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ANDY TOBIN'S PROPOSED AMENDMENT NO. 1

TIME/DATE PREPARED: June 24, 2016 at 9:12am

COMPANY: Arizona Corporation Commission Investigation into Potential Improvements to its Water Policies  
AGENDA ITEM NO.: 6/21 Little Policy Statements

DOCKET NO.: W-00000C-16-0151

OPEN MEETING DATE: June 24, 2016

Amendment to "Discussion of Policy Recommendations for the Water and Wastewater Industries"

Page 6, Line 9, after "outlined" INSERT: "below:"

Arizona Corporation Commission

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Page 6, Lines 9-10

DELETE:

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"by Staff in the Staff Report docketed September 8, 2015 in Docket W-00000C-15-0250. In that Staff Report, Staff described the following process:"

Page 6, DELETE Lines 11-36 and INSERT the following:

1. The Commission directs ACC Staff to process applications for emergency monies from the Small Water Systems Fund in the following manner:
  - a. The ACC Utilities Director receives request from Interim Operator or Interim Manager (IO/IM) for funding. Upon receipt, the Director shall transmit a summary of the request to the Commissioners, the ACC Executive Director, the Water Infrastructure Finance Authority (WIFA), and the Water Emergency Team (WET). Also upon receipt, the Director shall open a docket to act as a repository for documents concerning the request for funds, if no other appropriate docket is already open.
  - b. Within two weeks after receiving the initial application for funding, the ACC Utilities Division Staff shall evaluate the application, including a determination of the status of existing infrastructure, reasonableness of estimated cost to remedy, and financial circumstances of the requesting company in order to correct or avoid an interruption of service, and make an appropriate recommendation to approve or deny funding to the applicant.
  - c. If ACC Staff recommends approval, then the Chairman shall call an ACC Staff meeting as soon as practicable to discuss and possibly vote on the favorable recommendation. ACC Staff shall draft a letter to WIFA to discuss with the Commissioners at that meeting. If the Commission votes to approve the recommendation, the WIFA letter is to be signed by the Chairman and sent to WIFA. The Commission may also order that the Company file a financial improvement plan (with a reasonable deadline in light of the emergency situation).
  - d. If ACC Staff recommends against approval, then ACC Staff shall immediately notify the Commissioners, the ACC Executive Director, WIFA, and WET with a summary of the reasoning behind the denial. ACC Staff shall also discuss with the Commissioners

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at the next regularly scheduled ACC Staff Meeting their reasoning for why approval was not recommended.

2. Pursuant to WIFA Board of Directors Resolution 2016-021, WIFA will process Commission recommendations for emergency grants from the Small Water Systems Fund in the following manner:
  - a. Upon receipt of the recommendation letter from the Commission, the WIFA Executive Director will review the docketed ACC Staff recommendation and Commission approval documentation and make a determination of whether to approve such grant from the Small Water Systems Fund. According to WIFA Staff, they understand that the IO/IM will have demonstrated need through the initial application process to the ACC.
  - b. The WIFA Executive Director may only give approval if:
    - i. WIFA has received a recommendation to provide such grant from the Commission; and
    - ii. The IO/IM has sufficiently demonstrated [in its initial request to the ACC] that it requires immediate financial assistance to replace, make repairs to or rehabilitate the public water system infrastructure that is operated by the interim operator or interim manager in order to correct or avoid an interruption in water service.
  - c. The Executive Director is authorized by the WIFA Board to sign any document and take such actions as necessary and appropriate to consummate the transactions contemplated by WIFA Board Resolution 2016-021.
3. If the WIFA Executive Director gives a favorable review of the application, then WIFA will notify the recipient of the approved grant.
4. The grant recipient would then incur cost and submit a reimbursement request to WIFA and ACC for payment.
5. The ACC/WIFA Engineering Staff would conduct a site inspection of the completed work, the Approval to Construct (or related documentation) sent to WIFA.
6. WIFA would then disburse the grant proceeds to the IO/IM or vendor performing the services.
7. The Utilities Division will keep records sufficient to comply with the reporting requirements of House Bill 2695 Sec. 150(C). That section requires financial reporting on the fund by August 1, 2017 but the Commission directs Staff to keep records on the funds disbursements continuously so that the disposition of the fund can be ascertained at any time.

**\*\* Make all conforming changes**

<b>THIS AMENDMENT:</b>			
_____ Passed _____	Passed as amended by _____		
_____ Failed	_____ Not Offered	_____ Withdrawn	