

ORIGINAL



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IN THE MATTER OF THE APPLICATION OF WALDEN MEADOWS COMMUNITY CO-OP FOR APPROVAL OF AN EMERGENCY RATE INCREASE (Docket No. W-02369A-16-0481)

On December 27, 2016, Walden Meadows Community Co-op (“Walden Meadows” or “Company”) filed an application for an emergency rate increase. As stated in that filing the Company has insufficient revenues to continue operating at a compliant level due to outdated rates and rising costs. Further the Company does not have any equipment and/or supplies on hand and no means to purchase said supplies should there be a breakdown or failure, putting service to the Walden Meadows customers at jeopardy.

On December 30, 2016, a procedural order was issued directing the Company to work with Arizona Corporation Commission (“ACC” or “Commission”) Staff to prepare the remaining requirements of an emergency application. Walden Meadows met with Staff and with their assistance has prepared the following supplemental information.

Since the Company’s original request for emergency funds there has not been any system failures; however, if Walden Meadows is not allowed to recover emergency funds to better position the Company financially, then the Company’s inability to be able to respond to and make emergency repairs as necessary may prevent the Company from being able to continue to provide safe and reliable water service. The Company estimates that it will need \$38,533 until such time as a full rate case can be processed and updated rates can be put in place. Included in the Company’s estimate are the following:

- \$5,513 to recover 2015 operating losses (see attachment 1)
- \$6,000 to repay a loan made by a board member to stay current on property taxes (see attachment 2)
- \$1,250 to service the well pumps (amount based on a verbal estimate provided to the Company)
- \$264 to purchase two spare meters (per Staff the typical cost for a 5/8 X 3/4 meter including installation is \$132)
- \$7,309 to purchase one 10 HP and one 15 HP spare booster pumps (see attachment 3)
- \$18,192 to purchase various on-site parts and equipment to ensure continued operations (see attachment 4 for a complete list with costs)

Walden Meadows proposes an emergency surcharge of \$9.59 per customer per month. This has been calculated by taking the requested \$38,533 and dividing by the 335 current customers by 12 months, to arrive at the requested per month per customer surcharge amount.

Arizona Corporation Commission

DOCKETED

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AZ CORP COMMISSION
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COMPANY NAME	Walden Meadows Community Co-op
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WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 139,142	\$ 146,444
460	Unmetered Water Revenue		
474	Other Water Revenues	2,047	1,247
	TOTAL REVENUES	\$ 141,189	\$ 147,691
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 33,726	\$ 45,312
610	Purchased Water		
615	Purchased Power	31,998	34,184
618	Chemicals		
620	Repairs and Maintenance	4,904	12,106
621	Office Supplies and Expense	4,463	4,954
630	Outside Services	13,729	15,331
635	Water Testing	1,345	3,100
641	Rents		
650	Transportation Expenses	4,751	5,704
657	Insurance - General Liability	7,756	8,717
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	2,479	3,068
403	Depreciation Expense	14,130	14,706
408	Taxes Other Than Income	2,685	3,683
408.11	Property Taxes	4,590	2,339
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 126,556	\$ 153,204
	OPERATING INCOME/(LOSS)	\$ 14,633	\$ (5,513)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 7	\$ 5
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(1,345)	(1,102)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (1,338)	\$ (1,097)
	NET INCOME/(LOSS)	\$ 13,295	\$ (6,610)

Simple Promissory Note

Wilhoit
City

AZ
State

12/23/2016
Date

Walden Meadows Community Co-op agrees and promises to pay to DeWald Lucas the sum of \$6,000.00 for value received, with interest at the annual rate of 6%. Payments to begin 2/1/2017.

If this note is in default and is placed for collection, Walden Meadows Community Co-op shall pay all reasonable costs of collection and attorneys' fees.

Walden Meadows Community Co-op ^{12/23/16} By Calvin A Lewis
 (Borrower) (Date)
 DEWALD LUCAS ^{12/23/16} By DeWald Lucas
 (Lender) (Date)
Diane Braun ^{12/23/16}
 (Witness) (Date)



R.W. Turner & Sons Pump & Windmill Co; Inc.

3471 North Highway 89
Chino Valley, Arizona 86323

Phone: (928) 636-2771 Fax: (928) 636-8878
rwtturner3471@gmail.com AZ ROC Lic#137429 CR-5

Estimate

Date	Estimate #
2/13/2017	1246

Name / Address
Walden Meadows 9325 S. Donegal Dr. Ste A Wilhoit, AZ 86332 Attn: Luke Lucas waldenmeadows@aol.com

Qty	Description
1	B 1-1/2 TPMS 10 HP 1ph Berkeley Pump \$3,700.33
1	10 HP 1ph Starter Panel \$1,537.00
	Pump has a 2" suction and 1-1/2" discharge lines

Terms: 50% Down upon acceptance. Balance due upon completion.

Accepted by:

Applicable Sales Tax Included (0.00)

Customer signature _____

Date _____

Total

\$5,237.33

R.W. Turner & Sons Pump & Windmill Co; Inc.
Az ROC license #137429 CR-5

Date _____



R.W. Turner & Sons Pump & Windmill Co; Inc.

3471 North Highway 89
Chino Valley, Arizona 86323

Phone: (928) 636-2771 Fax: (928) 636-8878
rwturner3471@gmail.com AZ ROC Lic#137429 CR-5

Estimate

Date	Estimate #
2/13/2017	1240

Name / Address
Walden Meadows 9325 S. Donegal Dr. Ste A Wilhoit, AZ 86332 Attn: Luke Lucas waldenmeadows@aol.com

Qty	Description
	We are pleased to submit the following estimate for your review. This estimate is to replace a 15 HP centrifugal pump at Lower and Middle Stations. Please feel free to contact our office with any questions you may have.
1	B2ZPLSCI 15 HP 460v Berkeley Pump \$3,608.91 Labor \$600.00

Terms: 50% Down upon acceptance. Balance due upon completion.

Accepted by:

Applicable Sales Tax Included (0.00)

Customer signature

Date

Total	\$4,208.91
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R.W. Turner & Sons Pump & Windmill Co; Inc.
Az ROC license #137429 CR-5

Date

Bid Proposal for Parts for System Upgrade

WALDEN MEADOWS COMMUNITY CO-OP

Bid Date: 01/26/2017

HD Supply Bid #: 239690

HD Supply Waterworks

3251 Tower Rd

Prescott, AZ 86305

Phone: 928-445-2411

Fax: 928-445-2551

Seq#	Qty	Item/Alias	Description	Units	Price	Ext Price
MAIN BID						
10						
20	300	0907E200I1	3/4X100 SIDR7 200PSI IPS PE TUBING 100' COIL	FT	0.41	123.00
30	300	0910E200I1	1X100' SIDR7 IPS 200PSI TUBING	FT	0.55	165.00
40	6	43ED2B21R8G1	T10 5/8X3/4 DIR READ MTR PL/BR NEPTUNE NO LEAD ED2B21R8G1	EA	53.43	320.58
50	6	4607VBH729W1133NL	VBH72-9W-11-33NL DPXDP SETTER (NO LEAD)	EA	136.31	817.86
60	6	4607VBH727W1133NL	VBH72-7W-11-33NL DPXDP SETTER (NO LEAD)	EA	135.26	811.56
70	6	4607V427WNL	V42-7WNL 5/8X3/4X7 RESETER (NO LEAD)	EA	84.16	504.96
80	12	3907C6633NL	C66-33-NL 3/4 CPLG PJ (PE) NO LEAD	EA	21.38	256.56
90	12	3907C8633NL	C86-33NL 3/4" NO LEAD CPLG MI PXPPIPE	EA	18.61	223.32
100	12	3907C1633NL	C16-33NL FIPXPIPS CPL NO LEAD	EA	18.24	218.88
110	12	3607FB500NL	FB500-3-NL 3/4 BALLCORP MIPX MIP NO LEAD	EA	39.11	469.32
120	6	71S710203	S71-203 2X3/4 IP BRS SADDLE F/PVC 2.375 OD	EA	18.61	111.66
130	6	71S710403	S71-403 4X3/4 IP BRS SAD F/PVC OD 4.50	EA	28.89	173.34
140	6	71S710603	S71-603 6X3/4 IP BRS SAD F/PVC OD 6.625	EA	43.10	258.60
150	6	71S710803	S71-803 8X3/4 IP BRS SAD F/PVC OD 8.625	EA	59.24	355.44
160	50	3907I71	#71 3/4 SS INSERT F/IPS PE	EA	1.75	87.50
170	6	45D1200DISBLID	NDS D1200 SOLID PLAS LID ONLY DROP-IN BLK D1200-DISBL	EA	10.26	61.56
180	6	45MBD1800BO	NDS D1800-B/O 12X18 MTR BOX	EA	36.92	221.52
190	4	7446102340285	461-02340285-000 2X4 QUANTUM CPLG 2.34-2.85 OD EPOXY W/ALLOY B&N	EA	52.69	210.76
200	4	7446104460560	461-04460560-000 4X5-1/2 QUANTUM CPLG 4.46-5.60 OD EPOXY W/ALLOY B&N	EA	101.85	407.40
210	4	7446106540765	461-06540765-000 6X6 QUANTUM CPLG 6.54-7.65 OD EPOXY W/ALLOY B&N	EA	143.62	574.48
220	4	7446108540985	461-08540985-000 8X6 QUANTUM CPLG 8.54-9.85 OD EPOXY W/ALLOY B&N	EA	167.57	670.28
230	2	5102F6100LA	2 F6100 MJ RW GV OL ON L/ACC CLOW GATE VALVE	EA	281.75	563.50
240	2	5104F6100LA	4 F6100 MJ RW GV OL ON L/ACC CLOW GATE VALVE EPOXY COATED W/STAINLESS STEEL BOLTS & NUTS	EA	436.07	872.14
250	2	5106F6100LA	6 F6100 MJ RW GV OL ON L/ACC CLOW GATE VALVE EPOXY COATED W/STAINLESS STEEL BOLTS & NUTS	EA	556.46	1,112.92
260	2	5108F6100LA	8 F6100 MJ RW GV OL ON L/ACC CLOW GATE VALVE EPOXY COATED W/STAINLESS STEEL BOLTS & NUTS	EA	886.30	1,772.60
270	12	3907T666333NL	T666-333NL 3/4 TEE PJ(PE) (NO LEAD)	EA	59.04	708.48
280	100	0502040	2X20' PVC SCH40 PIPE SWB BE SOLVENT WELD BELL	FT	0.92	92.00
290	100	0304021	4 SDR21 PR200 PVC PIPE (G)	FT	2.69	269.00
300	100	0306021	6 SDR21 PR200 PVC PIPE (G)	FT	5.80	580.00
310	100	0308021	8 SDR21 PR200 PVC PIPE(G)	FT	9.82	982.00
320	3	72FSC01053R	FSC-105-3R 3/4X3R WRAP CLAMP	EA	20.89	62.67
330	3	72FSC01056R	FSC-105-6R 3/4X6R WRAP CLAMP	EA	44.19	132.57
340	3	72FSC01323R	FSC-132-3R 1X3R WRAP CLAMP	EA	22.11	66.33
350	3	72FSC01326R	FSC-132-6R 1X6R WRAP CLAMP	EA	44.49	133.47
360	2	72F1026307	F1-263-7.5 REP CLAMP 2X7-1/2 2.35-2.63 OD RANGE	EA	44.98	89.96
370	1	72F1047307	F1-473-7.5 REP CLAMP 4X7-1/2 OD 4.45-4.73	EA	55.03	55.03
380	2	72F1047312	F1-473-12.5 REP CLAMP 4X12-1/2 OD 4.45-4.73	EA	82.03	164.06

HDSUPPLY

WATERWORKS

Bid Proposal for Parts for System Upgrade

Bid #: 239690

Seq#	Qty	Part Number	Description	Units	Price	Ext. Price
390	1	72F1069607	F1-696-7.5 REP CLAMP 6X7-1/2 OD 6.56-6.96	EA	68.58	68.58
400	2	72F1069612	F1-696-12.5 REP CLMP 6X12-1/2 OD 6.56-6.96	EA	110.11	220.22
410	1	72F1089407	F1-894-7.5 REP CLAMP 8X7-1/2 OD 8.54-8.94	EA	82.21	82.21
420	2	72F1089412	F1-894-12.5 REP CLAMP 8X12-1/2 OD 8.54-8.94	EA	131.71	263.42
SUBTOTAL						15,334.74
430			ALTERNATE BID			
440	300	0907E200I3	3/4X300' IPS PE TUBING 200 PSI	FT	0.41	123.00
450	300	0910E200I3	1X300' IPS PE TUBING 200 PSI	FT	0.55	165.00
460	6	4607V4212WNL	V42-12WNL 5/8X3/4X12 RESETTER (NO LEAD)	EA	88.20	529.20
470	6		VBH72-12W-11-33NL DPXDP SETTER (NO LEAD)	EA	139.23	835.38
480	3	71S710203	S71-203 2X3/4 IP BRS SADDLE F/PVC 2.375 OD	EA	18.61	55.83
490	3	71S710403	S71-403 4X3/4 IP BRS SAD F/PVC OD 4.50	EA	28.89	86.67
500	3	71S710603	S71-603 6X3/4 IP BRS SAD F/PVC OD 6.625	EA	43.10	129.30
510	3	71S710803	S71-803 8X3/4 IP BRS SAD F/PVC OD 8.625	EA	59.24	177.72
520	30	3907I71	#71 3/4 SS INSERT F/IPS PE	EA	1.75	52.50
SUBTOTAL						2,154.60
Sub Total						17,489.34
Tax						707.57
Total						18,196.91

Walden Meadows Community Co-op
9325 Donegal Dr., Ste. A
Wilhoit, AZ 86332

Arizona Corporation Commission
Docket Control
1200 W. Washington Street
Phoenix, AZ 85007

March 2, 2017

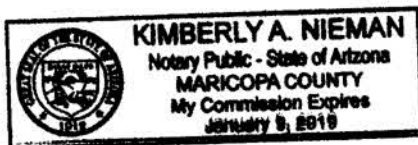
RE: IN THE MATTER OF THE APPLICATION OF WALDEN MEADOWS COMMUNITY CO-OP FOR APPROVAL OF AN EMERGENCY RATE INCREASE DOCKET 02369A-16-0481

THIS SERVES AS CERTIFICATION THAT THE CUSTOMER NOTIFICATION WAS MAILED TO ALL WALDEN MEADOWS COMMUNITY CO-OP CUSTOMERS REGARDING THE EMERGENCY SURCHARGE APPLICATION. THE NOTICE WAS INCLUDED AS AN INSERT IN THE FEBRUARY BILLS WHICH WERE MAILED BY MAIL SERVICE ON MARCH 1, 2017.

STATE OF ARIZONA

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF Maricopa ON THIS 9th DAY OF March 2017

MY COMMISSION EXPIRES January 9, 2019



**PUBLIC NOTICE OF THE APPLICATION OF WALDEN MEADOWS
COMMUNITY CO-OP
FOR AN EMERGENCY RATE INCREASE (DOCKET NO. W-02369A-16-0481)**

On December, 27, 2016, Walden Meadows Community Co-op (“Walden Meadows” or “Company”) filed with the Arizona Corporation Commission (“Commission”) an Application for an emergency rate increase. The Company claims that it is entitled to emergency rate relief because it is currently at risk of not being able to continue operations should a problem occur. The Company estimates that it will need to recover a total of \$38,533 to be able to alleviate the emergency condition, and is requesting authorization to recover this amount in emergency rates by implementing a surcharge in the amount of \$9.59 per customer per month.

The Commission’s Utilities Division (“Staff”) is in the process of reviewing and analyzing the Application. Neither Staff nor any intervenor(s) has yet made any recommendation regarding the Company’s request. The Commission is not bound by the proposals made by the Company, Staff, or any intervenor(s), and the Commission may approve the amount of the request, modify the amount higher or lower, or deny the request.

If you have any questions concerning how the Application may affect your bill or have other substantive questions about the Application, you may contact the Company at Walden Meadows Community Co-op, 9325 Donegal Dr. Ste. A, Wilhoit, AZ, 86332, by calling (928) 442-3473, or via email at waldenmeadows@aol.com.

How You Can View or Obtain a Copy of the Application

Copies of the Application are available from Walden Meadows Community Co-op, 9325 Donegal Dr. Ste. A, Wilhoit, AZ, 86332; at the Commission’s Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, during regular business hours; and on the Commission’s website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a full public hearing on this matter. The Commission’s Hearing Division will schedule a procedural conference to occur within five business days of the filing of the Application in order to set a public hearing date and establish other procedural requirements.

The Company will provide notice of the hearing date by means of posting notice in a conspicuous location within the affected communities, emailing notice to customers, and/or posting on the Company’s website (or by other appropriate means), to allow an opportunity for customers to attend the hearing and provide verbal public comment.

Public comments will be taken on the first day of the hearing. Written public comments may be submitted at any time by mailing a letter referencing **Docket No. W-02369A-16-0481** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission’s website (www.azcc.gov) using the “Submit a Public Comment for a Utility” function. If you require assistance, you may contact the Consumer Services Section during regular business hours at 602-542-4251 or 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person’s intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties’ witnesses. **Intervention is not required if you want to appear at the hearing and provide public comment on the Application, or if you want to file**

written comments in the record of the case.

To request intervention, you must file an **original plus one hard copy** of a written request to intervene with Docket Control, 1200 West Washington Street, Phoenix, AZ 85007, no later than March 12, 2017. You also **must** serve a copy of the request to intervene on each party of record on the same day that you file the request to intervene with the Commission. **Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission's website (www.azcc.gov) using the "Intervention in Utility Cases" link.** The link also includes sample intervention requests.

If you choose to request intervention, your request must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A reference to **Docket No. W-02369A-16-0481**;
3. A short statement explaining:
 - a. Your interest in the proceeding (e.g., a customer of the Company, etc.);
 - b. How you will be directly and substantially affected by the outcome of the case; and
 - c. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have served a copy of the request to intervene on the Company or its attorney and to all parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31, 38, 39, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that **all motions to intervene must be filed on or before March 12, 2017**.

If you do not intervene in this proceeding, you may not receive any further notice of the proceedings in this docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission's website (www.azcc.gov) using the e-Docket function. You may choose to subscribe to an RSS feed for this case using the e-Docket function.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Carolyn D. Buck, ADA Coordinator, voice phone number at 602-542-3931, and email at cdbuck@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.