

ORIGINAL



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1 Steve Wene, No. 019630
2 MOYES SELLERS & HENDRICKS LTD.
3 1850 N. Central Avenue, Suite 1100
4 Phoenix, Arizona 85004
5 (602)-604-2189
6 swene@law-msh.com
7 Attorneys for Truxton Canyon Water
8 Company, Inc.

RECEIVED

2015 OCT -1 P 3: 22

AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

9 SUSAN BITTER SMITH, CHAIRMAN
10 BOB STUMP
11 BOB BURNS
12 TOM FORESE
13 DOUG LITTLE

Arizona Corporation Commission

DOCKETED

OCT 0 1 2015

DOCKETED BY	TV
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14 IN THE MATTER OF THE APPLICATION
15 OF TRUXTON CANYON WATER
16 COMPANY, INC. FOR APPROVAL OF A
17 RATE INCREASE.

DOCKET NO. W-02168A-11-0363

18 IN THE MATTER OF THE APPLICATION
19 OF TRUXTON CANYON WATER
20 COMPANY, INC. FOR APPROVAL OF A
21 REVISION OF THE COMPANY'S
22 EXISTING TERMS AND CONDITIONS OF
23 WATER SERVICE.

DOCKET NO. W-02168A-13-0309

24 IN THE MATTER OF THE APPLICATION
25 OF TRUXTON CANYON WATER
26 COMPANY, INC. FOR AUTHORITY TO
27 INCUR LONG-TERM DEBT.

DOCKET NO. W-02168A-13-0332

**APPLICATION TO AMEND
DECISION NO. 74835**

28 Pursuant to A.R.S. § 40-252, the Truxton Canyon Water Company, Inc.
("Company" or "Truxton") moves to amend Decision No. 74835 by modifying certain
dates relating to financing proposed improvements and approve proposed revisions to the
proposed scope of work.

1 **Status**

2 The Company has worked with Staff and resolved the issues that needed to be
3 addressed to enable the construction of the improvements related to arsenic treatment and
4 other system improvements. The central issue is related to the 12,000 square-foot
5 warehouse owned by the Trust. Initially, the Company proposed locating the arsenic
6 treatment plant in the warehouse. The reason was simple; it was less expensive.
7 However, based upon the language in Commission Decision No. 74835, if the Trust
8 locates the arsenic treatment plant in the warehouse, it would have to transfer the
9 warehouse to Truxton. Further, based upon Staff's position on NARUC and affiliate
10 transactions, the Trust would have to give the warehouse to Truxton for free. Truxton
11 and Staff also considered allowing the Company to lease warehouse space from the Trust,
12 but unfortunately application of the NARUC affiliate rules had the same result; namely,
13 the Trust would lose use of the warehouse space for a trivial amount of compensation, if
14 any.

15 Understandably, the Trust does not want to give away its warehouse. So Truxton
16 has worked with Staff and the Arizona Department of Environmental Quality ("ADEQ")
17 to find a solution that ensures these issues do not continue to impede progress. First, the
18 Company relocated the chlorinator back into its original shelter away from the
19 warehouse. Second, Truxton will construct a metal building to house the arsenic
20 treatment plant. The cost to construct the building is estimated at \$100,815. *See*
21 *Attachments 1 & 2*. Although the additional cost is regrettable, there is no other way to
22 ensure that there is complete separation between the Trust and the Company.

23 In Decision No. 74835, the Commission also ordered the Company to acquire all
24 water system assets from the Trust. The Trust conveyed all of the water system assets it
25 owned to the Company on December 29, 2014. *See* Notice of Compliance, Attachment 1
26 (Dec. 31, 2014). On April 24, Staff informed Truxton that it wanted the Company to
27 acquire real property interests before it would support Truxton being able to access the
28 WIFA loan. Truxton agreed to give the Company easements, but the property had to be

1 surveyed, which was costly and took a substantial amount of time due to the number of
2 well sites and the locations being on remote and vast tracts of ranchland. The easement
3 agreement is set forth in Attachment 3 and the easements are set forth in Exhibit B.
4 These easements are currently being recorded by Mohave County.

5 **Requested Amendments to Decision No. 74835**

6 Currently, Decision No. 74835 states the Company must draw funds from the
7 WIFA loan by November 14, 2015 or the surcharge authorization is rescinded. *See*
8 Decision No. 74835, at p. 64, lns. 4-6. Further, the Commission ordered the Company to
9 file its Approval of Construction of the arsenic treatment plant by December 31, 2015.
10 *Id.* at lns. 7 – 10. In other words, the plant must be built by that date. The Company
11 requests that the Decision be amended so these deadlines extend to within one year of the
12 effective date of the amended decision.

13 Next, the Company requests that the Commission approve the amended financing
14 request to add the construction of a building to house the arsenic treatment plant.
15 Accordingly, Decision No. 74835, p. 62, line 25 would allow Truxton to borrow up to
16 \$360,615 from WIFA. The table set forth in Attachment 1 should replace the table
17 beginning on page 23 of the Decision.

18 Finally, the Company requests language clarifying that the Company does not
19 have to acquire the warehouse from the Trust because the warehouse is not being used to
20 house Company plant. The Company requests that the Commission strike the provision
21 stating the warehouse should be transferred from the Trust to Truxton. *See id.* at p. 34,
22 lns. 8 – 9.

23 RESPECTFULLY SUBMITTED this 1st day of October, 2015.

24
25 **MOYES SELLERS & HENDRICKS LTD.**

26 

27 Steve Wene
28 Attorneys for Truxton Canyon Water
Company, Inc.

1 Original and thirteen (13) copies
2 of the foregoing filed this
3 1st day of October, 2015 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 Copy of this foregoing mailed this
9 1st day of October, 2015 to:

10 Bridget A. Humphrey, Staff Attorney
11 Charles H. Hains, Staff Attorney
12 Legal Division
13 Arizona Corporation Commission
14 1200 West Washington Street
15 Phoenix, Arizona 85007

16 Patrick Black
17 Fennemore Craig, P.C.
18 2394 E. Camelback Rd., Suite 600
19 Phoenix, Arizona 85016
20 Attorneys for Intervenor Valle Vista
21 Property Owners Association, Inc.

22 Donnelly Herbert

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ATTACHMENT 1

	Plant Item	Approved Projects	Company Revisions
1	Treatment Plant and Rerouting well		
	ADEQ Permit Fee	\$2,000	
	Engineering	20,000	
	3 Flow meters/Control meters	4,500	
	Piping	73,000	
	Media (estimated 76 cubic feet @250/cubic ft)	19,000	
	Vessel (three fiberglass tanks of 4" diameter, 6' in height)	10,000	
	One 6,500 gal HDPE tank for recycling water storage	3,000	
	One 2,000 gal HDPE tank for backwashing water storage	1,000	
	300' 6" PVC line inflow line from distribution line to the treatment plant (estimate \$40/ft including material, labor, equipment rental and survey)	12,000	
	300' 6" PVC line discharge line from the treatment plant to the distribution system line (estimated \$40/ft including material, labor, equipment rental and survey)	12,000	
	Concrete, fencing, earthwork	0	
	Subtotal	\$156,500	

2	Electrical Controls and Instrument Changeover		
	Control Panel Installation	\$50,000	
	Electric Power Line upgrade (from single phase line to 3 phase line, estimate 1,000' between Davis 1 Well and the treatment plant site)	10,000	
	Subtotal	\$60,000	

3	Replacing Transmission Line (1 mile)	0	
	Subtotal	0	
	Total	\$216,500	
	Administration fee (5%)	10,825	
	Contingency (15%)	32,475	
	Total for Project 1 - 3	\$259,800	

4	Construct Arsenic Building	
	24'x36' Metal Building	43,500
	Concrete slab	7,800
	Power cost (power supply cost)	5,000
	Permit cost	1,500
	Subgrade & pad prep	8,200
	Electrical	4,500
	Subtotal	70,500
	Structural engineering	3,525
	Legal	3,525
	Contractor overhead, admin, & profit	9,165
	Contingency (20%)	14,100
	Subtotal	100,815
	Total	\$360,615

ATTACHMENT 2

BLACKHAWK DEVELOPERS LLC

3001 Westwood Drive
Las Vegas, Nevada 89019
Phone (702) 256-4006 Fax (702) 256-2522
NV#0069034

Proposal Submitted To: Truxton Canyon Water Company

Representative: Mike Neal

Project: Building to House Arsenic Treatment Facility

Street: 7313 E. Concho Drive Suite B

City, State, Zip: Kingman, Arizona 86401

Architect: N/A Date of Plans: N/A

Phone: 928-757-2205 Date of Proposal: 9/28/2015

SCOPE OF WORK: Construct new Building to House Arsenic Treatment Facility

Building Cost (24x36) - \$43,500

Slab Cost- \$7800

Power Cost (Mechanical Cost) - \$5000

Permit Cost- \$1500

Subgrade & Pad Prep-\$8200

Electrical-\$4500

Sub-Total -\$70,500

Contingency (20%) - \$14,100

Legal (5%) - \$3525

Structural Engineering (5%) - \$3525

OH&P (10%) - \$9165

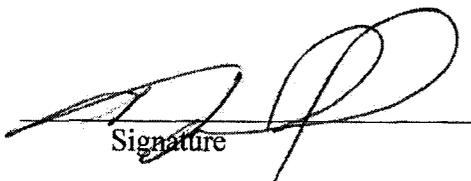
Total Cost - \$100,815

In return for performance of work and furnishing work by contractor, Owner shall pay the aforementioned price in bi-monthly installments based on the amount of work completed. This contract shall not be modified except by a writing signed by both parties. All alterations or deviations from the plans and specifications shall be by written change order only. This contract is not assignable by either party without written consent of the other. We will not be held liable for loss, damage or delays caused by acts of God, strikes, fire, accidents, material shortages or other causes beyond our control. Owner to carry fire, flood and other necessary insurance. Prices quoted in this proposal are based on current prices and on conditions that the proposal will be accepted within thirty days.

BLACKHAWK DEVELOPERS LLC

3001 Westwood Drive
Las Vegas, Nevada 89019
Phone (702) 256-4006 Fax (702) 256-2522
NV#0069034

PROPOSAL BY CONTRACTOR


Signature

Managing Member
Title

9/28/15
Date

ACCEPTANCE BY OWNER

The terms and conditions of this agreement are hereby accepted. Blackhawk Developers, LLC is authorized to proceed with the work as specified in this contract.

Signature

Title

Date

B&H **BLANCHARD**
HOFFMAN
C O N S T R U C T I O N

September 22, 2015

Truxton County Water Company
Kingman, AZ
Att: Rick Neal

Reference: Truxton Canyon Water Company.

Subject: Pre-Engineered Metal Building

SCOPE OF SERVICES:

Provide Pre-Engineered Building supplied and Erected in Kingman AZ

Butler Pre-Engineered Building 24 x 36x 16' Eave Ht \$ 43,500

Quote Includes:

Engineering and design for building only per IBC 2012
Reactions provided for Foundation Engineer
Supply and Erect using Prevailing Wage Labor
R-11 Roof and Wall System, BR-II Corrugated Walls and Roof panels of Butlers Standard Colors.
1 Mandoors and Hardware
1 Overhead Door Framed opening for 12'x14' Overhead Doors by others
Quote valid through October 31, 2015
Building must ship within 90 days to guarantee pricing.
Erection by AZ Licensed Erector
Deposit for Engineering Required

Exclusions:

Permits and Fee's Cost
Foundation Engineering
AC/Exhaust Fans

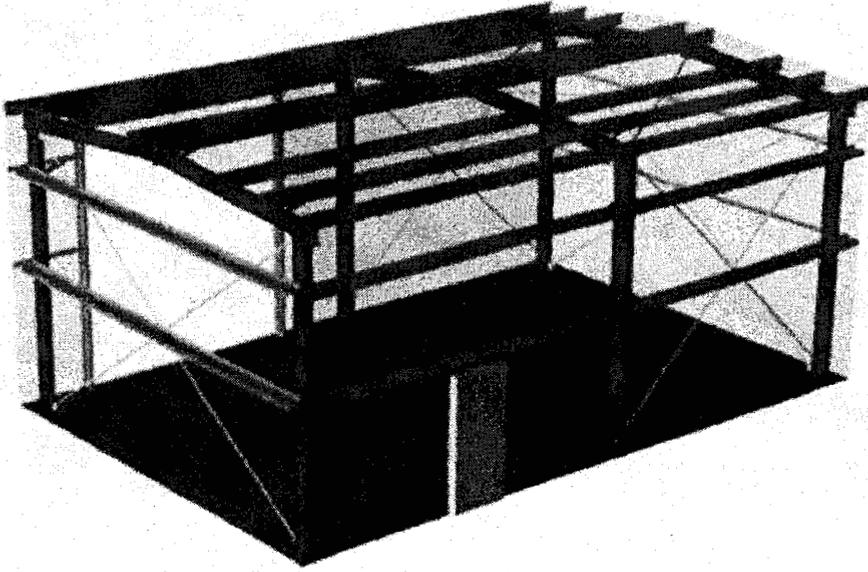
Sincerely,

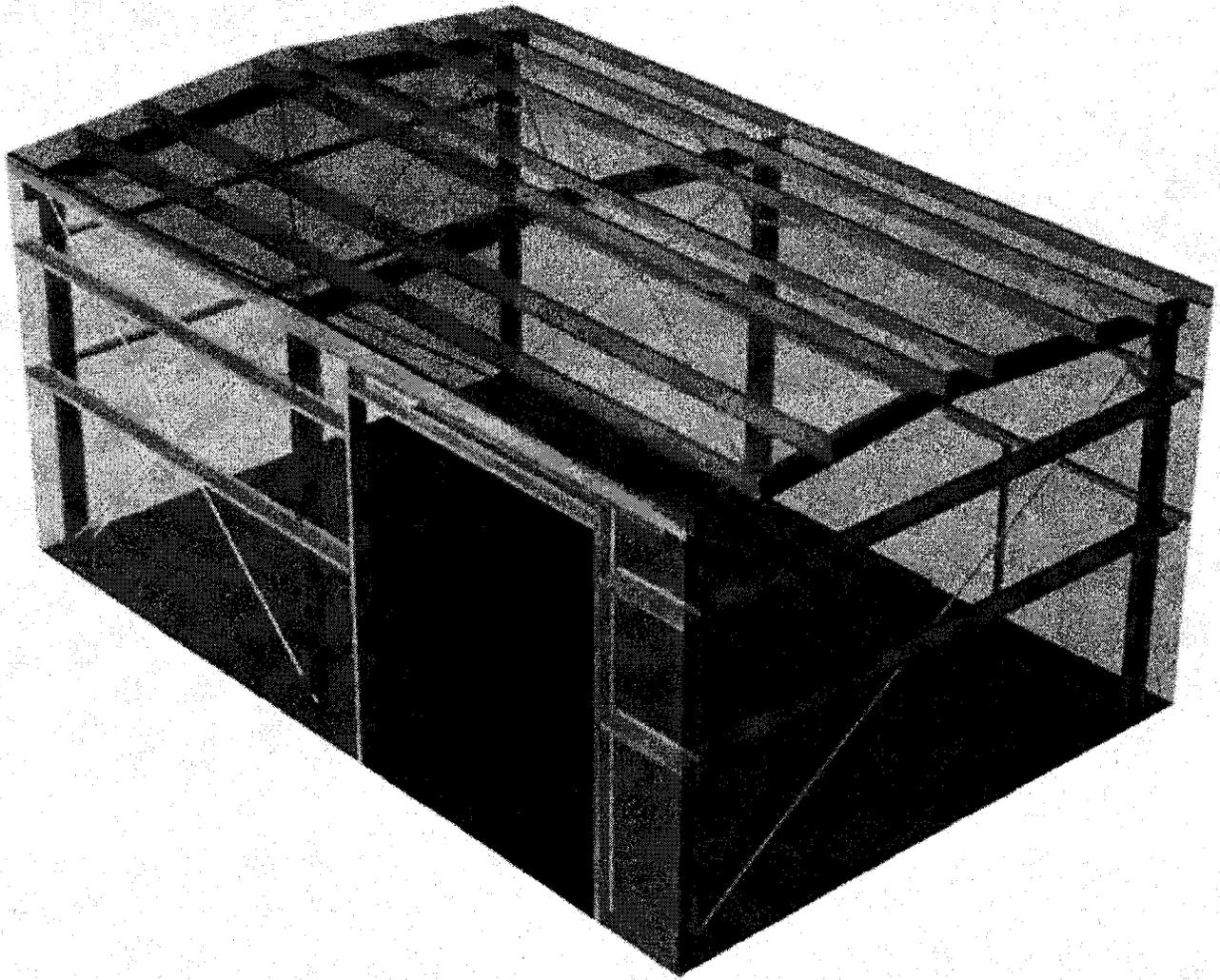
Ray Hoffman
President
B & H Construction, Inc.

Accepted:

9/28/2015

image002.png





ATTACHMENT 3

EASEMENT AGREEMENT

This Easement Agreement (this "Agreement") is made this 18 day of September, 2015, by and between the Claude K. Neal Family Trust, ("Grantor") and Truxton Canyon Water Company, ("Grantee").

RECITALS

A. Grantor is the fee owner of that certain real property described in Exhibit A attached hereto and incorporated herein by reference (the "Grantor Parcel"), which real property is located in Mohave County, Arizona.

B. Grantee is the owner of wells known as the Davis 1 Well, Davis 2 Well, Well 29, Little Hackberry Well, and Walapai 1 Well (collectively, the "Wells"), and located as described in Exhibit B attached hereto and incorporated herein by reference.

C. Grantee wishes to establish an easement for ingress and egress to the Wells.

D. The area of the easement is as described on Exhibit B for each of the respective Wells (collectively, the "Easement Parcels").

NOW THEREFORE, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Agreement and other good and valuable consideration, the receipt, sufficiency and validity of which is hereby acknowledged, Grantor and Grantee agree as follows:

1. Grantor does hereby grant and convey to Grantee, its successors and assigns, an exclusive easement in, under, across, over and through the Easement Parcels to construct, install, reconstruct, replace, remove, repair, operate and maintain the Wells and all other related appliances, appurtenances and fixtures (collectively, "Facilities") necessary for the operation of the Facilities, at such locations and elevations, in, under, and across the Easement Parcels as Grantee determines is necessary from time to time.

2. Grantee may not erect any permanent barriers on the Easement Parcels which interfere with ingress or egress or any other access rights to Grantor's property.

3. Grantee will keep the Easement Parcels free and clear of all liens arising from work performed by Grantee and its contractors.

4. Grantor reserves the right to use and occupy the Easement Parcels for any purpose consistent with the rights and privileges herein granted and which will not interfere with or endanger any of the Facilities or use thereof.

5. Neither Grantor nor Grantee may assign its rights or obligations under this Agreement without the other party's prior written consent. This consent may be withheld only for good cause.

6. In the event of any legal proceedings to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover from the non prevailing party its reasonable attorneys' fees and court costs incurred.

7. Nothing in this Agreement shall be deemed to be a gift or dedication of all or any part of the Easement Parcels to the public, or for any public use.

8. The failure on the part of either party to enforce at any time any provision of this Agreement or to insist on timely performance of any obligation contained in this Agreement shall not be construed to be a waiver of such provision or of any other provision or of the right to timely performance of all obligations contained herein.

9. This Agreement may be executed in counterpart, each of which when taken together shall constitute the entire Agreement.

10. The laws of the State of Arizona shall govern this Agreement.

Signatures appear on the following page(s).

Digitally signed by [Name] DN: cn=[Name], o=[Organization], ou=[Department], email=[Email], c=[Country]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Easement Agreement as of the day and year first above written.

GRANTOR:

The Claude K. Neal Family Trust

By: B Marc Neal
Name: B MARC NEAL
Its: Trustee

GRANTEE:

Truxton Canyon Water Company

By: B Marc Neal
Name: B MARC NEAL
Its: President

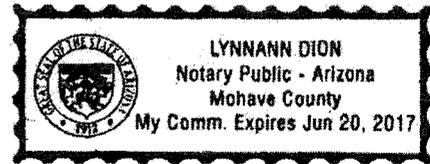
STATE OF ARIZONA)
)
COUNTY OF _____)

On September 18th, 2015, before me, Lynnann Dion, Notary Public, personally appeared B Marc Neal, personally known or proven to me to be the person whose name is subscribed to the Easement Agreement and acknowledged to me that he executed same in his authorized capacity, on behalf of The Claude K. Neal Family Trust.

WITNESS my hand and official seal.

Lynnann Dion
Notary Public Signature

(SEAL)



Acknowledgments continue on the following page.

STATE OF _____)
)
COUNTY OF _____)

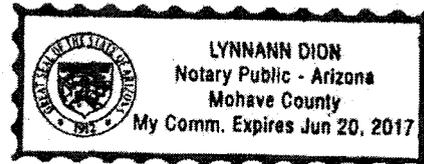
On September 18th, 2015, before me, Lynnann Dion, Notary Public, personally appeared B Marc Neal, personally known or proven to me to be the person whose name is subscribed to the Easement Agreement and acknowledged to me that he executed same in his authorized capacity, on behalf of The Claude K. Neal Family Trust.

WITNESS my hand and official seal.

(SEAL)



Notary Public Signature



ARIZONA NOTARY PUBLIC STATE BOARD

EXHIBIT A

Grantor owns all property shown in Exhibit B.

EXHIBIT B

LITTLE HACKBERRY WELL

EASEMENT LEGAL DESCRIPTION:

A well easement located in Section 19, T.23N., R.13 W of the Gila and Salt River Meridian, Mohave County, Arizona being more particularly described as follows:

COMMNECING at the Southeast corner of said Section 19;

THENCE S 89°29'40" W along the South line of said Section 19 a distance of 2653.00 feet;

THENCE N 00°30'20" E perpendicular to the South line of said Section 19 a distance of 312.00' to the TRUE POINT OF BEGINNING:

THENCE continuing N 00°30'20" E a distance of 50.00 feet;

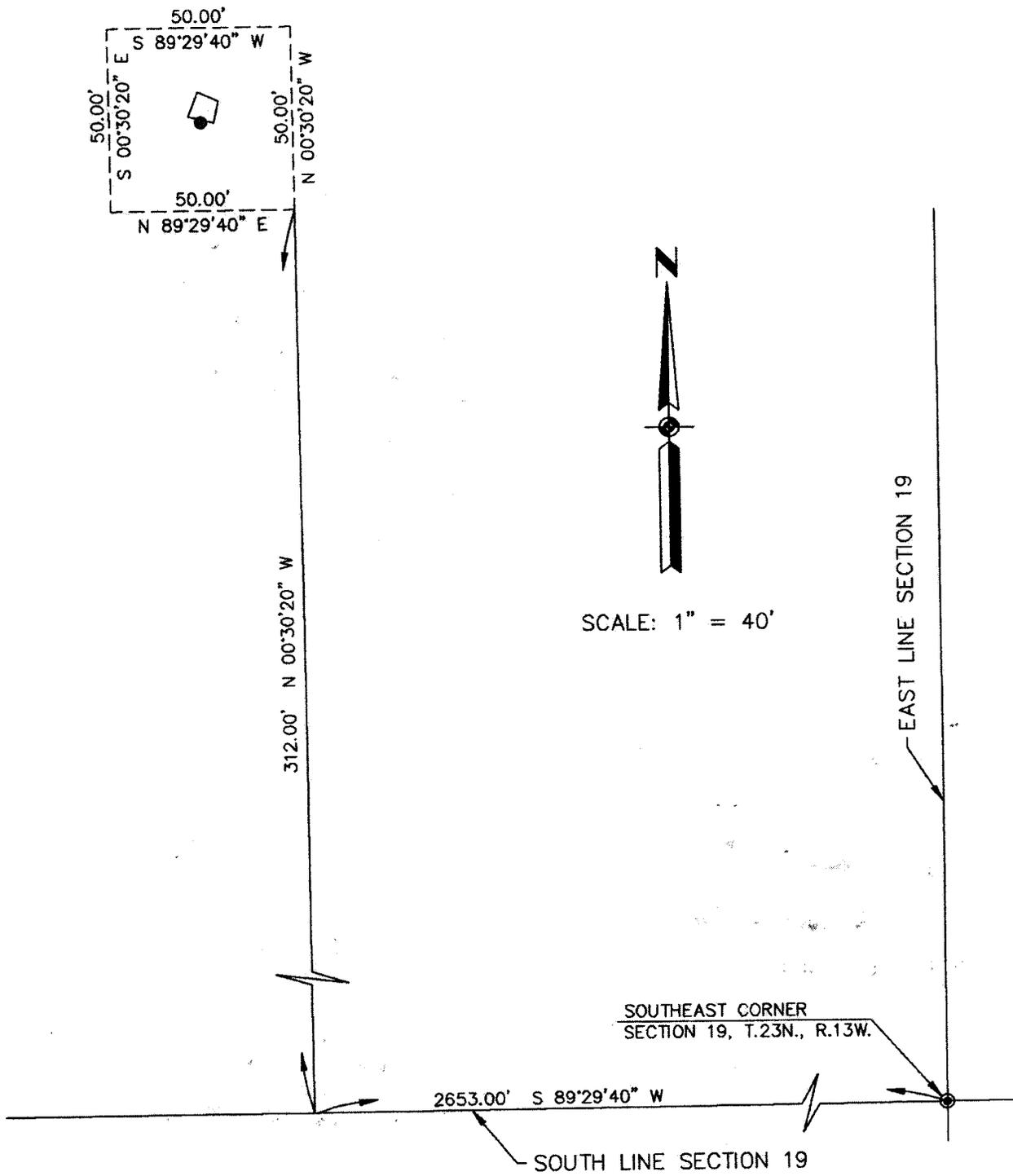
THENCE S 89°29'40" W a distance of 50.00 feet;

THENCE S 00°30'20' E distance of 50.00 feet;

THENCE N 89°29'40" E a distance of 50.00 feet to the TRUE POINT OF BEGINNING.



EXPIRES 6/30/16



LITTLE HACKBERRY WELL
EASEMENT EXHIBIT

WELL 29

EASEMENT LEGAL DESCRIPTION:

A well easement located in the South half of Section 29, T.23N., R.13 W of the Gila and Salt River Meridian, Mohave County, Arizona being more particularly described as follows:

COMMENCING at the Southeast corner of said Section 29;

THENCE S 89°04'45" W along the South line of said Section 29 a distance of 2597.00 feet;

THENCE N 00°55'15" W perpendicular to the South line of said Section 29 a distance of 1608.00' to the TRUE POINT OF BEGINNING:

THENCE N 20°24'08" W a distance of 50.00 feet;

THENCE S 65°39'52" W a distance of 50.00 feet;

THENCE S 20°24'08" E distance of 50.00 feet;

THENCE N 65°39'52" E a distance of 50.00 feet to the TRUE POINT OF BEGINNING.

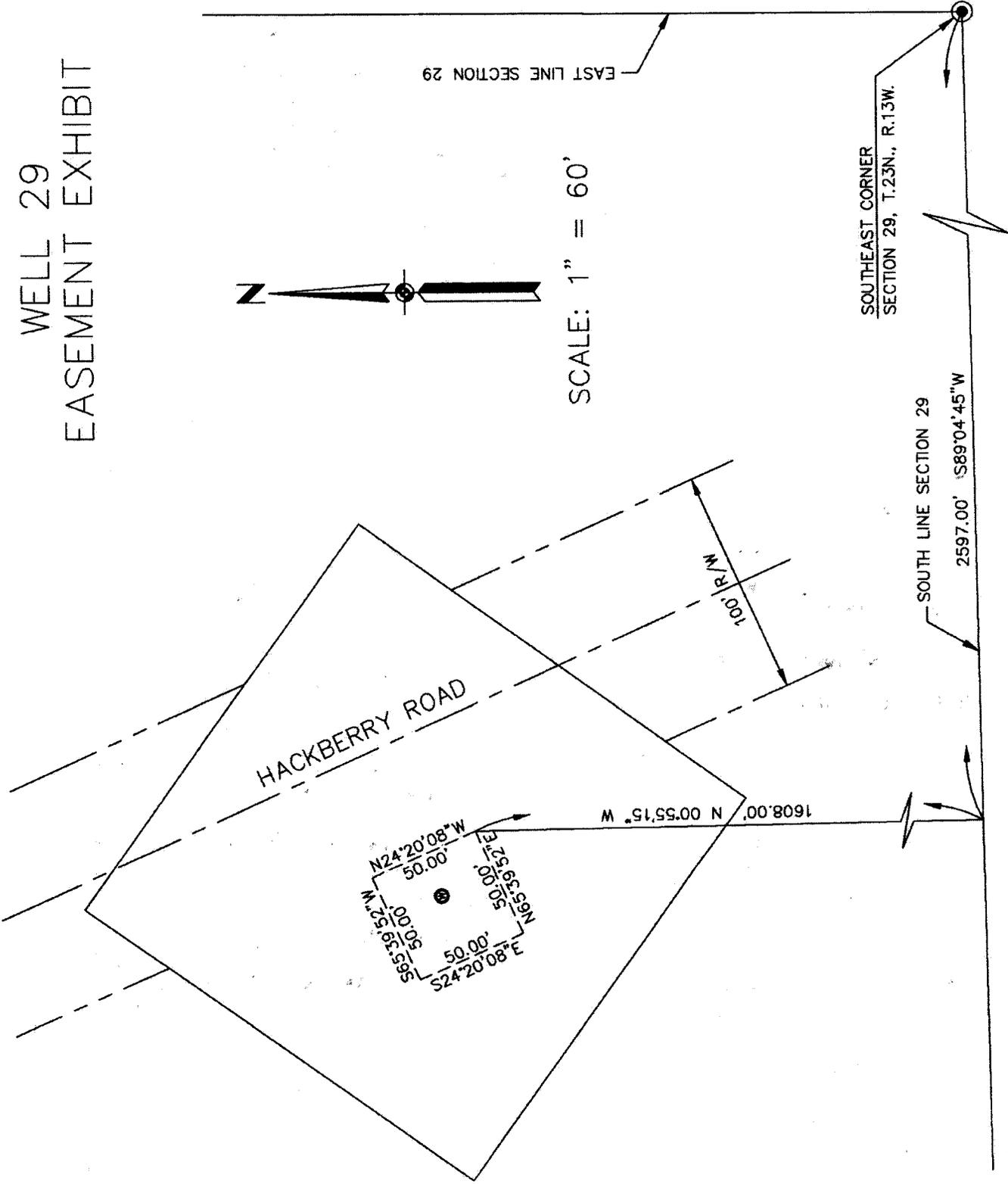


EXPIRES 6/30/16

WELL 29 EASEMENT EXHIBIT



SCALE: 1" = 60'



EAST LINE SECTION 29

SOUTHEAST CORNER
SECTION 29, T.23N., R.13W.

SOUTH LINE SECTION 29
2597.00' S89°04'45" W

HACKBERRY ROAD

N24°20'08" W
50.00'
50.00'
50.00'
50.00'
50.00'
50.00'
50.00'
50.00'

1608.00' N 00°55'15" W

100' R/W

DAVIS 1 WELL

EASEMENT LEGAL DESCRIPTION:

A well easement located in the Southwest quarter of Section 20, T.23N., R.13 W of the Gila and Salt River Meridian, Mohave County, Arizona being more particularly described as follows:

COMMNECING at the Southwest corner of said Section 20;

THENCE N 89°56'56" E along the South line of said Section 20 a distance of 715.000 feet;

THENCE N 00°03'04" W perpendicular to the South line of said Section 20 a distance of 170.00' to the TRUE POINT OF BEGINNING:

THENCE continuing N 00°03'04" W a distance of 50.00 feet;

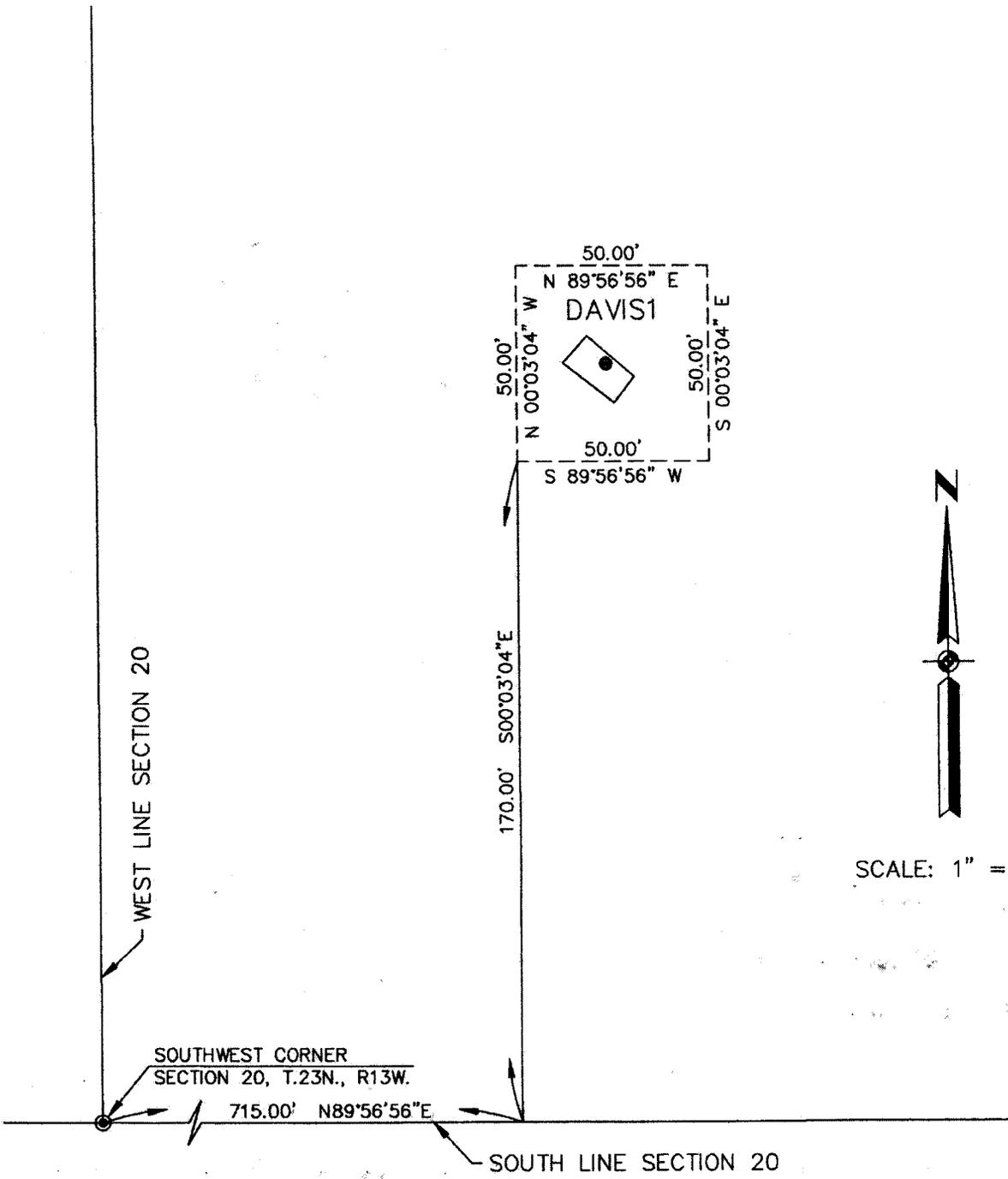
THENCE N 89°56'56" E a distance of 50.00 feet;

THENCE S 00°03'04" E distance of 50.00 feet;

THENCE S 89°56'56" W a distance of 50.00 feet to the TRUE POINT OF BEGINNING.



EXPIRES 6/30/16



SCALE: 1" = 40'

DAVIS 1 WELL
EASEMENT EXHIBIT

DAVIS 2 WELL

EASEMENT LEGAL DESCRIPTION:

A well easement located in the Southwest quarter of Section 20, T.23N., R.13 W of the Gila and Salt River Meridian, Mohave County, Arizona being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 20;

THENCE N 00°06'21" W along the West line of said Section 20 a distance of 775.000 feet;

THENCE N 89°53'39" E perpendicular to the West line of said Section 20 a distance of 72.00' to the TRUE POINT OF BEGINNING:

THENCE continuing N 89°53'39" E a distance of 50.00 feet;

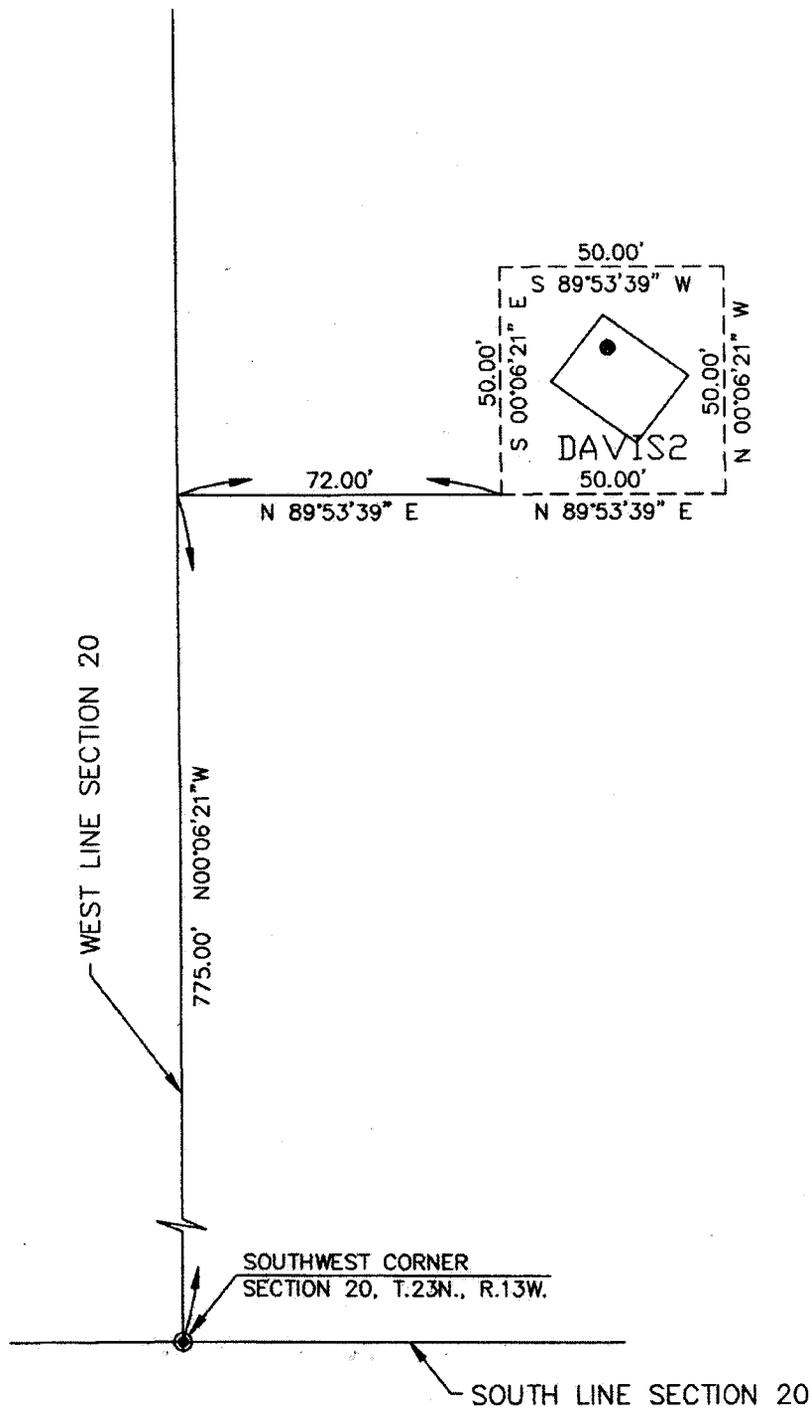
THENCE N 00°06'21" W a distance of 50.00 feet;

THENCE S 89°53'39" W distance of 50.00 feet;

THENCE S 00°06'21" E a distance of 50.00 feet to the TRUE POINT OF BEGINNING.



EXPIRES 6/30/16



SCALE: 1" = 40'

DAVIS 2 WELL EASEMENT EXHIBIT

WALAPAI 1 WELL

EASEMENT LEGAL DESCRIPTION:

A well easement located in the Southeast quarter of Section 8, T.23N., R.15 W. and the Northeast quarter of Section 15, T.23N., R.15 W. of the Gila and Salt River Meridian, Mohave County, Arizona being more particularly described as follows:

COMMENCING at the Southeast corner of said Section 8 also the Northeast corner of said Section 15;

THENCE N 89°57'40" W along the South line of said Section 8 and North line of said Section 15 a distance of 735.000 feet to the TRUE POINT OF BEGINNING:

THENCE N 00°02'20" E perpendicular to the South line of said Section 8 a distance of 100.00 feet;

THENCE continuing N 89°57'40" W parallel to the South line of said section 8 a distance of 200.00 feet;

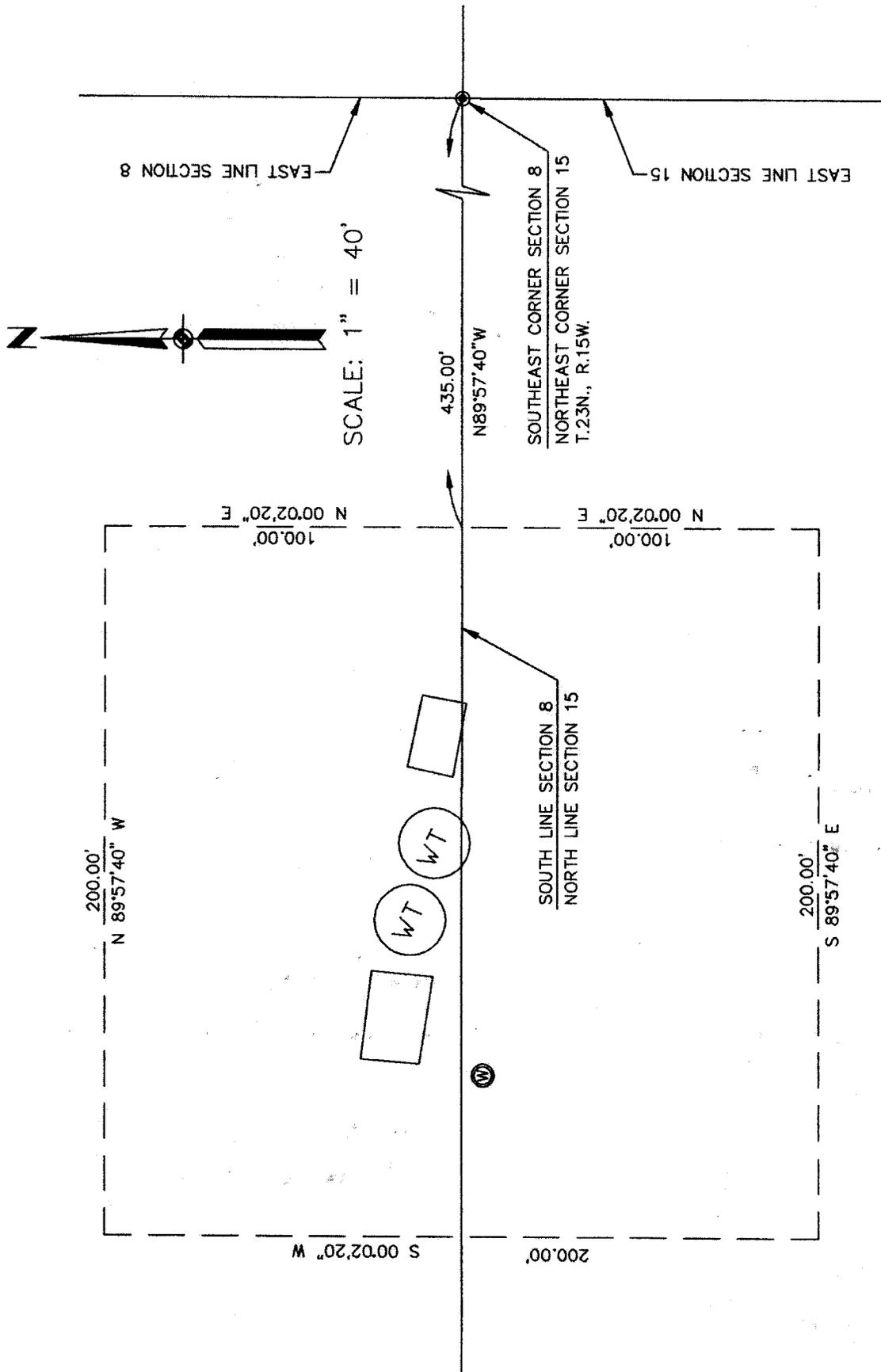
THENCE S 00°02'20" W a distance perpendicular to the South Line of said Section 8 and North line of said Section 15 a distance of 200.00 feet;

THENCE S 89°57'40" E parallel to the North line of said Section 15 a distance of 200.00 feet;

THENCE N 00°02'20" E a distance of 100.00 feet to the TRUE POINT OF BEGINNING.



EXPIRES 6/30/16



WALAPAI 1 WELL
 EASEMENT EXHIBIT