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BEFORE THE ARIZONA CORPORATION COMMISSION

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2008 JAN -4 P 3: 36
AZ CORP COMMISSION
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Arizona Corporation Commission
DOCKETED
JAN 04 2008

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IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS SUN CITY
WATER DISTRICT

DOCKET NO. W-01303A-07-0209

**TOWN OF YOUNGTOWN
NOTICE OF FILING
TESTIMONY SUMMARIES**

The Town of Youngtown ("Youngtown") hereby files Testimony Summaries in
the above referenced matter for the following witnesses:

- Mayor Michael LeVault
- Battalion Chief Hank Oleson (sponsoring the pre-filed testimony of Deputy Fire
Marshall Ken Rice)

Respectfully submitted this 4th day of January, 2008.

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1 **PROOF OF AND CERTIFICATE OF MAILING**

2 I hereby certify that on this 4th day of January, 2008, I caused the foregoing document
3 to be served on the Arizona Corporation Commission by delivering the original and thirteen (13)
4 copies of the above to:

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

9 COPY of the foregoing hand delivered/mailed
10 this 4th day of January, 2008 to:

11 Christopher Kempley, Chief Counsel
12 Robin Mitchell, Counsel
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16 Phoenix, Arizona 85007

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1 Testimony Summaries

2 Summary – Testimony of Battalion Chief Hank Oleson

3 Battalion Chief Hank Oleson, will sponsor the pre-filed testimony of Fire Marshall Ken Rice.

4 Mr. Oleson has been a firefighter since 1983 and has been employed by the Sun City Fire
5 District since 1989. He has served as an Engine Company Captain, an Incident Safety Officer, and
6 Battalion Chief. He also has been an Instructor with the Northwest Regional Fire Academy and is a
7 Fire Science Instructor at the Glendale Community College.

8 Mr. Oleson testifies that:

- 9 • Minimum fire flows and fire hydrants spacing are a matter of public health and safety.
 - 10 • New subdivisions must show adequate fire protection can be provided before they will be
11 approved.
 - 12 • Fire flow and fire hydrants spacing impact the fire department’s ability to fight fires.
 - 13 • Time and water volume are critical elements in fire fighting.
 - 14 • Minimum water flow applicable for residential areas in the Sun City Water District is
15 1000 gallons per minute and 1,500 gallons per minute for commercial.
 - 16 • Fire hydrants should be spaced every 500 feet.
 - 17 • These minimums are established by the 2006 Edition of the International Fire Code.
 - 18 • These minimums are deemed necessary today to provide proper fire fighting capability.
 - 19 • Fire fighting capability is not uniform throughout the Sun City Water District.
 - 20 • Some areas are serviced by two and four inch pipes.
 - 21 • Connecting to hydrants in low flow areas can result in damage to the water lines.
 - 22 • The Sun City Fire Department participated in the Sun City Fire Flow Task Force.
 - 23 • The Department supports the recommendations made in the Task Force Report.
- 24
25

- 1 • The improvements proposed in the Task Force Report and by Arizona American Water
2 are necessary to provide minimum fire flows and fire hydrant spacing and to provide for
3 the public safety.
- 4 • The improvements will benefit the entire Sun City Water District.

5

6 **Summary – Testimony of Mayor Michael LeVault**

7 Mayor LeVault is the Mayor of the Town of Youngtown and testifies that:

- 8 • The Town of Youngtown has intervened because the water system serving the Town is
9 not capable of uniformly providing the level of fire flow and lacks properly spaced fire
10 hydrants to meet the minimum requirements of the 2006 International Fire Code.
- 11 • Such deficiencies are a matter of public health and safety that need to be addressed.
- 12 • Commission Decision No. 67093 required Arizona-American to convene a task force to
13 examine the fire flow needs in the Sun City Water District.
- 14 • The Town actively participated in the Sun City Fire Flow Task Force.
- 15 • The Final Task Force Report reflects a consensus of the major interests of the affected
16 area that fire protection is important and that specific improvements are needed and
17 should be pursued by Arizona-American.
- 18 • The Town supports the Task Force recommendations, including its recommendations
19 regarding phasing the improvements over a four year period.
- 20 • The ability to provide adequate fire flows and installation of properly spaced fire hydrants
21 should no longer be considered discretionary.
- 22 • While it is appropriate to evaluate the costs against the benefits of proposed fire flow
23 improvements and to provide safeguards to ensure the improvements actually installed
24 were reasonably designed and the cost reasonably incurred, one must never forget that
25 these improvements protect life and property.

- 1 • Most Youngtown residents receive a lesser level of service than most other Sun City
2 Water District customers since they do not receive the same minimum fire flows generally
3 available throughout the Sun City Water District.
- 4 • All customers should receive similar service for similar rates.
- 5 • The proposed improvements are beneficial to the Sun City Water District customers as a
6 whole.
- 7 • The procedural requirements, the earnings review and filing requirements proposed by
8 Staff related to the Fire Flow Cost Recovery Mechanism (FCRM) seem reasonable.
- 9 • The premise of Ms. Diaz Cortez analysis is flawed.
- 10 ○ Fire prevention, fire flows and fire hydrants are no longer “discretionary” aspects of a
11 water delivery system.
- 12 ○ Also the proposed improvements involve installing mostly 6 inch lines with some 8
13 and 10 inch lines.
- 14 ○ No 12 inch or larger lines are proposed.
- 15 ○ She also completely ignores the need for 195 additional fire hydrants.
- 16 • The process followed by Arizona-American represents a good blue print for dealing with
17 fire flow issues in the context of upgrading an existing system.
- 18 ○ Involve the Community in identifying: a) the level of fire flow protection that is
19 appropriate; b) what improvements should be made and c) how to phase them in,
20 considering both safety and cost.
- 21 ○ Secure Arizona Corporation Commission approval of the program, including a cost
22 recovery mechanism.
- 23 ○ Phase-In cost recovery annually as new plant is placed in service.
- 24 • Arizona-American should file a rate case or make an informational filing within one year
25 of substantially completing the fire flow improvements.

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- The Town of Youngtown does not own the water system, has no bonding capacity and is constitutionally restricted in its ability to aid or provide gifts to private corporations, therefore, the Town is not a viable alternative funding source for these fire flow improvements.

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