sunstate Environmental Services

February 14, 2013

Donald Kelland

Tacna Water Company

February 14, 2013

