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BEFORE THE ARIZONA CORPORATION COMMISSION

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TOM FORESE
Chairman
BOB BURNS
Commissioner
DOUG LITTLE
Commissioner
ANDY TOBIN
Commissioner
BOYD DUNN
Commissioner

Arizona Corporation Commission

DOCKETED

JAN 18 2017

DOCKETED BY
km *SB*

REQUEST FOR A GRANT FROM THE
SMALL WATER SYSTEMS FUND TO
REPAIR AND REPLACE SERVICE LINES
AND METERS TO REDUCE DRASTIC
WATER LOSS IN THE ACME WATER
COMPANY LLC, THUNDERBIRD
MEADOWS SYSTEM

DOCKET NO. W-20809A-17-0007
DECISION NO. 75933
ORDER

Staff Meeting
January 11, 2017
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

BACKGROUND

1. Acme Water Company, LLC ("Acme") and Walden Meadows Community Cooperative ("Walden Meadows") are both Arizona public service corporations that provide water utility service in Yavapai County, Arizona. Acme is comprised of four public water systems: Thunderbird Meadows, Dells, Yavapai Mobile Home Estates, and Blue Hills #3. As reported in the Annual Report submitted on May 18, 2016, the Acme Thunderbird Meadows water system serves approximately 123 customers with 5/8 X 3/4 inch meters. As reported in the Annual Report submitted on April 5, 2016, Walden Meadows serves approximately 297 customers with 5/8 X 3/4 inch meters. Thunderbird Meadows purchases all of its water from Walden Meadows. Based on information contained in the Annual Report, Staff calculates that in 2015, Thunderbird Meadows had water loss in excess of 44 percent. The Arizona Corporation Commission ("ACC" or "Commission") ordered in Decision No. 75871, dated

1 January 3, 2017, that Walden Meadows shall be appointed as the interim manager of the Acme
2 Thunderbird Meadows system.

3 2. On January 6, 2017, Walden Meadows sent a request to the Director of the Utilities
4 Division for funds from the Small Water System Fund to address the Acme Thunderbird Meadows
5 excessive water loss condition. The Director, in reviewing the request from Walden Meadows, has
6 found that there is a requirement for immediate financial assistance to replace, make repairs to or to
7 rehabilitate the Acme Thunderbird Meadows water system infrastructure. The financial assistance is
8 necessary in order to avoid an interruption in water service to customers of both Walden Meadows and
9 Acme Thunderbird Meadows.

10 **STAFF ANALYSIS AND RECOMMENDATIONS**

11 3. Staff engineers, Del Smith and Frank Smaila, conducted a site visit of the Acme
12 Thunderbird Meadows water system on December 14, 2016, meeting with representatives from both
13 Walden Meadows and Acme Thunderbird Meadows along with two independent contractors. The site
14 visit concluded that most of the water loss is attributed to the deterioration of the service lines. In
15 addition, the water meters are not working properly as they are beyond their useful life and need to be
16 replaced. As a result of this visit, the parties developed a plan for the scope of work along with cost
17 estimates for the necessary repairs and meter replacements as discussed further in the Scope of Work
18 and Cost Estimate sections.

19 *Scope of Work*

20 4. It was determined that the scope of work shall be limited to the repair and/or
21 replacement/installation of: (i) 13 new 4-inch isolation valves to replace valves that do not operate
22 properly or are concealed under the asphalted street; (ii) 99 new customer meters that have processed
23 more than 1,000,000 gallons or are projected to reach 1,000,000 gallons within the next 12 months; (iii)
24 99 new customer service lines of which 50 require boring and asphalt removal and replacement (the
25 service lines will be replaced where the water pressure is highest and are located in the portion of the
26 subdivision where the majority of the water leaks have occurred), (see Attachment A for a list of the
27 meters and services that have been identified as needing replacement, and Attachment B for a map of
28 the system); (iv) one new 6-inch master meter on the outlet of the storage tank and (v) two 4-inch

1 pressure reducing valves to reduce the pressure in the system to below 100 pounds per square inch
2 (“psi”).

3 *Cost Estimate*

4 5. Walden Meadows submitted a cost estimate of \$202,914, as shown in Attachment C.
5 The Director of the Utilities Division and Walden Meadows agree that the estimate of \$202,914, is
6 reasonable, appropriate and necessary to correct the extensive water loss situation currently being
7 experienced by the Acme Thunderbird Meadows system.

8 *Long-Term Plan*

9 6. Staff has reviewed the long-terms plans of Acme and Walden Meadows and agrees that
10 they are reasonable, appropriate, in the public interest, and comply with the Commission’s policy on
11 small system consolidation. It is the intention of the parties that upon completion of the repairs as
12 outlined in the Scope of Work section, an assessment will be made to determine if the system has
13 stabilized or if additional repairs are required to reduce water loss to less than 10 percent per industry
14 standards. If water loss has not been cut to below 10 percent, the parties intend to file a rate application
15 with the Commission so that rates can be adjusted to enable the parties to make any additional repairs
16 required to further stabilize the system.

17 7. Regardless of the outcome of the system repairs, it is the intention of the parties that
18 Walden Meadows will assume ownership of the Acme Thunderbird Meadows system at the completion
19 of the repairs and upon approval by the Commission.

20 *Approval Process*

21 8. The process to request funds from the Small Water Systems Fund is outlined in Decision
22 No. 75626, dated July 25, 2016, and requires an interim manager appointed by the Commission submit
23 a request for grant monies to the Director of the Utilities Division at the Commission. Once the request
24 has been received, the Director will notify the Commissioners, the Executive Director of the
25 Commission, the Water Infrastructure Finance Authority (“WIFA”), and the Water Emergency Team
26 (“WET”) that a request has been received, the details of the request, and a recommendation.

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1 *Recommendation*

2 9. Staff has recommended that the Commission approve the request from Walden
3 Meadows for a grant not to exceed \$202,914 from the Small Water System Fund and has recommended
4 that the Commission send a letter to WIFA requesting that WIFA also approve the request and to
5 provide the funds so that the necessary projects can be completed as soon as practical.

6 CONCLUSIONS OF LAW

7 1. Acme Water Company, LLC is an Arizona public service corporation within the
8 meaning of Article XV, Section 3, of the Arizona Constitution and A.R.S. § 40-321.

9 2. Notice of the proceeding has been given in the manner prescribed by law.

10 3. Staff's recommendations in Finding of Fact No. 9 are reasonable.

11 4. The Commission, having reviewed the request and considered the matter, finds that it
12 is in the public interest to approve the request for a grant from the Small Water System Fund and
13 authorize a letter to be sent to WIFA requesting that WIFA also approve the request.

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ORDER

IT IS THEREFORE ORDERED that Walden Meadows Community Cooperative's request, as interim manager for Acme Thunderbird Meadows water system, for grant monies from the Small Water Systems Fund Staff not to exceed \$202,914 is hereby approved.

IT IS FURTHER ORDERED that the Commission send a letter to the Water Infrastructure Finance Authority ("WIFA") of Arizona requesting that WIFA also approve the request and to provide the funds so that the necessary projects can be completed as soon as practical.

IT IS FURTHER ORDERED that this decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

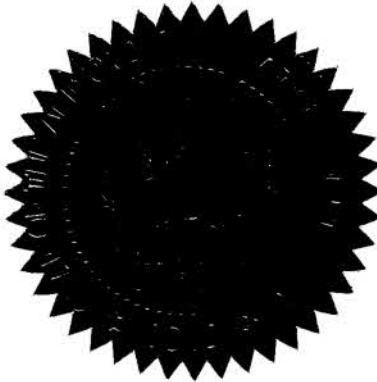
Pro. Fouse
CHAIRMAN

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COMMISSIONER

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COMMISSIONER

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COMMISSIONER

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COMMISSIONER



IN WITNESS WHEREOF, I, TED VOGT, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 18th day of January, 2017.

[Signature]
TED VOGT
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

EOA:BAB:nr/RRM

1 Acme Water Company, LLC
Docket No. (W-20809A-17-0007)

2

3 Mr. Dewald Lucas
4 Acme Water Company, LLC
356 East Coronado Road
5 Suite 200
Phoenix, AZ 85004-1560

6

7 Mr. Timothy La Sota
Acting General Counsel and Acting Director, Legal Division
8 Arizona Corporation Commission
1200 West Washington Street
9 Phoenix, Arizona 85007

10 Mr. Elijah Abinah
Acting Director, Utilities Division
11 Arizona Corporation Commission
1200 West Washington Street
12 Phoenix, Arizona 85007

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THUNDERBIRD MEADOWS WATER SYSTEM

Docket No. W-20809A-17-0007

PLANT REPLACEMENT REQUIREMENTS

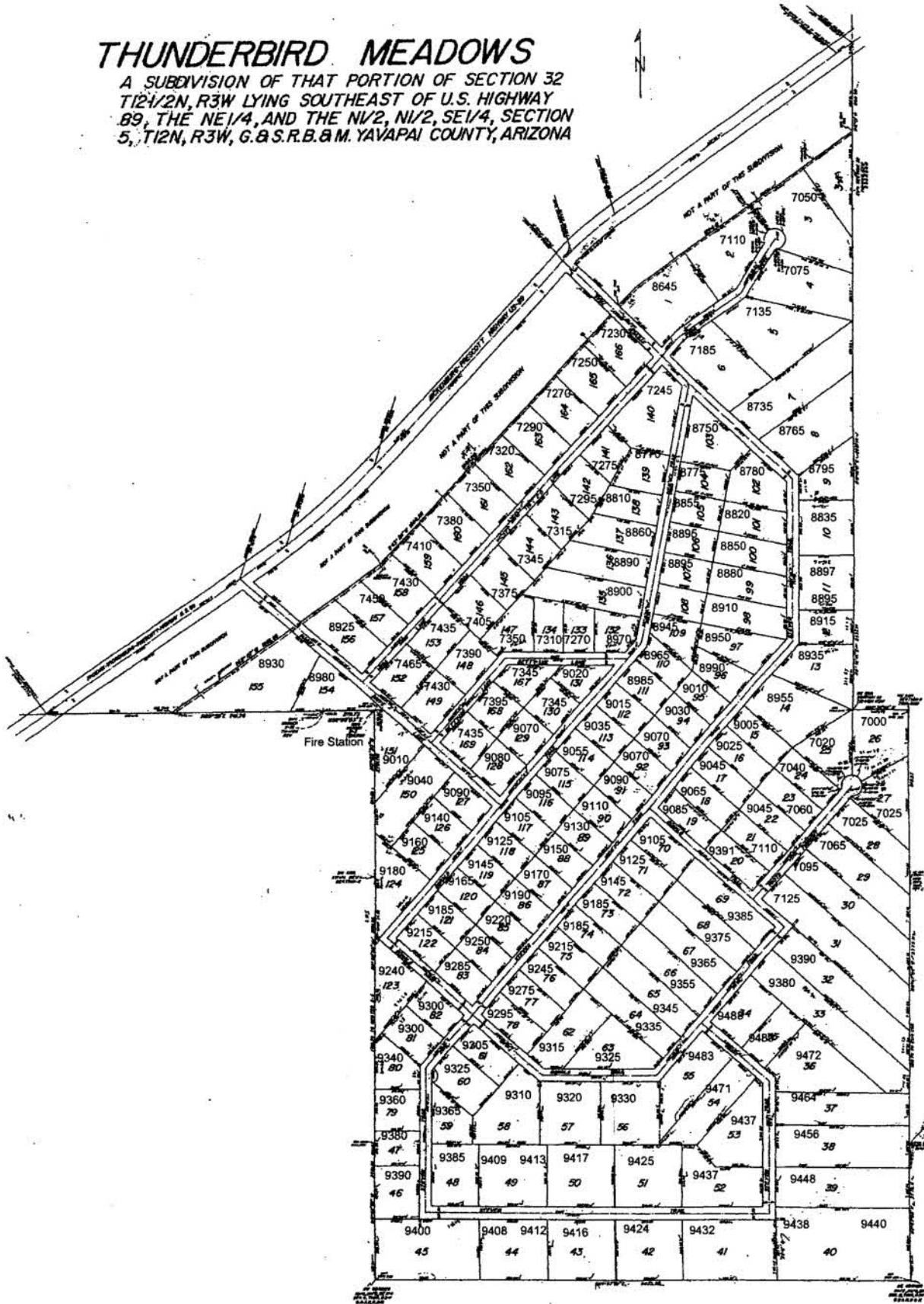
Lot No.	Location	Service Provided	Service Line Replacement	Meter Replacement	Boring Required	Asphalt Cut & Repair
0	8585 S. HWY Eighty-Nine	Yes	No	No	No	No
1	8645 1 Steven Trail	Yes	No	No	No	No
2	7110 2 Veda Lane	Yes	No	Yes	No	No
3	7050 3 Veda Lane	Yes	No	Yes	No	No
4	7075 4 Veda Lane	Yes	No	No	No	No
5	7135 5 Veda Lane	Yes	No	Yes	No	No
6	7185 6 Veda Lane	Yes	No	Yes	No	No
7	8735 7 Steven Trail	No	No	Yes	No	No
8	8765 8 Steven Trail	Yes	No	Yes	No	No
9	8795 9 Steven Trail	Yes	No	No	No	No
10	8835 10 Steven Trail	Yes	No	Yes	No	No
11	8895 11 Steven Trail	Yes	No	Yes	No	No
11	8897 11 Steven Trail	Yes	No	Yes	No	No
12	8915 12 Steven Trail	No	No	Yes	No	No
13	8935 13 Steven Trail	No	No	Yes	No	No
14	8955 14 Steven Trail	Yes	Yes	Yes	Yes	No
15	9005 15 Steven Trail	Yes	Yes	Yes	Yes	No
16	9025 16 Steven Trail	Yes	Yes	No	Yes	No
17	9045 17 Steven Trail	No	No	Yes	No	No
18	9065 18 Steven Trail	Yes	Yes	Yes	Yes	No
19	9085 19 Steven Trail	Yes	Yes	No	No	No
20	9391 20 Donald Trail	Yes	Yes	Yes	No	No
21	7110 21 Toots Turnout	Yes	Yes	Yes	No	No
22	7080 22 Toots Turnout	Yes	Yes	Yes	No	No
23	7060 23 Toots Turnout	Yes	Yes	Yes	No	No
24	7040 24 Toots Turnout	Yes	Yes	Yes	No	No
25	7020 25 Toots Turnout	Yes	Yes	Yes	No	No
26	7000 26 Toots Turnout	Yes	Yes	Yes	No	No
27	7025 27 Toots Turnout	Yes	Yes	Yes	No	No
28	7065 28 Toots Turnout	No	Yes	Yes	No	No
29	7065 29 Toots Turnout	Yes	Yes	Yes	No	No
30	7095 30 Toots Turnout	No	No	Yes	No	No
31	7125 31 Toots Turnout	No	No	Yes	No	No
32	9390 32 Donald Trail	Yes	Yes	No	No	Yes
33	9380 33 Donald Trail	Yes	Yes	Yes	No	Yes
34	9488 34 Donald Trail	No	No	Yes	No	Yes
35	9480 35 Steven Trail	Yes	Yes	Yes	No	Yes
36	9472 36 Steven Trail	Yes	Yes	Yes	No	Yes
37	9464 37 Steven Trail	Yes	Yes	No	No	Yes
38	9456 38 Steven Trail	No	No	Yes	No	Yes
39	9448 39 Steven Trail	Yes	Yes	Yes	No	Yes
40	9438 40 Steven Trail	Yes	Yes	No	No	Yes
40	9440 40 Steven Trail	Yes	Yes	Yes	No	Yes
41	9432 41 Steven Trail	Yes	Yes	Yes	No	Yes
42	9424 42 Steven Trail	Yes	Yes	Yes	No	Yes
43	9416 43 Steven Trail	Yes	Yes	Yes	No	Yes
44	9408 44 Steven Trail	Yes	Yes	Yes	No	Yes
45	9400 45 Steven Trail	Yes	Yes	No	No	Yes
46	9390 46 Steven Trail	Yes	Yes	Yes	No	No
47	9380 47 Steven Trail	Yes	Yes	Yes	No	No
48	9385 48 Steven Trail	Yes	Yes	Yes	Yes	No
49	9409 49-1 Steven Trail	Yes	Yes	No	Yes	No
49	9413 49 Steven Trail	Yes	Yes	No	Yes	No
50	9417 50 Steven Trail	No	No	No	No	No
51	9425 51 Steven Trail	Yes	Yes	Yes	Yes	No
52	9437 52 Steven Trail	Yes	Yes	No	Yes	No
54	9471 54 Steven Trail	Yes	Yes	No	Yes	No
55	9483 55 Steven Trail	Yes	Yes	No	No	No
56	9330 56 Donald Trail	Yes	No	Yes	No	No
57	9320 57 Donald Trail	No	No	Yes	No	No
58	9310 58 Donald Trail	Yes	Yes	Yes	No	No
59	9365 59 Steven Trail	No	No	Yes	Yes	No
60	9325 60 Donald Trail	Yes	Yes	Yes	Yes	No
61	9305 61 Steven Trail	Yes	No	Yes	Yes	No
62	9315 62 Donald Trail	No	No	Yes	Yes	No
63	9325 63 Donald Trail	Yes	No	Yes	Yes	No
64	9335 64 Donald Trail	Yes	Yes	Yes	Yes	No
65	9345 65 Donald Trail	Yes	Yes	Yes	Yes	No

66	9355 66 Donald Trail	No	No	Yes	Yes	No
67	9365 67 Donald Trail	No	No	Yes	Yes	No
68	9375 68 Donald Trail	Yes	Yes	Yes	Yes	No
69	9385 69 Donald Trail	No	No	Yes	No	No
70	9105 70 Steven Trail	Yes	Yes	Yes	Yes	No
71	9125 71 Steven Trail	Yes	Yes	Yes	Yes	No
72	9145 72 Steven Trail	Yes	Yes	Yes	Yes	No
73	9145 73 Steven Trail	No	No	Yes	No	No
74	9185 74 Steven Trail	Yes	Yes	Yes	Yes	No
75	9215 75 Steven Trail	Yes	Yes	No	Yes	No
76	9245 76 Steven Trail	Yes	Yes	Yes	Yes	No
77	9275 77 Steven Trail	Yes	Yes	Yes	Yes	No
78	9295 78 Steven Trail	No	No	Yes	No	No
79	9360 79 Steven Trail	Yes	Yes	Yes	No	No
80	9340 80 Steven Trail	Yes	Yes	Yes	No	No
81	9300 81 Steven Trail	No	No	Yes	No	No
82	9300 82 Donald Trail	Yes	Yes	Yes	No	No
83	9285 83 Donald Trail	Yes	Yes	Yes	No	Yes
84	9250 84 Steven Trail	No	No	Yes	No	Yes
85	9220 85 Steven Trail	Yes	Yes	Yes	No	Yes
86	9190 86 Steven Trail	No	No	Yes	No	Yes
87	9170 87 Steven Trail	No	No	Yes	No	Yes
88	9150 88 Steven Trail	Yes	Yes	Yes	No	Yes
89	9130 89 Steven Trail	Yes	Yes	Yes	No	Yes
90	9110 90 Steven Trail	Yes	Yes	Yes	No	Yes
91	9090 91 Steven Trail	Yes	Yes	Yes	No	Yes
92	9070 92 Steven Trail	No	No	Yes	No	Yes
93	9070 93 Steven Trail	No	No	Yes	No	Yes
94	9030 94 Steven Trail	No	No	Yes	No	Yes
95	9010 95 Steven Trail	Yes	Yes	Yes	No	Yes
96	8990 96 Steven Trail	Yes	Yes	No	No	Yes
97	8950 97 Steven Trail	Yes	No	Yes	No	Yes
98	8910 98 Steven Trail	Yes	No	No	No	Yes
99	8880 99 Steven Trail	No	No	Yes	No	No
100	8850 100 Steven Trail	No	No	Yes	No	No
101	8820 101 Steven Trail	Yes	No	Yes	No	No
102	8780 102 Steven Trail	Yes	No	No	No	No
103	8735 103 Steven Trail	Yes	No	Yes	No	No
104	8775 104 Donald Trail	Yes	No	No	No	No
105	8815 105 Donald Trail	No	No	Yes	No	No
106	8855 106 Donald Trail	Yes	No	Yes	No	No
107	8895 107 Donald Trail	Yes	Yes	Yes	No	No
108	8895 108 Donald Trail	No	No	Yes	No	No
109	8945 109 Donald Trail	Yes	Yes	Yes	No	No
110	8965 110 Donald Trail	Yes	Yes	Yes	No	No
111	8985 111 Donald Trail	Yes	Yes	No	No	No
112	9015 112 Donald Trail	Yes	Yes	Yes	No	No
113	9035 113 Donald Trail	Yes	Yes	No	No	No
114	9055 114 Donald Trail	No	No	Yes	No	No
115	9075 115 Donald Trail	Yes	Yes	Yes	No	No
116	9095 116 Donald Trail	Yes	Yes	Yes	No	No
117	9105 117 Donald Trail	Yes	Yes	Yes	No	No
118	9125 118 Donald Trail	Yes	Yes	No	No	No
119	9145 119 Donald Trail	Yes	Yes	No	No	No
120	9165 120 Donald Trail	Yes	Yes	Yes	No	No
121	9185 121 Donald Trail	Yes	Yes	Yes	No	No
122	9215 122 Donald Trail	Yes	Yes	Yes	No	No
123	9240 123 Donald Trail	No	No	Yes	No	No
124	9180 124 Donald Trail	Yes	Yes	Yes	Yes	No
125	9160 125 Donald Trail	No	No	Yes	Yes	No
126	9140 126 Donald Trail	Yes	Yes	No	Yes	No
127	9090 127 Magby Drive	Yes	No	Yes	Yes	No
128	9080 128 Donald Trail	No	No	No	No	No
129	9070 129 Magby Drive	Yes	Yes	Yes	Yes	No
131	9020 131 Donald Trail	Yes	Yes	Yes	Yes	No
132	8970 132 Donald Trail	Yes	Yes	Yes	Yes	No
133	7270 133 Betty Lou Lane	Yes	Yes	Yes	No	No
134	7210 134 Betty Lou Lane	No	No	Yes	No	No
135	8900 135 Donald Trail	Yes	Yes	No	Yes	No
136	8890 136 Donald Trail	Yes	Yes	Yes	Yes	No
137	8860 137 Donald Trail	Yes	No	Yes	No	No
138	8810 138 Donald Trail	Yes	No	Yes	No	No
139	8770 139 Donald Trail	Yes	No	Yes	No	No
140	7245 140 Veda Lane	No	No	Yes	No	No
141	7275 141 Veda Lane	Yes	No	Yes	No	No
142	7295 142 Veda Lane	Yes	No	Yes	No	No
143	7315 143 Veda Lane	Yes	No	No	No	No

144	7345 144 Veda Lane	Yes	No	No	No	No
145	7375 145 Veda Lane	Yes	No	Yes	No	No
146	7405 146 Veda Lane	Yes	No	Yes	No	No
147	7350 147 Betty Lou Lane	No	No	Yes	No	No
148	7390 148 Betty Lou Lane	Yes	No	Yes	No	No
149	9325 149 Steven Trail	Yes	No	Yes	No	No
150	9070 150 Magby Drive	Yes	No	Yes	Yes	No
151	9040 151 Magby Drive	Yes	No	No	Yes	No
152	9010 152 Magby Drive	Yes	No	Yes	No	No
153	7435 153 Veda Lane	Yes	Yes	No	No	No
154	8980 154 Magby Drive	Yes	Yes	Yes	No	No
155	8930 155 Magby Drive	Yes	Yes	Yes	No	No
156	8925 156 Magby Drive	Yes	Yes	No	No	No
157	7450 157 Veda Lane	No	No	Yes	No	No
158	7450 158 Veda Lane	Yes	No	No	No	No
159	7430 159 Veda Lane	Yes	No	Yes	No	No
160	7380 160 Veda Lane	Yes	No	Yes	No	No
161	7350 161 Veda Lane	Yes	No	Yes	No	No
162	7320 162 Veda Lane	No	No	Yes	No	No
163	7290 163 Veda Lane	Yes	No	Yes	No	No
164	7270 164 Veda Lane	Yes	No	Yes	No	No
165	7250 165 Veda Lane	Yes	No	No	No	No
166	7230 166 Veda Lane	Yes	No	No	No	No
167	7345 167 Betty Lou Lane	Yes	Yes	No	No	No
168	7395 168 Betty Lou Lane	No	No	Yes	No	No
169	7435 169 Betty Lou Lane	Yes	Yes	No	No	No

THUNDERBIRD MEADOWS

A SUBDIVISION OF THAT PORTION OF SECTION 32
T12-1/2N, R3W LYING SOUTHEAST OF U.S. HIGHWAY
89, THE NE1/4, AND THE N1/2, N1/2, SE1/4, SECTION
5, T12N, R3W, G. & S.R.B. & M. YAVAPAI COUNTY, ARIZONA



THUNDERBIRD MEADOWS COST ESTIMATE

**REQUIRED REPAIRS/REPLACEMENT OF WATER SYSTEM
INFRASTRUCTURE TO RELIEVE EXTREME WATER LOSS**

Item No.	Description	Quantity	Unit Price, \$		Total Cost, \$	
			Material	Labor	Material	Labor
1	Provide & Install 4" Isolation Valves.	13	1,520	1,155	19,760	15,015
2	Boring Under Road from Customer Meter to Main Line.	50		600		30,000
3	Provide & Install 99 Service Lines. Average 25'	99	200	500	19,800	49,500
4	Provide & Install Customer Meters.	99	75	50	7,425	4,950
5	Cut & Repair Asphalt for 40 Service Line Installations.	40	100	186	4,000	7,440
6	Provide & Install 6" Meter at Storage Tank.	1	4,000	500	4,000	500
7	Provide & Install 2-4" Pressure Reducing Valves. Includes 4" pipe and fittings.	2	7,890	3,066	15,780	6,122
8	Permits & Fees*	1	175		175	
SUBTOTAL					70,940	113,527
CONTINGENCY (10%)					7,094	11,353
TOTAL ESTIMATED COST					202,914	

* YAVAPAI COUNTY RIGHT OF WAY PERMIT AND CHIPSEAL FEES