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**ORIGINAL**

**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

Arizona Corporation Commission

**DOCKETED**

TOM FORESE – Chairman  
BOB BURNS  
ANDY TOBIN  
BOYD W. DUNN  
JUSTIN OLSON

JUN - 8 2018

**DOCKETED BY**  
\_\_\_\_\_

RECEIVED  
AZ CORP COM  
DOCKETING  
2018 JUN - 8 PM 10:20

IN THE MATTER OF THE  
APPLICATION OF BROOKE WATER,  
LLC, AN ARIZONA LIMITED  
LIABILITY COMPANY, FOR A  
DETERMINATION OF THE FAIR  
VALUE OF ITS UTILITY PLANTS AND  
PROPERTY AND FOR INCREASES IN  
ITS WATER RATES AND CHARGES  
FOR UTILITY SERVICE BASED  
THEREON.

DOCKET NO: W-03039A-17-0295

**NOTICE OF FILING  
WITNESS SUMMARIES AND  
EXHIBITS**

Pursuant to the Procedural Order dated May 23, 2018, Brooke Water, LLC (the “Company”) hereby submits the Executive Summary of the pre-filed Direct Testimony of Robert T. Hardcastle, Patrick W. Giles and Ray L. Jones in the Order to Show Cause phase of the above-captioned matter, which are attached hereto as **Exhibit A**.

Also attached is a List of Exhibits, as well as the exhibits (other than those previously filed) that the Company intends to offer and submit during the hearing, attached hereto as **Exhibit B**. Because Staff has not disclosed the identity of all its witnesses in this proceeding, and in the event it is necessary to introduce any documentary evidence to rebut or support any claims made during oral testimony, the Company reserves the right to introduce any evidence necessary in defense of the allegations contained in the Order to Show Cause.


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RESPECTFULLY SUBMITTED this 8<sup>th</sup> day of June, 2018.

FENNEMORE CRAIG, P.C.

By: 

Patrick J. Black  
Lauren Ferrigni  
2394 E. Camelback Road, Suite 600  
Phoenix, Arizona 85016  
Attorneys for Brooke Water, LLC  
602-916-5000  
[pblack@fclaw.com](mailto:pblack@fclaw.com)  
[lferrigni@fclaw.com](mailto:lferrigni@fclaw.com)

**ORIGINAL** and one (1) copy filed  
this 8<sup>th</sup> day of June, 2018 with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

**COPY** of the foregoing hand-delivered/emailed  
this 8<sup>th</sup> day of June, 2018 to:


Scott Hesla  
Administrative Law Judge  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Maureen A. Scott  
Deputy Chief of Litigation & Appeals  
Legal Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007  
[Mscott@azcc.gov](mailto:Mscott@azcc.gov)

Robert Geake  
Legal Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007  
[Rgeake@azcc.gov](mailto:Rgeake@azcc.gov)

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Michelle Finical  
Legal Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007  
MFinical@azcc.gov

By: 

13982923

# **EXHIBIT A**

## **BROOKE WATER, LLC**

**Docket No. W-03039A-17-0295**

### **SUMMARY OF ROBERT T. HARDCASTLE PRE-FILED TESTIMONY**

Mr. Hardcastle is Managing Member of Brooke Water, LLC (“Brooke” or the “Company”). Mr. Hardcastle prepared direct testimony in response to the allegations raised against Brooke in the Order to Show Cause (“OSC”), issued by the Commission in Decision No. 76675 on May 21, 2018, based on a Complaint and Petition for an Order to Show Cause (“Complaint”) filed by Commission Staff (“Staff”) on May 14, 2018. Mr. Hardcastle’s pre-filed testimony focuses primarily on the significant health and safety, operational, engineering, capital and customer service improvements that have been implemented by the Company since the August 2016 water outage.

Specifically, Mr. Hardcastle provides a brief overview and history of Brooke’s operations and the substantial efforts made by management to safeguard existing water supplies, update plant infrastructure and improve customer service operations since the Company was acquired by its current owners in 1995. Mr. Hardcastle also discusses the interrelationship of the Commission’s investigation of the August 21, 2016 water outage in Docket Nos. W-03510A-16-0322 and W-03039A-16-0322 (“Outage Docket”) to the pending rate case (“Rate Case”) and OSC proceedings. Finally, Mr. Hardcastle provides an overview of Brooke’s response to the allegations contained in Staff’s Complaint and the OSC, finding that:

- Brooke has made good faith efforts to comply with all of the engineering, customer service and financial improvement requirements set forth in Decision Nos. 75755, 76102 and 76223, despite logistical challenges in engineering and procurement of material and services to meet the deadlines imposed by the Commission;
- By addressing critical infrastructure upgrades and operational improvements, there is no current danger to the health and safety of Brooke’s customers, even with the summer months ahead;
- Brooke has made several capital improvements to its six (6) water systems that are not reflected in Staff’s testimony, and has implemented a plan to continue system upgrades that incorporate long-lead time actions;
- The Company’s customer service and call center performance has improved dramatically since the August 2016 water outage, as evidenced by a significant reduction in both informal and formal complaints received by the Commission’s consumer services division;
- Brooke currently possesses the managerial, operational and technical expertise to provide safe, reasonable, sufficient and/or adequate service to its customers, and that Staff’s recommendation for the installation of an Interim Manager is not only contrary to Arizona law, but overreaching in light of the evidence presented; and
- Brooke’s corporate structure and affiliated transactions benefit its customers.

## **BROOKE WATER, LLC**

**Docket No. W-03039A-17-0295**

### **SUMMARY OF PATRICK W. GILES PRE-FILED TESTIMONY**

Mr. Giles is the current Operations Manager of Brooke Water, LLC (“Brooke” or the “Company”). Mr. Giles prepared direct testimony in response to the allegations raised against Brooke in the Order to Show Cause (“OSC”), issued by the Commission in Decision No. 76675 on May 21, 2018, based on a Complaint and Petition for an Order to Show Cause (“Complaint”) filed by Commission Staff (“Staff”) on May 14, 2018. Mr. Giles’ pre-filed testimony focuses primarily on the substantial efforts made by the Company to improve its engineering, operational, and health and safety capabilities since the August 2016 water outage.

In his Direct Testimony, Mr. Giles provides an overview of Brooke’s current operations and identifies his primary duties and responsibilities in overseeing Brooke’s day-to-day operations since being hired as Operations Manager of the Company, effective May 1, 2018. Mr. Giles also discusses Brooke’s voluntary preparation of the Layton Report, and provides an update on the Company’s continued good faith efforts to implement the engineering recommendations contained therein. Mr. Giles further discusses Brooke’s continued good faith efforts to implement Staff’s proposed engineering recommendations as outlined in the Hazen and Sawyer Report. Finally, Mr. Giles addresses specific allegations regarding operational, maintenance and technical issues contained in Staff’s Complaint and the OSC, finding that:

- Brooke currently provides and maintains adequate service, equipment and facilities that promote health and safety;
- Brooke currently provides just and reasonable service to its customers;
- By addressing critical infrastructure upgrades and operational improvements, there is no current danger to the health and safety of Brooke’s customers, even with the summer months ahead;
  - The Moovalya Keys and Parker Dam systems Trihalomethanes exceedances have been addressed, and any perceived health or safety risk has been eliminated;
  - The Rio Lindo lead exceedance issue has been addressed, and any perceived health or safety risk has been eliminated;
  - Brooke is currently providing water to customers that is in compliance with the Safe Drinking Water Act;
- Brooke has made several capital improvements to its six (6) water systems that are not reflected in Staff’s testimony, and has implemented a plan to continue system upgrades that incorporate long-lead time actions;

- Brooke currently possesses adequate managerial, operational and technical expertise to provide safe, reasonable, sufficient and/or adequate service to its customers, and that Staff's recommendation for the installation of an Interim Manager is not only contrary to Arizona law, but overreaching in light of the evidence presented; and
- Brooke continues to make good faith efforts to comply with all of the engineering and operational requirements set forth in Decision Nos. 75755, 76102 and 76223, despite logistical challenges in engineering and procurement of material and services to meet the deadlines imposed by the Commission.

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## **BROOKE WATER, LLC**

**Docket No. W-03039A-17-0295**

### **SUMMARY OF RAY L. JONES PRE-FILED TESTIMONY**

Mr. Jones is the owner and principal of ARICOR Water Solutions LC, a consulting firm providing services to the water and wastewater utility industry. Mr. Jones was originally retained by Brooke Water, LLC (“Brooke” or the “Company”) to provide financial, accounting and ratemaking consulting services to the Company in support of its application for a rate increase. Mr. Jones’ consulting services role was expanded to include engineering, operational and regulatory matters related to the allegations raised against Brooke in the Order to Show Cause (“OSC”), issued by the Commission in Decision No. 76675 on May 21, 2018, based on a Complaint and Petition for an Order to Show Cause (“Complaint”) filed by Commission Staff (“Staff”) on May 14, 2018. Mr. Jones’ pre-filed testimony focuses primarily on addressing the matters discussed in the Direct Testimony of Robert Gray and Bhaskar Kolluri, PE, related to operational and engineering issues.

In his Direct Testimony, Mr. Jones provides a general assessment of Brooke’s current operational and managerial capabilities based on a recent site visit that occurred on May 23 and May 24, 2018. Mr. Jones also discusses his observations concerning Brooke’s good faith efforts to implement the recommendations contained in both the Layton Report and Staff’s Hazen and Sawyer Report. Mr. Jones also addresses a small portion of Ralph Smith’s Direct Testimony related to affiliate transactions and use of the NARUC system of accounts. Finally, Mr. Jones addresses specific allegations, within his area of knowledge based on his consulting engagement, regarding operational, maintenance and technical issues contained in Staff’s Complaint and the OSC, finding that:

- Brooke currently possesses adequate managerial, operational and technical expertise to provide safe, reasonable, sufficient and/or adequate service to its customers, and that Staff’s recommendation for the installation of an Interim Manager is not only contrary to Arizona law, but overreaching in light of the evidence presented;
- Brooke currently provides just and reasonable service to its customers;
- Brooke currently provides and maintain adequate service, equipment and facilities that promote health and safety;
- By addressing critical infrastructure upgrades and operational improvements, there is no current danger to the health and safety of Brooke’s customers, even with the summer months ahead;
- Brooke has made several capital improvements to its six (6) water systems that are not reflected in Staff’s testimony, and has implemented a plan to continue system upgrades that incorporate long-lead time actions; and



- Brooke maintains its books and records in a manner that allows for reporting in accordance with the account structure prescribed by the USOA, and Brooke completes its annual reports to the Commission in accordance with the USOA to the extent the forms provided by the Commission allow for such reporting.

13982794

# **EXHIBIT B**

**BROOKE WATER, LLC  
LIST OF HEARING EXHIBITS  
DOCKET W-03039A-17-0295**

<b>EXHIBIT NO.</b>	<b>DESCRIPTION</b>
BW-1	Answer
BW-2	Direct Testimony of Robert T. Hardcastle
BW-3	Direct Testimony of Patrick W. Giles
BW-4	Direct Testimony of Ray L. Jones
BW-5	Notice of Filing <i>Nunc Pro Tunc</i> To Correct Decision No. 75755 – 12/21/16
BW-6	Email from R. Geake re Maps – 3/16/18
BW-7	Plan of Improvement - 10/24/16
BW-8	Open Meeting Memorandum from Utilities Division to Commission – 3/27/17
BW-9	Memorandum from F. Smaila to B. Gray re Lakeside Water System – 3/17/17
BW-10	Payson and Pine Water Company Formal Complaint Summaries
BW-11	Tank Maintenance Schedule – 6/19/17
BW-12	Customer Payment Processing data responses
BW-13	Plant Additions and Investment data responses
BW-14	Staff Responses to Brooke Water Data Requests Nos. 2
BW-15	Staff Responses to Brooke Water Data Requests Nos. 3
BW-16	Staff Responses to Brooke Water Data Requests Nos. 4
BW-17	Staff Responses to Brooke Water Data Requests Nos. 5
BW-18	Staff Data Request Summary
BW-19	
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BW-22	
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**BW-1 thru BW-4**

**Answer and Direct Testimonies  
previously filed**

**BW-5**

ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKET CONT.  
2016 DEC 21 P 4: 23

DOCKETED

DEC 21 2016

DOUG LITTLE - CHAIRMAN  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN

DOCKETED BY

IN THE MATTER OF RECENT WATER  
OUTAGES, WATER QUALITY, AND  
CUSTOMER SERVICE ISSUES AT BROOKE  
WATER, LLC AND CIRCLE CITY WATER  
COMPANY, LLC AND THE NEED FOR  
POTENTIAL REMEDIAL ACTIONS.

DOCKET NO. W-03039A-16-0322

DOCKET NO. W-03510A-16-0322

NOTICE OF FILING  
NUNC PRO TUNC  
TO CORRECT DECISION NO. 75755

FINDINGS OF FACT

(1) On October 4, 2016, the Arizona Corporation Commission ("Commission") issued Decision No. 75755 (the "Decision") in the above-captioned docket.

(2) The Decision, at page 20, Finding of Fact No. 71.c, referred to a Commission Utilities Division ("Staff") recommendation as "Performing a full survey of Brooke Water, LLC's lines and making the necessary filings with the La Paz County Recorder and the Corporation Commission". The Decision, at page 21, ordering paragraph 4, Ordered Brooke Water, LLC ("Brooke") to comply with Finding of Fact 71.

(3) In its October 24, 2016 Plan of Improvement Report filed in this docket, at page 9, Brooke reported that, as a result of a discussion at the Commission's September 23, 2016 Open Meeting, Brooke understood that the survey of lines requirement (" would be complied with by filing recordable water system piping maps in digital and/or paper form.").

(4) After reviewing Brooke's October 24, 2016 filing, and reviewing the proceedings of the September 23 Open Meeting, Staff is in agreement with Brooke's understanding as to how this "full survey of lines" requirement would be complied with.

1 (5) Accordingly, Staff respectfully submits that Finding of Fact No. 71.c should be  
2 corrected by deleting "performing a full survey of Brooke Water, LLC's lines", and inserting, in its  
3 place, "Filing recordable water system piping maps in digital and/or paper form".

4 Staff, therefore, recommends that the Decision be amended as detailed in Finding of  
5 Fact 5, above. Staff further recommends that, in all other respects, Decision No. 75755 remain  
6 in full force and effect.

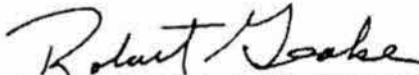
7 .....

8 **CONCLUSIONS OF LAW**

9 (1) Pursuant to Arizona Constitution, Art. 15, § 3, the Commission has authority and  
10 jurisdiction to amend Decision No. 75755.

11 (2) It is reasonable and in the public interest to correct, nunc pro tunc, Decision No.  
12 75755, as detailed in the Findings of Fact, above. A proposed Order is attached.

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14  
15 RESPECTFULLY SUBMITTED this 21st day of December, 2016.

16  
17 

18 Maureen A. Scott  
19 Robert W. Geake  
20 Attorneys, Legal Division  
21 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007  
(602) 542-3402

22 On this 21st day of December, 2016, the foregoing document was filed with Docket Control as an  
23 Utilities Division Motion to Correct Decision No. 75755, Nunc Pro Tunc, and copies of the foregoing  
24 were mailed on behalf of the Utilities Division to the following who have not consented to email  
25 service. On this date or as soon as possible thereafter, the Commission's eDocket program will  
26 automatically email a link to the foregoing to the following who have consented to email service.

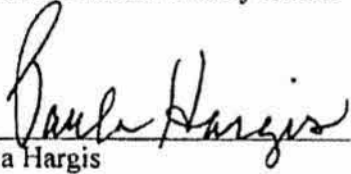
1 Janet Wagner  
ARIZONA CORPORATION COMMISSION  
2 1200 W. Washington  
Phoenix Arizona 85007  
3

4 Robert T. Hardcastle  
BROOKE WATER, LLC  
5 CIRCLE CITY WATER COMPANY, LLC  
P.O. Box 82218  
6 Bakersfield California 93380-2218

7 Jeff Hatch Miller  
ARIZONA CORPORATION COMMISSION  
8 1200 W. Washington St.  
9 Phoenix Arizona 85007

10 Robert W. Geake  
ARIZONA CORPORATION COMMISSION  
11 1200 W. Washington  
12 Phoenix Arizona 85007  
MScott@azcc.gov  
13 RGeake@azcc.gov  
JWagner@azcc.gov  
14 JXHatch-Miller@azcc.gov

15 **Consented to Service by Email**

16  
17 By:   
Paula Hargis  
18 Executive Legal Assistant

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Docket No. W-03039A-16-0322

Docket No. W-03510A-16-0322

Decision No. 75755

# EXHIBIT A

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

DOUG LITTLE  
Chairman  
BOB STUMP  
Commissioner  
BOB BURNS  
Commissioner  
TOM FORESE  
Commissioner  
ANDY TOBIN  
Commissioner

IN THE MATTER OF RECENT WATER  
OUTAGES, WATER QUALITY, AND  
CUSTOMER SERVICE ISSUES AT  
BROOKE WATER, LLC AND CIRCLE  
CITY WATER COMPANY, LLC AND THE  
NEED FOR POTENTIAL REMEDIAL  
ACTIONS.

} DOCKET NO. W-03039A-16-0322  
} DOCKET NO. W-03510A-16-0322  
} DECISION NO. 75755

**ORDER**  
**NUNC PRO TUNC**  
**TO CORRECT DECISION NO. 75755**

**BY THE COMMISSION:**

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

**FINDINGS OF FACT**

- (1) On October 4, 2016, the Arizona Corporation Commission ("Commission") issued Decision No. 75755 (the "Decision") in the above-captioned docket.
- (2) The Decision, at page 20, Finding of Fact No. 71.c, referred to a Commission Utilities Division ("Staff") recommendation as "Performing a full survey of Brooke Water, LLC's lines and making the necessary filings with the La Paz County Recorder and the Corporation Commission". The Decision, at page 21, ordering paragraph 4, Ordered Brooke Water, LLC ("Brooke") to comply with Finding of Fact 71.
- (3) In its October 24, 2016 Plan of Improvement Report filed in this docket, at page 9, Brooke reported that, as a result of a discussion at the Commission's September 23, 2016

1 Open Meeting, Brooke understood that the survey of lines requirement (“ would be complied  
2 with by filing recordable water system piping maps in digital and/or paper form.”).

3 (4) After reviewing Brooke’s October 24, 2016 filing, and reviewing the proceedings of the  
4 September 23 Open Meeting, Staff is in agreement with Brooke’s understanding as to how this  
5 “full survey of lines” requirement would be complied with.

6 (5) Accordingly, Staff respectfully submits that Finding of Fact No. 71.c should be corrected  
7 by deleting “Performing a full survey of Brooke Water, LLC’s lines”, and inserting, in its place,  
8 “Filing recordable water system piping maps in digital and/or paper form”.

9 Staff, therefore, recommends that the Decision be amended as detailed in Finding of Fact 5,  
10 above. Staff further recommends that, in all other respects, Decision No. 75755 remain in full  
11 force and effect.

12 **CONCLUSIONS OF LAW**

13 (1) Pursuant to Arizona Constitution, Art. 15, § 3, the Commission has authority and  
14 jurisdiction to amend Decision No. 75755.

15 (2) It is reasonable and in the public interest to correct, nunc pro tunc, Decision No.  
16 75755, as detailed in the Findings of Facts, above.

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ORDER

IT IS THEREFORE ORDERED that Finding of Fact No. 71.c should be corrected by deleting it in its entirety, and inserting, in its place, "Filing recordable water system piping maps in digital and/or paper form. Further, such maps are to be recorded with the La Paz County, AZ Recorder and with the Commission.

IT IS FURTHER ORDERED that the Decision be amended as detailed in Finding of Fact 5, above. Staff further recommends that, in all other respects, Decision No. 75755 remain in full force and effect

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

\_\_\_\_\_  
CHAIRMAN LITTLE

\_\_\_\_\_  
COMMISSIONER STUMP

\_\_\_\_\_  
COMMISSIONER FORESE

\_\_\_\_\_  
COMMISSIONER TOBIN

\_\_\_\_\_  
COMMISSIONER BURNS

IN WITNESS WHEREOF, I, JODI A. JERICH, 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 \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
JODI A. JERICH  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

\_\_\_\_\_:MAS:RWG/plh

1 On this 21st day of December, 2016, the foregoing document was filed with Docket Control as an  
2 Utilities Division ORDER nunc pro tunc to Correct Decision No. 75755, copies of the foregoing  
3 were mailed on behalf of the Utilities Division to the following who have not consented to email  
4 service. On this date or as soon as possible thereafter, the Commission's eDocket program will  
5 automatically email a link to the foregoing to the following who have consented to email service.

6  
7 SERVICE LIST FOR:  
8 DOCKET NO. 16-0322

9  
10 Janet Wagner  
11 ARIZONA CORPORATION COMMISSION  
12 1200 W. Washington  
13 Phoenix Arizona 85007

14 Robert T. Hardcastle  
15 BROOKE WATER, LLC  
16 CIRCLE CITY WATER COMPANY, LLC  
17 P.O. Box 82218  
18 Bakersfield California 93380-2218

19 Jeff Hatch Miller  
20 ARIZONA CORPORATION COMMISSION  
21 1200 W. Washington St.  
22 Phoenix Arizona 85007

23 Robert W. Geake  
24 ARIZONA CORPORATION COMMISSION  
25 1200 W. Washington  
26 Phoenix Arizona 85007  
27 MScott@azcc.gov  
28 RGeake@azcc.gov  
JWagner@azcc.gov  
JXHatch-Miller@azcc.gov  
**Consented to Service by Email**

**BW-6**

## BLACK, PATRICK

---

**From:** Robert Geake <RGeake@azcc.gov>  
**Sent:** Friday, March 16, 2018 12:09 PM  
**To:** BLACK, PATRICK  
**Cc:** Maureen Scott; Bob Gray; Frank Smaila; Michele Finical  
**Subject:** RE: Brooke Water System Maps: 16-0322

*Hi, Pat.*

*The maps that you sent to Staff yesterday, attached to your message, below, are acceptable to Staff, so it is ok with Staff for Brooke to docket them.*

*Thanks for bearing with us while we checked the maps, and thanks for taking care of this compliance matter.*

**From:** BLACK, PATRICK [<mailto:PBLACK@FCLAW.com>]  
**Sent:** Thursday, March 15, 2018 10:23 AM  
**To:** Robert Geake <[RGeake@azcc.gov](mailto:RGeake@azcc.gov)>; Bob Gray <[BGray@azcc.gov](mailto:BGray@azcc.gov)>  
**Cc:** Maureen Scott <[mscott@azcc.gov](mailto:mscott@azcc.gov)>; FERRIGNI, LAUREN <[LFERRIGNI@fclaw.com](mailto:LFERRIGNI@fclaw.com)>; Michele Finical <[MFinical@azcc.gov](mailto:MFinical@azcc.gov)>  
**Subject:** Brooke Water System Maps

Bob –

We were able to reduce the map sizes to 8 x 11 pages – please see attached. If these are acceptable to Staff, we will file hard copies in the docket so they can be uploaded into the electronic docket.

Regards,

Patrick

Patrick J. Black, Director

**FENNEMORE CRAIG**

2394 East Camelback Road, Suite 600, Phoenix, AZ 85016-3429  
T: 602.916.5400 | F: 602.916.5600  
[pblack@fclaw.com](mailto:pblack@fclaw.com) | [View Bio](#)



**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

**BW-7**



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Date: October 24, 2016 ORIGINAL



To: **Docket Control**  
**Arizona Corporation Commission**  
**1200 West Washington St.**  
**Phoenix, AZ 85007**

From: Robert T. Hardcastle  
Brooke Water LLC  
Circle City Water Co. LLC


2016 OCT 24 PM 4:07  
AZ CORP COM  
DOCKET CONTROL

FOR FILING ORIGINAL AND 13 COPIES INTO:

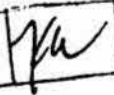
DOCKET NO. W-03039A-16-0322 and W-03<sup>51</sup>150A-16-0322

Re: Plan of Improvement

By:

  
Robert T. Hardcastle

Arizona Corporation Commission  
**DOCKETED**  
OCT 24 2016

DOCKETED BY 

# **Plan of Improvement**

**Brooke Water LLC.**

October 24, 2016

Date: October 24, 2016

To: Arizona Corporation Commission  
Docket Control  
1200 W. Washington St.  
Phoenix, AZ 85007

From: Brooke Water LLC  
Robert T. Hardcastle, Managing Member  
P.O. Box 82218  
Bakersfield, CA 93380-2218

Re: Decision No. 75755; ACC Docket No's. W-03039A-16-0322 and W-03510A-16-0322

The following Plan of Improvement (the "Plan") is presented pursuant to Arizona Corporation Commission ("ACC" or "Commission") Decision No. 75755 ("Decision"). It should be noted that the Decision was voted upon by Commissioners on September 23, 2016 but was not published by Docket Control until October 4, 2016. The Plan is timely filed on behalf of Brooke Water LLC ("Brooke").

The following responses, in part, disagree with some of the conclusions reached by the Commissioners in the Decision. Brooke has provided herein its rationale and basis for such any disagreement as information, data, and attachments that support its positions. It is the desire of Brooke this rationale will provide Commissioners and Staff with a well informed and broader perspective upon which to make decisions that are in the interest of customers, the Company, and the Commission as well. Any positions described in the Plan should not be interpreted as Brooke's refusal to adopt a Commission order and comply with a Decision – as it has done for more than twenty years.

#### **HIRING ADDITIONAL OPERATIONS STAFF**

This section of the Plan is derived from Commissioner Tobin's Amendment to the Staff Report dated September 20, 2016 and was adopted by the Commissioners present. This Recommendation did not provide for evaluation, analysis, or research as to whether or not additional maintenance staff is actually needed and, if so, (1)

what additional staff would do that is not currently being done, and (2) why additional staff would make a positive difference to operations and/or customers.

Simply, BWLLC's position is that **additional operational staff is not warranted.** Brooke normally operates with an operational staff of three. Hiring additional operational staff is expensive. The cost far exceeds any modest understanding related only to wages. More experienced prospective staff employees can easily cost up to 50%<sup>ii</sup> more than an employee new to the position. Numerous other costs must be incurred to start a new operational employee - many in advance of the employee reporting for work. These costs include advertising; recruitment and qualification; interview and reference checking; background checks; testing; follow-up interviews; communication devices; moving expense if applicable; financial advances if applicable; tools and equipment; first year regular time wages and labor burden; vehicle; training; operational staff rotating on-call hours; lost productivity; supervision; and, operator certification. Brooke's normal employment cost of starting a new additional operational employee can easily exceed \$80,000 and frequently requires two months to start a selected individual. There is no guarantee that a newly acquired employee will successfully complete the 90-day probationary period and demonstrate the mechanical, regulatory, and customer relations acumen necessary for the position. Thus, the decision to acquire additional maintenance staff is not a decision made lightly and without significant analysis of actual need. The penalty of such a decision accrues to customers in the form of unnecessary higher rates. No such decision can be successfully made by proclamation.

A regular full-time operational employee is based on 2,080 hours per year. A first-year employee is expected to actually provide 1,968<sup>iii</sup> net hours of productivity. Since the thirty-five month period June 1, 2013<sup>iv</sup> through September 2016 Brooke's total overtime hours have averaged less than 50 hours monthly<sup>v</sup>. During the same period operational overtime hours were occasionally as little as 3 hours. This is a management analysis that Brooke performs constantly to ensure that proper operational staffing levels are maintained and that employment productivity is sufficient to meet the needs of the Company and customers (see Attachment 1).

A full-time operational staff employee works 173.3 hours monthly. Thus, an unnecessary operational staff employee, under Brooke's actual operational circumstances, would require almost a 250% increase<sup>vi</sup> in available hours for which no work is regularly necessary. Brooke closes its accounts and records usually by the 10<sup>th</sup> of the following month. As a policy of the Company all customer service orders, work orders, complaints, and monthly billings must be

completed by that date. On a regular basis the operations of Brooke are completed every month. Very infrequently uncompleted work from the prior month over flows into the subsequent month.

Thus, Brooke strongly believes that this portion of the Decision should be more carefully considered and may represent a waste of the Company's and customers money. All too frequently there are outcry's of public observations of numerous roadside utility employees standing around in large numbers with numerous idle equipment, manpower, and with only a couple of employees actually performing work. That condition is not the case at Brooke. The Company has owned and operated the water systems for more than 21 years. Several years during that period the condition of the water systems was very poor – much worse than their present condition. Each water system has its own behavior, sensitivities, and idiosyncrasies. No one is better informed and more experienced in managing the water systems than Brooke. Consequently, no one is more knowledgeable about the staffing requirements than Brooke.

The Company's operational employees work hard, maintain high levels of expectations and integrity, regularly advance their certification levels, and complete their work. There are many ways in the Arizona regulated water utility industry to cut corners, falsify reports, and cheat on water quality standards. Brooke does none of those things. Again, as referenced by the Tobin Amendment, **additional operational staff is not warranted.**

#### **CUSTOMER SERVICE CENTER ("CSC")**

Decision No. 75755 Finding of Fact #71, item (b) requires Brooke to either (1) establish a new internal CSC, or (2) establish a CSC closer to the service territory.

The analysis of replying to this portion of the Order is not as simple as it might seem. In order to satisfactorily appreciate the complexity of this issue it is necessary to understand the context of what is required. It is also necessary to understand that any shortcomings related to Brooke's CSC are **not a function of proximity** but a combination of regulatory compliance, management policies, and training. A CSC located within Brooke's offices or in a city in Arizona does not guarantee that the same, or similar shortcomings, would be resolved. Almost all customers primarily contact Brooke by telephone or mail – the physical location of the receiving telephone is not determinant of high standards of customer service.

Brooke operated both internal and contract CSC's during the period 1995 through 2006. Although any problems related to those CSC's may have been different in nature, frequency and/or severity it cannot be concluded that customer service was better, worse, acceptable, or unacceptable because of CSC proximity.

One of the most important criteria Brooke considered in establishing the current CSC was the complete end-to-end integration of the customer service and operational functions of its business with the financial reporting of its business (the "Integration"). The expansive search for Integration capability in 2004 through 2005<sup>vii</sup> yielded very few choices and the CSC chosen to provide this capability met the Integration criteria and was the least cost alternative. Brooke invested nearly 1-1/2 years making this decision.

The Integration of these functions requires that any cost, expense, payroll, revenue source, bank deposit, account payable<sup>viii</sup>, or account receivable event that occurs would be accounted for at the financial statement level daily. This capability provides Brooke with near-real time financial reporting.<sup>ix</sup> The proximity of the system software and hardware resources necessary to support this capability are limited to availability. Absent this capability additional staff resources are necessary to perform the manual management and financial reporting. In one form or another many of the customer-related events begin with, or pass through, the CSC for processing.

A decision to locate a data center in Brooke's local offices has many ramifications that cannot be anticipated by simply changing billing systems, relocating a data center, or contracting with another provider for traditional billing system services.

Thus, it is **critical to clearly understand that relocation of the CSC to either an internal new location or commercial provider would fundamentally change the core nature of Brooke's business at many levels that far exceed a billing system and someone answering telephones.** Brooke has previously explained this to Staff. A complete search of the available alternative options that may meet this requirement cannot be reasonably and fairly completed by the response deadline required in Finding of Fact #71 of the Decision.

Another important issue arises when considering relocation of a CSC to an internal new location or third party contractor. In most cases the decision criteria for one alternative versus another (and relevant in answering the pertinent Finding of Fact #71 question) will be to determine a monthly cost per customer (the "Pricing Value"). It is important to thoroughly understand if the Pricing Value is inclusive,

or exclusive, of numerous factors in order to yield an apples-for-apples analysis. Some of these factors include mail processing; initial set-up fees; software programming; software user licenses; annual software maintenance fees; CSC staff size; staff response requirements; message taking; 24/7 capability; telephone costs; credit card processing fees; automation of the bank deposit process; after-hours emergency contact and dispatch services; website development and maintenance; return payment envelopes; bank fees related to payment deposits; and others. Absent an equivalent comparison it is impossible to fully understand the actual Pricing Value.<sup>x</sup>

For the purposes of a reply to Finding of Fact #71, item (b) Brooke discusses below the results of its investigation, to date, in three areas: (1) establishing a CSC within its Parker, AZ offices, (2) contracting with a commercial CSC contractor, and further (3) Plan improvements of Brooke's existing CSC. The analysis below assumes (a) a constant CSC staff size of not less than three and not more than five CSR's, and (b) 2,288 water customers.<sup>xi</sup> It is possible that additional sufficient time to research and analyze this issue could yield presently unknown alternatives.

#### Establishing an In-House CSC

Brooke has had more than 20 years' experience with CSC's. Contemplation of a CSC within Brooke's Parker, AZ office is not practical due to space limitations already housing the Operations Department. Therefore commercial space would need to be leased to locate the hardware data center (even of a small size) with sufficient security, fire protection, ventilation and air conditioning. Brooke's analysis of these features and costs are provided on Attachment 2.

As shown by Attachment 2 the investment required to establish an internal CSC with similar capabilities to the existing CSC inclusive of a 15% contingency reserve is estimated to be \$237,763. This is investment that could be better spent on plant improvements. Accordingly, the cost per customer per month is estimated to be \$11.18<sup>xii</sup>. Brooke estimates that, if negotiations regarding existing software and contract termination were successful, approximately five to eight months would be required to establish an independent internal CSC.

#### Contract CSC's

Brooke must re-emphasize that relocating the CSC to a closer proximity CSC **provides no assurance that a customer service product would, necessarily, be different than the existing CSC.**

Brooke researched numerous utility CSC's in nearby states describing its requirements and criteria for integration, customer call handling, emergency services, and references. Some of these firms were already established water utility companies that have internal and/or commercial CSC's. A total of five firms were responsive to Brooke's inquiries that offered varying levels of service. Two of these firms were located in Arizona. One of the Arizona CSC's specialized in operational utility management only and did not offer commercial CSC services.<sup>xiii</sup>

The other Arizona firm was the most responsive to Brooke's inquiry. The firm provides a cafeteria-type services menu and pricing plan that is tailored to client needs but does not offer end-to-end integration. Without substantial further investigation and research it is unclear what file exporting capability is available, and to what extent additional accounting staff requirements would be necessary, from this firm. Until Brooke has a thorough understanding of this capability it is not possible to determine the level of additional manual staff necessary to integrate the monthly CSC data with Brooke's financial reporting system.

Not surprisingly, in no case were any of these contract CSC's able to provide end-to-end integration of the CSM software similar to the features currently available to Brooke.

Brooke also contacted four Arizona water utility companies inquiring into their Pricing Value. Three of the four didn't respond with any meaningful reply. One additional water utility company indicated they could not release their costs as a matter of confidentiality and added, confirming Brooke's previously expressed concerns herein, that making an apples-to-apples comparison of their services to those of Brooke would very difficult if not impossible because of the differing nature of their offered services, number of locations, and third-party vendor contracts for some services.

The unavailability of end-to-end integration has varying ramifications. Two of the firms contacted could provide month end electronic files that would, in part, provide a partial financial reporting solution. In one of these cases it is unclear, without substantial further investigation and development, how much customized software programming would be required, what manual financial staff resources would be required, what costs would be involved, or how long the implementation would require. In such cases the total cost of the Pricing Value would remain largely unknown until a contract was negotiated.



### Improvements to the Existing CSC

In order to address the perceived shortcomings of the existing CSC Brooke proposes to add an additional level of experienced call center supervision; hire a software training contractor that would provide initial basic instruction to all Custom Service Representatives ("CSR's") as to the proper use of the Customer Management System ("CMS"); provide ongoing bi-monthly training for each CSC employee; make software programming modifications that address reasonable customer concerns as described by this Plan; address each of the recommendations for improvement related to the CSC included in Finding of Fact #68 of the Decision; develop a website that would advise and inform customers of general operational information; maintain a current and updated Emergency Operations Plan ("EOP") at all times; research modifications to the existing voice message system to provide a waiting queue announcement and provide more user friendly information; develop a customer outreach committee of an appropriate size to meet with Brooke at regular intervals to provide input into how the customer service function can be improved; re-evaluate management policies that will provide increased flexibility for CSR's to make on-call customer account adjustments; make regular contact with customers for the purpose of including additional or updated email advisory addresses; integrate the CMS with currently available GPS locations of operational vehicles so as to expedite dispatch during emergency conditions; develop an adjunct to the existing after-hours emergency message system that allows for direct paging contact with operational employees regarding emergency conditions; and, develop improved telephone after-hours emergency contact system to better advise of water service interruptions and current operational conditions.

As shown by Attachment 2 the investment required to make substantive improvements in the CSC is estimated to be \$26,850. Accordingly, the cost per month per customer is estimated to be \$3.05<sup>xiv</sup>. Brooke estimates that the improvement process could begin almost immediately and be completed within sixty to ninety days.

### CSC Conclusion

Brooke believes that developing an internal CSC is not a viable, cost effective solution that can be readily developed in a short amount of time. Any investment in an internal CSC could be better spent in plant improvements. Likewise, Brooke believes contracting to a commercial CSC may appear to be a viable option except that the economics of added monthly cost of information technology support and

maintenance staff and accounting staff ultimately requires higher management fees that accrue to customers in higher rates. The extent of these increased rates is unknown.

Brooke believes **strongly** it can make improvements to the existing CSC without incurring substantial wasteful contract termination costs and provide customer service levels that are conducive to customers and satisfy regulators. In conjunction with the required monthly progress updating included in the Decision it should be a transparent process that achieves the desired result. Any adversarial relationship with customers can be improved.

### **SURVEY OF LINES**

During the September 23, 2016 Commission Open Meeting the undersigned ask for clarification of the Tobin Amendment, item (c)<sup>xv</sup>. As a result of this discussion Brooke understands that this portion of the Decision would be complied with by filing recordable water system piping maps in digital and/or paper form. Further, such maps are to be recorded with the La Paz County, AZ Recorder and with the Commission.

It should be noted that some of Brooke's water systems were installed by real estate developers as early as 1962. Naturally, Brooke has not verified the accuracy of the location of all portions of the water system infrastructure and, accordingly, will timely record the water system maps for Brooke in the current form. Similarly, water systems maps in their current form will be filed with the Commission.<sup>xvi</sup>

### **BILLING SYSTEM**

As presented in Brooke's Response to the Staff Report dated October 10, 2016, the Customer Service Center ("CSC") officially opened and "went live" on February 28, 2007. This operational status followed the nearly 1-1/2 years of research into various alternative site locations, facilities, and support. As part of that research numerous billings systems were considered. In consideration of billing systems various criteria were considered, including: number of existing installs, licensing fees, maintenance fees, support facilities, acquisition cost, training requirements, customization and related cost, ability to track customer records, record payments from various paper and electronic sources and locations, communication requirements, credit card payment compatibility, support of electronic field meter reading devices, and existing customer references<sup>xvii</sup>. Most important to the

selection criteria, in addition to cost, was the compatibility with an existing, large, complex financial reporting system of the Company.

Such a billing system/software decision is usually the subject of a significant study and analysis and is very difficult to fairly consider from an apples-to-apples standpoint. The various alternatives were carefully considered by a Team of internal staff people from various disciplines. The proximity and fact that such system was required to be integrated with the existing reporting system was the largest deciding factor to be considered. The site location and billing system process was a lengthy and complex process<sup>xviii</sup>.

It is important to note that a billing system is a simplified way of referring to computer software that must perform many more tasks and duties than simply billing. It has to support a communication system that allows interchange of processes, like issuance of service orders, while customers are on the phone. Investing in a small, simplified, standalone billing system that required redundant separate handling and posting of data was not an option.

Brooke is under contract with its CSC until March 1, 2022. The billing system, maintenance, and support costs and amortization are part of the obligation Brooke has with the CSC. The cost to purchase the remainder of the contract for the billing system is prohibitively expensive and, as structured, will likely exceed \$80,000 exclusive of further investments related to operating systems and hardware upon which it operates. The total cost of terminating the existing CSC and the replacement investment required cannot be more accurately negotiated within the time allotted for the Plan. The maintenance and support contract for the billing system has historically cost \$10,000 annually. User license fees from the software providers exceed \$3,000 annually. Cost and time requirements of custom software programming of the billing system to accommodate new installation and separate operating systems cannot be estimated within the time allotted for the Plan.

Brooke believes replacement of the existing billing system is not a practical decision and one that will be very costly, require massive conversion and installation. It is simply not a practical or economical decision to abandon the existing billing system in favor of a smaller, simpler system that addresses customers concern<sup>xix</sup>. Such a billing system alternative is not likely to alleviate customer concerns. There are no mathematical or reporting errors with the current billing system. To date, no specific concerns or complaints have been received from any customers concerning the billing system. From that perspective a change

of billing systems to solve an unknown need is wasteful, time consuming, with offers no guarantee that any different result would occur.

Any billing system simply performs whatever tasks it has been programmed to perform. The problems cited in Commissioner Tobin's Amendment are **not the fault of the billing system.** There may be instructional programming that requires modification but the billing system currently in use is a manifestation of its current programming comprised of regulatory requirements, management policies, and training.<sup>xx</sup>

As part of the Plan, Brooke proposes to contact its customers inquiring as to what practices and concerns they have. Brooke will solicit input from customers as to further explanations necessary to ensure a better understanding of the billing system requirements and/or make reasonable modifications to the billing process policies. This solicitation of customers will be completed not later than December 10, 2016 and allow customers sufficient, reasonable time to respond. Brooke will not reject any reasonable suggestion for improvement of the billing process and, where practical, make changes of improvement to the billing process while maintaining compliance with regulatory requirements.

### **PLANT IMPROVEMENTS**

Brooke has previously submitted to Staff its 2016 Capital Expenditures Budget<sup>xxi</sup> (the "Budget") pursuant to their request.<sup>xxii</sup> As a result of the September 20, 2016 Staff Report Brooke has modified the Budget and added all applicable capital items suggested by Staff in the Decision under Finding of Fact #67, pages 17-18, except as noted herein. The capital improvement projects provided in the Budget have been prioritized and scheduled by fiscal quarter through 2021. It should be noted that Reference items #1, #5, #6, and #19 were completed in the first or second quarter of 2016<sup>xxiii</sup>.

Brooke's Budget is frequently reviewed and modified for additions and changes in the requirements of the water systems. In some cases priorities of capital projects are periodically modified based on higher or changed need. Brooke is committed to maintain completion of the plant improvements as described by the Budget.

It should be noted that Staff's recommendation in Decision No. 75755 Finding of Fact #67, item (k), line 20, page 18 is in error. Backwash meters measuring outflow backwash water have been installed on ALL Brooke backwash lines for

many years.<sup>xxiv</sup> Backwash meters were rebuilt during 2006-2007. Previously, Brooke has provided Staff with accurate estimates of 2015 water loss in all water systems measured to a precise level.<sup>xxv</sup> This reporting of backwash water is the result of reading the existing backwash meters. Accordingly, this capital improvement item is not included on the 2016 Capital Expenditure Budget.<sup>xxvi</sup>

## **WATER QUALITY**

During the September 23, 2016 Open Meeting, Lakeside Water System ("LWS") customer Michelle Williams ("Williams") offered public comment. She indicated that her mobile home park, comprised of approximately ten connections, received unsatisfactory water service from Brooke. Williams described her water services as having an excessive caustic chlorine smell and causing staining in sinks and toilet bowls. Accordingly, Commission Tobin's Amendment to the Staff Report addressed this concern as item (f) in the Decision at Finding of Fact #71.

Brooke has contacted ADEQ to confirm that **no Maximum Contaminant Levels ("MCL") chlorine violations** of the Maximum Residual Disinfection Level ("MRDL") standards are present in the **LWS or any other Brooke water system**. Accordingly, Brooke provides Attachment 6 that are 2016 ADEQ monthly MRDL reports filed timely indicating a twelve month average of 1.11 mg/L as compared to an exceedance standard of 4.0 mg/L. The average of monthly averages for the previous twelve months is 1.18 for the LWS. This result is only 29.5% of the MCL.

Further, on October 18, 2016 at approximately 1400 hours Brooke took a chlorine residual water sample immediately adjacent to Williams' water service location and recorded a chlorine residual level of 0.87 mg/L.<sup>xxvii</sup> **The measurement at the Williams service location is LOWER than the MRDL level measured at the LWS plant and reported to ADEQ.**

Brooke has no tests, samples, regulatory reports, or records of excessive chlorine residual levels that exist in the LWS, any Brooke water system, or the Williams service location.

This Plan includes Brooke's continuing commitment that compliance with MRDL standards be maintained at all times. There is no reason to be concerned that excessive chlorine levels exist, or will exist, that would be the source of offensive odors.

**SERVICE LIST FOR DOCKETS NOS. W-03039A-16-0322 AND W-03510A-16-0322:**

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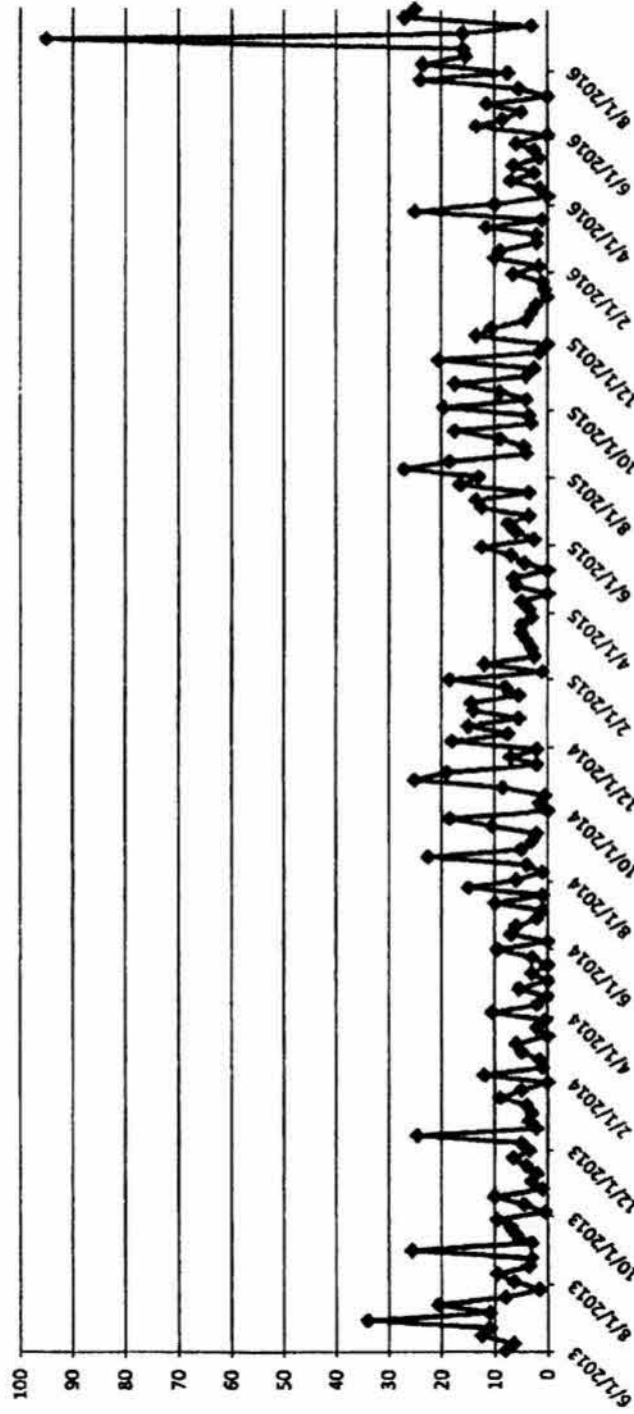
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- i Decision No. 75755, page 20, Finding of Fact 71.
- ii Variances in starting wages is dependent on market conditions, employee qualifications, experience, and marketplace candidate availability. A higher level of water operator certification can cost as much as 50% more than a beginning new employee.
- iii Available hours of productivity excludes vacation, sick days, holidays, and personal days.
- iv Date of water company acquisition by JW Water Holdings LLC. This period of time provides an "apples-for-apples" comparison of the same work staff in Brooke. See included chart "Brooke Aggregate Weekly OT Hours" as Attachment 1.
- v Inclusive of overtime hours during the week of August 22, 2016.
- vi The difference between the monthly average of overtime hours and a regular employee working 173.3 hours.
- vii The current CSC was established in February 2007.
- viii With few exceptions, third party vendor accounts payable are automatically received, processed, coded, reviewed, paid, and electronically forwarded to the respective parties.
- ix Extraordinary accounting entries such as journal entries and accruals require additional accounting staff attention.
- x It is important to Note that some contract CSC's require inclusion or exclusion of some features.
- xi Inclusive of 179 customers in Circle City.
- xii No return on initial investment is included in this cost. It should be noted that the cost per customer per month of Brooke's last contract CSC was \$9.90 in late 2006.

- xiii To their credit this firm has re-contacted Brooke and expressed interest in growing their business in the direction of commercial CSC management.
- xiv *Ibid*, xi above.
- xv *Ibid*, i above, item (c)
- xvi To the best of Brooke's knowledge the water system piping maps have been updated as changes have occurred.
- xvii A legacy system previous used by Brooke ceased being available or supportable and caused numerous internal problems trying to find support.
- xviii During its investigation Brooke learned that numerous foreign countries have major operations. Costa Rica is one of the leading call center and CSC data locations in the world. Hundreds of thousands of people are employed in Costa Rica call centers. Major domestic and foreign countries have located CSC's in Costa Rica such as Hewlett-Packard, Amazon, Western Union, PayPal, Google, and many others.
- xix The Brooke billing system is one that is compatible with very large Microsoft-based systems and is in use by dozens of utility companies around the world. The billing system is well known to much larger water, electrical, telephone, and other utility companies in the United States.
- xx It should be noted that the current form of customer billing statement was proposed, reviewed, and approved by the Commission's Consumer Services Division in approximately June 2009. Since that time no changes to the billing statement format have been made. There are no computational mistakes on the statements. All customer statements clearly show customer bill date, past due date, and disconnection date in advance.
- xxi See Attachment 3.
- xxii See Attachment 3.
- xxiii Complete change of all systems filtration media was completed in early April 2016 in advance preparation for the high demand summer water season. The effect of the changed media was immediately felt as turbidity levels and backwash frequency were reduced.
- xxiv See Attachment 4 for photograph of the LWS backwash meter.
- xxv See Attachment 5 for sources of estimated 2015 water loss.
- xxvi See Attachment 6.
- xxvii See Attachment 7. It should be noted that the Williams measured chlorine level was less than Brooke measured at the LWS plant used for the ADEQ monthly MRDL reports. Brooke made several direct attempts to contact Williams to permit an on-site water sample. None of Brooke's request calls to Williams were answered or returned.

# **Attachment 1**



Brooke Aggregate Weekly OT Hours



**Attachment 2**

Brooke Water LLC

**2016/2017 Customer Service Centers Budget**

Description	Monthly Establish Internal CSC	Fixed Cost Establish Internal CSC	Contract CSC	Fixed Cost Contract CSC	Monthly Improvements Existing CSC	Fixed Cost Improvements Existing CSC
Office space	\$1,150					
Software (estimated)		\$80,000		\$80,000		
CSC contract termination (estimated)		\$25,000		\$25,000		
Tenant improvements (floor)		\$5,500				
Tenant improvements (fire and A/C)		\$3,000				
Tenant improvements (security)	\$150	\$2,200				
Hardware (5 stations, server, CAT5 cabling)		\$40,000				
Telephone broadband and T1	\$650	\$3,400				
Telephone and communications software		\$11,500				
Staff supervisor with burden	\$4,160	\$2,250			\$1,000	
Staff supervisor with burden	\$12,480	\$4,200				
Staff overtime	\$500					
Software (maintenance)	\$833	\$10,000			\$200	\$10,000
Software (user fees for 5 stations)	\$292	\$3,500			\$833	\$3,500
Training (initial)		\$6,200			\$292	\$4,000
Training (ongoing)	\$500				\$600	
Software (programming)		\$6,000				\$6,000
Voice mail message system		\$200				\$400
Emergency contact system	\$200	\$1,300		\$480	\$360	\$200
Credit card processing	\$200	\$2,500				\$2,500
Website						
Bank fees	\$285			\$285	\$285	
Staff supplies	\$125				\$125	
Establishment service-set-up costs				\$2,800		
Management fees (accounting)	\$2,200		\$2,200			
Contract fees (variable)			\$10,914		\$2,776	
<b>Subtotal</b>	<b>\$24,085</b>	<b>\$206,750</b>	<b>\$13,879</b>	<b>\$107,800</b>	<b>\$6,671</b>	<b>\$26,600</b>
Contingency	\$1,500	\$31,013	\$250	\$2,000	\$300	\$250
<b>Total</b>	<b>\$25,585</b>	<b>\$237,763</b>	<b>\$14,129</b>	<b>\$109,800</b>	<b>\$6,971</b>	<b>\$26,850</b>
Number of Customers	2,288		2,288		2,288	
<b>Cost per customer/month</b>	<b>\$11.18</b>		<b>\$6.18</b>		<b>\$3.05</b>	

**Attachment 3**

Brooke Utilities, Inc.  
**2016 Capital Expenditures Budget**

**Brooke Water L.L.C.**

F.Y.	W.A.S. S.3382	Location	Description	Status	2016					2017
					1Q	2Q	3Q	4Q	Total	
1	All systems	Expenditure Description	Expenditure Description							
2	Lakeland	Eliminate media replacement	Eliminate media replacement (work-in)	COMPLETE	\$ 17,000	\$ 18,000	\$ -	\$ -	\$ -	\$ -
3	Lakeland	Inspect inside of storage tanks	Inspect for interior/corrosion rust and floor sediments		\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ 19,000
4	Lakeland	Repair/replacement alkalic valve	Adjust to 100,000 gallon tank; stop tank in critical condition		\$ 15,000	\$ -	\$ -	\$ -	\$ 4,500	\$ -
5	Lakeland, Manalapa Keys	Exterior tank, red-bushment	Paint, red-bush exterior of all storage tanks		\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 7,000
6	All Systems	rebuild filters	see Elizabeth media replacement (below)	COMPLETE	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -
7	All Systems	SCADA system maintenance	conduct media replacement project		\$ 12,000	\$ -	\$ -	\$ -	\$ 3,000	\$ -
8	Perkin Drive, Main Village	replace booster & intake pumps	provide backup redundancy supply of intakes pump		\$ 7,600	\$ -	\$ -	\$ -	\$ -	\$ 3,810
9	All Systems	replace multi-line valves / PVC OL	rebuild Clark		\$ 28,800	\$ -	\$ -	\$ -	\$ -	\$ -
10	All Systems	replace meters quarterly	identify valves most susceptible for replacement		\$ 31,500	\$ 1,810	\$ -	\$ -	\$ 1,810	\$ 1,810
11	Hollyhock Harbour	replace portions of main on Rio Grande Vista	identify tank prone to corrosion		\$ 9,800	\$ -	\$ 2,190	\$ -	\$ -	\$ -
12	Manalapa Keys	rebuild MV media (small) pump	install backup pump as MV media		\$ 3,400	\$ -	\$ -	\$ -	\$ -	\$ -
13	Perkin Drive	replace phos tank	move main to make room for new tank		\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -
14	Perkin Drive	replace 1,000 gal pressure tank	replace in 4 individual sections		\$ 41,000	\$ -	\$ -	\$ -	\$ -	\$ -
15	Rio Grande	replace meter reading unit	replace meter		\$ 3,700	\$ -	\$ -	\$ -	\$ -	\$ 3,700
16	All Systems	Schedule PIV (1)	replace all interior components of back		\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
17	Hollyhock Harbour, Manalapa Keys, Lakeland	replace interior tank coating	PIV (10,000, MV 1000; LK 1000, 54K		\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -
18	Lakeland	Rebuild PIV	replacement clarity unnecessary		\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -
20	Lakeland, Perkin Drive	2" diaphragm pump with hoses	main line repairs & filter maintenance		\$ 2,200	\$ -	\$ -	\$ -	\$ -	\$ -
21	Perkin Drive	new 100,000 gal storage tank	replacement with 77 25,000 gallon		\$ 143,000	\$ -	\$ -	\$ -	\$ -	\$ -
22	Rio Grande	20,000 gallon storage	provide for new 20,000 gal tank		\$ 26,000	\$ -	\$ -	\$ -	\$ -	\$ -
23	Rio Grande	replace pumps and electric	install and phase safety		\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
24	Lakeland, Manalapa Keys, Perkin Drive	backwash basin fencing			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Other				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Other				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Other				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Other				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Other				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>					<b>\$ 248,000</b>	<b>\$ 318,510</b>	<b>\$ 21,930</b>	<b>\$ -</b>	<b>\$ 11,410</b>	<b>\$ 34,938</b>

Total  
Annual Total



**Attachment 4**

**Bob Hardcastle**

---

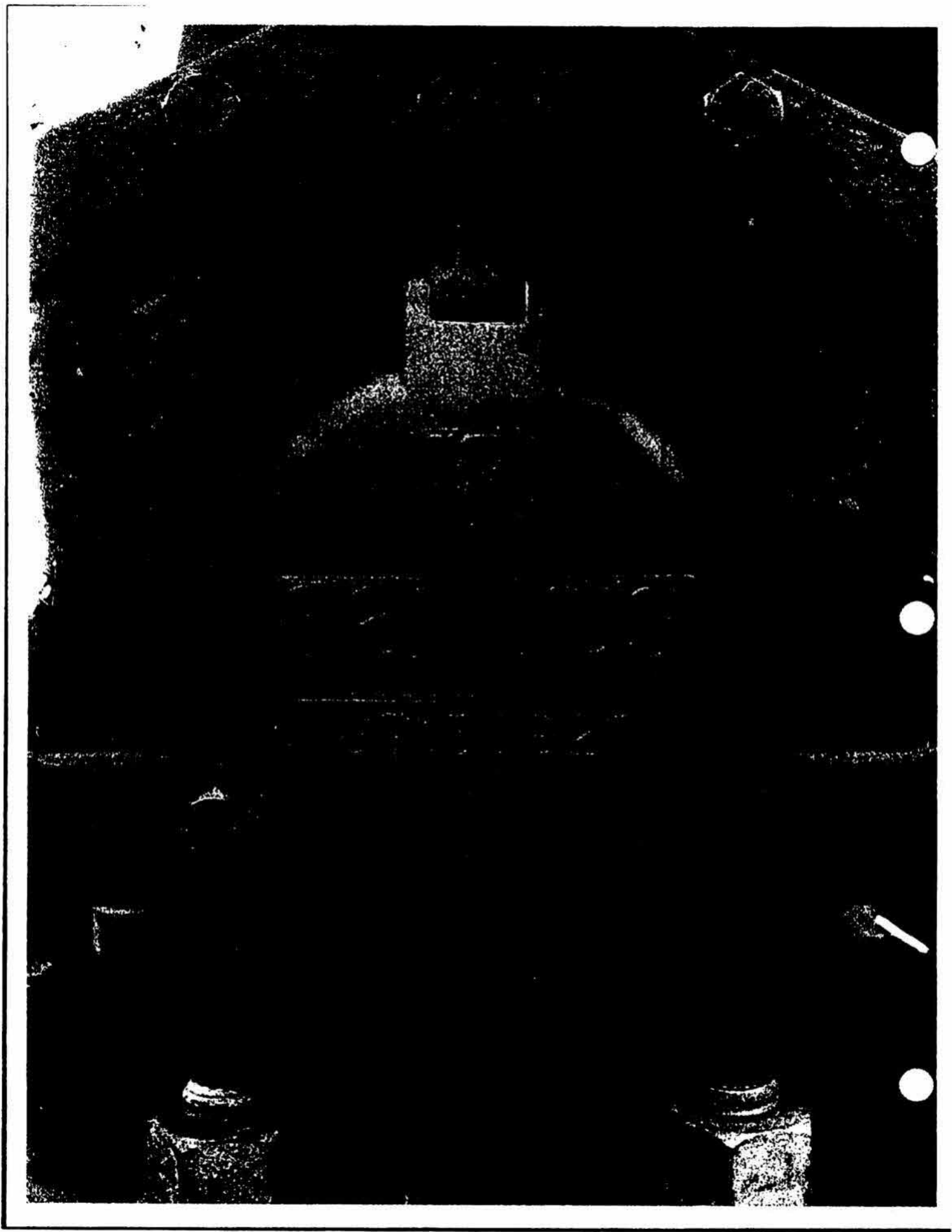
**From:** Dale Allred  
**Sent:** Tuesday, October 18, 2016 2:26 PM  
**To:** Bob Hardcastle  
**Subject:** LKS  
**Attachments:** IMG\_0909.JPG; ATT00001.txt; IMG\_0910.JPG; ATT00002.txt

**Bob,**

**Here are photos of the 4" backwash meter at the Lakeside Treatment plant.**







**Attachment 5**

Brooke Water LLC

**2015 Operational Water Use (estimated)**

<u>Description</u>	<u>Gallons</u>	<u>Gallons</u>	<u>Difference</u>
BOR Colorado River Diversions	143,154,700		
Back wash water		11,213,660	
Main leaks		5,500,000	
Service line leaks		1,125,000	
Distribution system leaks (other)		1,500,000	
Customer Consumption		98,615,907	
Unaccounted for water (customers)		1,000,000	
Unaccounted for water (BWLLC)		1,000,000	
Media filtration repair/replacement		330,000	
Construction water		0	
Meter error loss		3,578,868	
Other		0	
<i>Total</i>	<u>143,154,700</u>	<u>123,863,435</u>	<u>19,291,266</u>

**Attachment 6**

Arizona Department of Environmental Quality  
 Quarterly Report  
 Maximum Residual Disinfection Level (MRDL)  
 Chlorine/Chloramines--1012/1006  
 (Distribution Sampling)

10/7/16  
 Report/Date

151010  
 System ID

Lakeside  
 System Name

This report is for (check one) Qtr 1  Qtr 2  Qtr 3  Qtr 4  of Year 2016

*RDL must be measured at the same points and time as the microbiological samples are collected.*

A. Number of RDL samples collected during each of the past three months  
 Last m 2 2 m ago 2 3 m ago 2

\*B. Monthly average of all samples collected in each month for the last 12 months  
 Last m 1.11 2 m ago 0.90 3 m ago 1.09

1.08 0.85 1.36 0.90 1.77 1.47 1.86 0.78 1.06  
 4 m ago 5 m ago 6 m ago 7 m ago 8 m ago 9 m ago 10 m ago 11 m ago 12 m ago

During the first year of monitoring insert 'N/A' for months monitoring was not required. (i.e. first quarter report for 2004 will have only three results and nine 'N/A')

C. Annual average of monthly averages for the previous 12 months 1.18

When calculating the annual average use monthly averages for only the last twelve months. If the system has not completed a full year of monitoring, the annual average is calculated by adding the individual monthly averages, and dividing by the number of months sampled

D. Did the annual average in C exceed the MRDL of 4.0 mg/L? Yes  No

I hereby certify that the information provided in this report is accurate and correct to the best of my knowledge.

Authorizer Name: Dale E Allred II Signature: [Signature]

Arizona Department of Environmental Quality  
 Water Quality Compliance Section 5415B-1  
 1110 West Washington Street  
 Phoenix, AZ 85007

For Questions Call: (602) 771-4624 or within AZ (800) 234-5677 ext. 771-4624

Arizona Department of Environmental Quality  
Quarterly Report  
Maximum Residual Disinfection Level (MRDL)  
Chlorine/Chloramines--1012/1006  
(Distribution Sampling)

10/7/16  
Report Date

15-1027  
System ID

Parker Dam  
System Name

This report is for (check one) Qtr 1  Qtr 2  Qtr 3  Qtr 4  of Year 2016

*RDL must be measured at the same points and time as the microbiological samples are collected.*

A. Number of RDL samples collected during each of the past three months 1 1 1  
Last m 2 m ago 3 m ago

\*B. Monthly average of all samples collected in each month for the last 12 months 1.50 0.50 1.31  
Last m 2 m ago 3 m ago

1.38 0.61 1.12 0.97 1.01 0.96 1.13 0.98 0.94  
4 m ago 5 m ago 6 m ago 7 m ago 8 m ago 9 m ago 10 m ago 11 m ago 12 m ago

During the first year of monitoring insert 'N/A' for months monitoring was not required. (i.e. first quarter report for 2004 will have only three results and nine 'N/A')

C. Annual average of monthly averages for the previous 12 months 1.03

When calculating the annual average use monthly averages for only the last twelve months. If the system has not completed a full year of monitoring, the annual average is calculated by adding the individual monthly averages, and dividing by the number of months sampled

D. Did the annual average in C exceed the MRDL of 4.0 mg/L? Yes  No

I hereby certify that the information provided in this report is accurate and correct to the best of my knowledge.

Authorizer Name: Dale E Allred II Signature: [Signature]

Arizona Department of Environmental Quality  
Water Quality Compliance Section 5415B-1  
1110 West Washington Street  
Phoenix, AZ 85007

For Questions Call: (602) 771-4624 or within AZ (800) 234-5677 ext. 771-4624

Arizona Department of Environmental Quality  
Quarterly Report  
Maximum Residual Disinfection Level (MRDL)  
Chlorine/Chloramines--1012/1006  
(Distribution Sampling)

10/7/16  
Report Date

151058  
System ID

Holiday Harbour  
System Name

This report is for (check one) Qtr 1  Qtr 2  Qtr 3  Qtr 4  of Year 2016

*RDL must be measured at the same points and time as the microbiological samples are collected.*

A. Number of RDL samples collected during each of the past three months 1 1 1  
Last m 2 m ago 3 m ago

\*B. Monthly average of all samples collected in each month for the last 12 months 1.13 0.78 1.03  
Last m 2 m ago 3 m ago

1.27 1.32 1.34 1.56 1.32 1.76 1.43 0.56 0.88  
4 m ago 5 m ago 6 m ago 7 m ago 8 m ago 9 m ago 10 m ago 11 m ago 12 m ago

During the first year of monitoring insert 'N/A' for months monitoring was not required. (i.e. first quarter report for 2004 will have only three results and nine 'N/A')

C. Annual average of monthly averages for the previous 12 months 1.19

When calculating the annual average use monthly averages for only the last twelve months. If the system has not completed a full year of monitoring, the annual average is calculated by adding the individual monthly averages, and dividing by the number of months sampled

D. Did the annual average in C exceed the MRDL of 4.0 mg/L? Yes  No

I hereby certify that the information provided in this report is accurate and correct to the best of my knowledge.

Authorizer Name: Dale E Allred II Signature: [Signature]

Arizona Department of Environmental Quality  
Water Quality Compliance Section 5415B-1  
1110 West Washington Street  
Phoenix, AZ 85007

For Questions Call: (602) 771-4624 or within AZ (800) 234-5677 ext. 771-4624



Arizona Department of Environmental Quality  
 Quarterly Report  
 Maximum Residual Disinfection Level (MRDL)  
 Chlorine/Chloramines--1012/1006  
 (Distribution Sampling)

10/7/16  
 Report Date

125-1040  
 System ID

Rio Lindo  
 System Name

This report is for (check one) Qtr 1  Qtr 2  Qtr 3  Qtr 4  of Year 2016

RDL must be measured at the same points and time as the microbiological samples are collected.

A. Number of RDL samples collected during each of the past three months 1 1 1  
 Last m 2 m ago 3 m ago

\*B. Monthly average of all samples collected in each month for the last 12 months 0.62 0.91 1.23  
 Last m 2 m ago 3 m ago

1.23 1.45 1.18 2.20 1.00 1.37 1.44 1.46 1.21  
 4 m ago 5 m ago 6 m ago 7 m ago 8 m ago 9 m ago 10 m ago 11 m ago 12 m ago

During the first year of monitoring insert 'N/A' for months monitoring was not required. (i.e. first quarter report for 2004 will have only three results and nine 'N/A')

C. Annual average of monthly averages for the previous 12 months 1.27

When calculating the annual average use monthly averages for only the last twelve months. If the system has not completed a full year of monitoring, the annual average is calculated by adding the individual monthly averages, and dividing by the number of months sampled

D. Did the annual average in C exceed the MRDL of 4.0 mg/L? Yes  No

I hereby certify that the information provided in this report is accurate and correct to the best of my knowledge.

Authorizer Name: Dale E Allred II Signature: [Signature]

Arizona Department of Environmental Quality  
 Water Quality Compliance Section 5415B-1  
 1110 West Washington Street  
 Phoenix, AZ 85007

For Questions Call: (602) 771-4624 or within AZ (800) 234-5677 ext. 771-4624

Arizona Department of Environmental Quality  
Quarterly Report  
Maximum Residual Disinfection Level (MRDL)  
Chlorine/Chloramines-1012/1006  
(Distribution Sampling)

[10/7/16]  
Report Date

[151011]  
System ID

Marina Village  
System Name

This report is for (check one) Qtr 1 [ ] Qtr 2 [ ] Qtr 3 [X] Qtr 4 [ ] of Year [2016]

RDL must be measured at the same points and time as the microbiological samples are collected.

A. Number of RDL samples collected during each of the past three months  $\frac{1}{\text{Last m}}$   $\frac{1}{2 \text{ m ago}}$   $\frac{1}{3 \text{ m ago}}$

\*B. Monthly average of all samples collected in each month for the last 12 months  $\frac{1.47}{\text{Last m}}$   $\frac{1.01}{2 \text{ m ago}}$   $\frac{0.59}{3 \text{ m ago}}$

$\frac{1.51}{4 \text{ m ago}}$   $\frac{1.35}{5 \text{ m ago}}$   $\frac{1.13}{6 \text{ m ago}}$   $\frac{1.07}{7 \text{ m ago}}$   $\frac{1.72}{8 \text{ m ago}}$   $\frac{1.36}{9 \text{ m ago}}$   $\frac{0.67}{10 \text{ m ago}}$   $\frac{1.94}{11 \text{ m ago}}$   $\frac{1.08}{12 \text{ m ago}}$

During the first year of monitoring insert 'N/A' for months monitoring was not required. (i.e. first quarter report for 2004 will have only three results and nine 'N/A')

C. Annual average of monthly averages for the previous 12 months 1.24

When calculating the annual average use monthly averages for only the last twelve months. If the system has not completed a full year of monitoring, the annual average is calculated by adding the individual monthly averages, and dividing by the number of months sampled

D. Did the annual average in C exceed the MRDL of 4.0 mg/L? Yes [ ] No [X]

I hereby certify that the information provided in this report is accurate and correct to the best of my knowledge.

Authorizer Name: [ Dale E Allred II ] Signature: [ Dale E Allred II ]

Arizona Department of Environmental Quality  
Water Quality Compliance Section 5415B-1  
1110 West Washington Street  
Phoenix, AZ 85007

For Questions Call: (602) 771-4624 or within AZ (800) 234-5677 ext. 771-4624

Arizona Department of Environmental Quality  
 Quarterly Report  
 Maximum Residual Disinfection Level (MRDL)  
 Chlorine/Chloramines--1012/1006  
 (Distribution Sampling)

10/7/16  
 Report Date

151006  
 System ID

Moovalya Keys  
 System Name

This report is for (check one) Qtr 1  Qtr 2  Qtr 3  Qtr 4  of Year 2016

*RDL must be measured at the same points and time as the microbiological samples are collected.*

A. Number of RDL samples collected during each of the past three months 2 2 2  
 Last m 2 m ago 3 m ago

\*B. Monthly average of all samples collected in each month for the last 12 months 0.54 0.75 1.27  
 Last m 2 m ago 3 m ago

0.72 1.01 1.34 0.90 1.78 1.29 0.86 1.75 0.95  
 4 m ago 5 m ago 6 m ago 7 m ago 8 m ago 9 m ago 10 m ago 11 m ago 12 m ago

During the first year of monitoring insert 'N/A' for months monitoring was not required. (i.e. first quarter report for 2004 will have only three results and nine 'N/A')

C. Annual average of monthly averages for the previous 12 months 1.09

When calculating the annual average use monthly averages for only the last twelve months. If the system has not completed a full year of monitoring, the annual average is calculated by adding the individual monthly averages, and dividing by the number of months sampled

D. Did the annual average in C exceed the MRDL of 4.0 mg/L? Yes \_\_\_\_\_ No X

I hereby certify that the information provided in this report is accurate and correct to the best of my knowledge.

Authorizer Name: Dale E Allred II Signature: [Signature]

Arizona Department of Environmental Quality  
 Water Quality Compliance Section 5415B-1  
 1110 West Washington Street  
 Phoenix, AZ 85007

For Questions Call: (602) 771-4624 or within AZ (800) 234-5677 ext. 771-4624

**Attachment 7**

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**Bob Hardcastle**

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**From:** Dale Allred  
**Sent:** Tuesday, October 18, 2016 2:13 PM  
**To:** Bob Hardcastle  
**Subject:** Chlorine residual  
**Attachments:** IMG\_0908.JPG; ATT00001.txt

**Bob,**

I took a CL2 reading from 31602 Storage Place ( our records show this as STORAGE PL). This is the next service down stream from LMM 24B customer Michelle Williams. As you can see in the attached picture, our residual level is well below the max limit of 4.0mg/L

DRAPER

METER # 574

Pocket Colorimeter

**CHLORINE**

LR

mg/L Cl<sub>2</sub>

HR



**BW-8**

ORIGINAL

OPEN MEETING



0000178412

MEMORANDUM

RE  
DOCKET CONTROL

Arizona Corporation Commission

TO: THE COMMISSION

2017 MAR 27 P 2 57

DOCKETED

FROM: Utilities Division

MAR 27 2017

DATE: March 27, 2017

DOCKETED BY

GB

RE: IN THE MATTER OF THE RECENT WATER OUTAGES, WATER QUALITY, AND CUSTOMER SERVICE ISSUES AT BROOKE WATER, LLC AND CIRCLE CITY WATER LLC AND THE NEED FOR POTENTIAL REMEDIAL ACTIONS; DOCKET NOS. W-03039A-16-0322 AND W-03510A-16-0322

INTRODUCTION

Enclosed are the Commission Staff's memorandum and proposed order for In the Matter of the Recent Water Outages, Water Quality, and Customer Service Issues at Brooke Water, LLC and Circle City Water LLC and the Need for Potential Remedial Actions (Docket Nos. W 03039A-16-0322 and W 03510A-16-0322. This Memorandum and proposed order represents Staff's analysis and recommendations regarding the requirements Decision No. 75755 (October 4, 2016) placed on Brooke Water, LLC and Circle City Water Company, LLC and other recent developments. This is only a Staff recommendation to the Commission; it has not yet become an order of the Commission. The Commission can decide to accept, amend or reject Staff's proposed order.

You may file comments to the recommendation(s) of the proposed order by filing an original and thirteen (13) copies of the comments with the Commission's Docket Control Center at 1200 W. Washington St., Phoenix, AZ 85007 by 4:00 p.m. on or before April 5, 2017.

This matter may be scheduled for Commission deliberation at its Open Meetings scheduled April 5, 2017, at 10:00 a.m. and April 6, 2017, at 10:00 a.m.

If you have any questions about this matter, please contact Robert Gray of our Staff at (602) 542-0827, or Elijah Abinah, Acting Director, at (602) 542-6935.

BACKGROUND

On August 21, 2016, a water outage occurred on the Brooke Water LLC ("Brooke") Lakeside Water System with service interruptions over a three day period. On September 20, 2016 Staff filed its Memorandum and Proposed Order, providing Staff's analysis of the water outage as well as water quality and customer service issues related to Brooke and Circle City Water Company LLC ("Circle City"). The Commission held a Special Open Meeting on Monday, August 29, 2016, resulting in Decision No. 75755. This Decision placed the following requirements on the Companies:



*System, Operational, and Engineering Recommendations*

The Company should be required to (for Brooke unless otherwise indicated):

- a) Contact ADWR to discuss a path to becoming immediately compliant with departmental requirements governing water providers and/or community water systems. (This applies to both Brooke and Circle City).
- b) File an application for a Curtailment Tariff with the Commission.
- c) Refile the Backflow Prevention Tariff utilizing the revised Cross Connection/Backflow Tariff form.
- d) Repair the rusted areas of the 50,000 gallon storage tank and inspect the tank interior.
- e) Recoat the interior of the 50,000 gallon storage tank with National Sanitation Foundation approved coating if the tank interior has been compromised.
- f) Adjust or repair the altitude valve controlling flow to the 100,000 gallon storage tank to stop the water loss through the tank overflow piping.
- g) Hire a trained technician to perform whatever is required to eliminate water loss at this location, if the operator is unable to adjust or repair the valve.
- h) Provide means to train the operators in PRV diagnostics and repair.
- i) Recondition the exterior surface of all tanks and develop a schedule for tank maintenance.
- j) Sample the drinking water at several locations in the distribution system to assess the safety of continued utilization of the current asbestos-cement piping.
- k) Install a meter on the backwash piping as soon as practical so that the water loss may be determined.

*Consumer Service Recommendations*

The Company should be required to (for both Brooke and Circle City)

- a) Utilize the new Outage Reporting Form on the Utilities Division website for future outages.
- b) Immediately notify not only the Commission, but the County Sheriff's Office, the County Office of Emergency Management, the County Board of Supervisors, Other

County Officials, the Arizona Department of Environmental Quality, when an outage occurs as per the revised EOP.

- c) Include an Outage Message to all who call the Call Center of the outage and ensure it is updated as needed.
- d) Conduct an outreach effort to obtain email addresses for a more timely notification to as many customers as possible.
- e) Immediately schedule a customer service training program for Service Center employees with a set of metrics commonly used to assess service center performance. The Company shall chose among the metric in Exhibit B and provide Staff with targets, implementation dates and reporting requirements.
- f) Develop a Company website where customers can obtain information.
- g) Conduct an extensive outreach effort at least twice a year with City and County Officials and customers to discuss communication, service quality and ideas for improvement.
- h) Obtain a second cell phone (for Mr. Harcastle) for business use and provide that phone number to officials mentioned in the Emergency Operations Plan (and any other designated individuals). The phone should have the ability to monitor emails and have other applications that might improve communication at critical times.
- i) During an outage of a magnitude similar to the August outage, Mr. Harcastle shall commit to be present on-site or to have an individual who is authorized to make decisions in his absence.
- j) Periodically update its Emergency Operations Plan approved by ADEQ on August 29, 2016 to include such things as a phone number and e-mail address for the Companies at which Mr. Harcastle can be reached.
- k) Make good faith efforts to resolve the easement dispute which is currently pending as an informal complaint; and map the Company facilities in the affected parcel.

*Financial Fitness Recommendations*

The Company should be required to (for both Brooke and Circle City):

- a) File a System Improvement and Budget Plan with the Staff for review and input.
- b) File a rate case by June 30, 2017 for Brooke with a test year ended December 31, 2016. Compliance with items addressed in this Order shall be assessed in the rate case. In the rate case allowances for post-test year plant, surcharges based on ongoing plant

investment, pro forma expense adjustments and other mechanisms may be used to reflect investments and costs associated with compliance with this Order if necessary. The requirement that Circle City file a rate case by December 31, 2016, with a 2015 test year established in Decision No. 75597 remains in effect.

Regarding the above, the Companies were ordered to comply with the requirements and file monthly updates on progress toward meeting the requirements.

Decision No. 75755 further requires that the Company, by October 24, 2016, file in these dockets a Plan of Improvement that includes cost estimates and schedules for completion. Within the Brooke Water LLC docket, the Plan of Improvement shall include but is not limited to the following:

- a) Hiring additional maintenance staff at Brooke Water LLC;
- b) Hiring an in house call center or establishing a call center located closer to Brooke Water LLC's service territory;
- c) Performing a full survey of Brooke Water LLC's lines and making the necessary filings with the La Paz County Recorder and the Corporation Commission;<sup>1</sup>
- d) Selecting a new billing system or making changes to current practices in order to address continuous customer concerns;
- e) Beginning a plant improvement project that includes replacement or refurbishment of pipes, tanks, valves, etc.; and
- f) Working with ADEQ to address excessive chlorine and other water quality issues.

Decision No. 75755 further required the Company to file a response to the Staff Report within two weeks of the issuance of Decision No. 75755. Decision No. 75755 did not set a specific timeframe for completion of most compliance items, although it was clear from Commissioner comments that compliance was expected in short order. Staff believes that setting a deadline for completion of all compliance items would be beneficial at this time. Thus, Staff recommends that Brooke and Circle City be ordered to achieve compliance with all items in Decision No. 75755 on or before June 30, 2017. In conjunction with this requirement, Brooke should file its monthly update for July 2017 on or before July 1, 2017, rather than the typical mid-month filing date.

The Company filed a response to the Staff Report on October 17, 2016, which was within the two week period following the issuance of Decision No. 75755. The Company also filed a Plan of Improvement on October 24, 2016, as required. On November 1, 2016, December 13, 2016, January

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<sup>1</sup> During the September 23, 2016 Open Meeting, there was a verbal amendment that changed "Performing a full survey" to "Providing a full set of available maps" in Finding of Fact 71(c). This verbal amendment was not reflected in the final decision. On December 21, 2016 the Staff filed a Motion to Amend Nunc Pro Tunc to make this correction. Staff filed a Notice of Errata on December 22, 2016.

13, 2017, February 16, 2017, and March 14, 2017, Brooke filed monthly updates. Brooke also filed a curtailment plan and a backflow cross connection tariff on December 13, 2016.

On November 3, 2016, Staff met with 21 Brooke customers at the La Paz County Sheriff's Office Training Center to discuss issues and gather information on the service outage and other concerns. Common issues included billing, disconnections, customer service, and infrastructure problems. On November 3, 2016, the Commission held a public comment session at the same location.

## STAFF ANALYSIS AND RECOMMENDATIONS

This Report provides Staff's analysis and a status update on Brooke Water and Circle City Water customer service, outage, and infrastructure issues. Attached are a Timeline of Events in this case (Attachment One), two Staff Engineering Memos (Attachments Two and Three) and a Staff Consumer Services Memo (Attachment Four).

### *Brooke's October 17, 2016 Response to the Staff Report*

Brooke's response to the Staff Report provides the Company's perspective on the August outages and some history on Brooke's operations. The response also discusses Brooke's customer service center ("CSC") and defends the CSC against complaints. The response also accepts Staff's recommendations and indicates that some were already being implemented, but states that any further recommendations would be punitive, over reaching, unnecessary, expensive, and would penalize customers. The subsequently filed Plan of Improvement and monthly updates deal with the items that the Commission required Brooke to complete and Brooke's progress on those items in more detail than the response to the Staff Report.

Given events that have unfolded since Decision No. 75755 was issued, Staff disagrees that additional recommendations would be punitive, over reaching, unnecessary, expensive, and would penalize customers.

### *Brooke's October 24, 2016 Plan of Improvement and November-March Updates*

Brooke's October 24, 2016 Plan of Improvement ("POI") addresses the actions ordered in Decision No. 75755, as listed in Finding of Fact No. 71, including hiring additional maintenance staff, hiring an in-house call center or establishing a call center closer to Brooke's service territory, filing appropriate maps with La Paz County and the Commission, selecting a new billing system or making necessary changes to the existing system, beginning a plant improvement project, and addressing chlorine and other water quality issues.

Brooke's November-March updates provide some indication of the action status of items contained in Decision No. 75755. The updates are in table form with each requirement from Decision No. 75755, having a status of either blank, in process, or completed, as well as a brief note of explanation.

*Circle City Long Term Debt*

The Circle City system, which serves portions of Maricopa County, Arizona, was transferred to Circle City from Brooke on June 16, 1998 (Decision No. 60972) as part of a corporate reorganization. Circle City serves approximately 190 customers. Circle City is owned by Brooke Resources, L.L.C. Brooke Resources is owned by Robert Hardeastle, JACO Oil, and Crystal Investments, L.L.C.

On March 2, 2005, Circle City filed an application to extend its certificate of convenience and necessity in Maricopa County. Also on March 2, 2005, in Docket No. W-03510A-05-0145 (hereafter, the "Circle City Dockets"), Circle City filed an application for approval of a hook-up fee tariff. On March 30, 2005, Staff docketed an insufficiency letter. In the letter, Staff pointed out that Circle City's CC&N application indicated that Circle City was then incurring \$2.1 million in debt to an associated company. Staff asked Circle City to provide a copy of the documents evidencing this debt and to provide a copy of the Commission Decision authorizing the \$2.1 million in debt. On May 5, 2005, Circle City docketed its responses to Staff's insufficiency letter; in its responses, Circle City indicated that the \$2.1 million in debt was reflected in the balance sheet provided with its application and that there were no additional documents reflecting the debt. Circle City also responded that there is no Commission Decision authorizing this debt. During the hearings in the Circle City Dockets, Mr. Hardeastle confirmed that Circle City had incurred debt without Commission approval.

In its 2015 Annual Report to the Commission, Circle City reported, as Notes/Accounts Payable to Associated Companies, \$872,575, which was identified as funds advanced from Brooke Utilities. Circle City has described the debt incurred by Circle City from Brooke Utilities as an internal transaction between Brooke and Circle City. Staff also asked for, but neither Brooke nor Circle City could provide, the Commission Decision number for each debt authorization. Staff would note that in response to a data request, Mr. Hardeastle indicated that Brooke Utilities is the lender to Circle City.

Given that Circle City recently filed a general rate case with the Commission (W-03510-17-0003) and that the case is still very early in the process, not having achieved sufficiency at this time, Staff believes that it would be appropriate for Circle City to seek Commission approval after the fact, in the on-going general rate case, for Circle City's debt. Thus, Staff recommends that Circle City, within 30 days of the date of the Order in this proceeding, file for Commission approval of Circle City's long term debt in Docket No. W-03510-17-0003. The Circle City rate case is an appropriate venue for Staff to further explore the Circle City debt issue and recommend an appropriate way to treat this debt.

*Staff Analysis*

Since the August outage event, Brooke has made significant progress in addressing many of the operational and other issues that have come to light during this proceeding. As the Consumer Services Memo (Attachment Four) notes, Brooke has shown steady improvement in regard to customer service issues, and Consumer Services has seen a reduction in complaints regarding Brooke Water. Further, of the service outages Brooke has experienced since August 2016, documented in the Consumer Services Memo, many have been planned outages, with a relatively moderate number of

unplanned outages. Additionally, as noted in the Staff Engineering Memo on the Lakeside system, Brooke has complied with many of the actions it was ordered to take in Decision No. 75755.

Staff recognizes that further progress needs to be made and that there are still outstanding compliance items from Decision No. 75755 that Brooke has not yet completed. There are also compliance items in Decision No. 75755, that Brooke's monthly update report indicates are completed, claims that Staff would dispute. For example, item 68(f) requires Brooke to "develop a Company website where customers can obtain information." Brooke references a Facebook page that the Company has set up as complying with this requirement, whereas Staff believes that a reasonable reading of that requirement would be to require a separate and specific Company website just for Brooke and Circle City.

In addition, Staff's recent engineering inspection of the five Brooke Water systems, other than Lakeside, brought to light a number of improvements that can be made in regard to those systems, as Attachment Three, the second Engineering Memo, explains.

Staff believes that it is reasonable to view Brooke and Circle City's efforts since August with a degree of optimism. There has clearly been improvement in important areas, with further improvement likely to be forthcoming. But there are items remaining from Decision No. 75755 for Brooke and Circle City to comply with, as well as newly discovered action items from Staff's recent engineering inspection of Brooke's other five water systems. Staff believes that the Commission certainly could pursue the Order to Show Cause at this time regarding the August outage and other matters. Staff believes that the most expedient way to bring further relief and benefit to Brooke and Circle City customers is for the Commission to issue an order at this time requiring Brooke and/or Circle City to comply with the Staff recommendations contained herein. Staff could then report to the Commission regarding the Companies further progress, and the Commission could then pursue the Order to Show Cause at that time if the Commission concludes that Brooke and Circle City have failed to make sufficient progress.

Thus, Staff is recommending that the Commission order Brooke to implement the Staff recommendations contained herein. This includes Brooke demonstrating compliance with all requirements contained in Decision No. 75755 on or before June 30, 2017.

#### *Staff Nunc Pro Tunc Filing in December 2016*

On December 21, 2016, Staff filed a Notice of Filing Nunc Pro Tunc to Correct Decision No. 75755, with a subsequent amendment to filing on December 22, 2016. The purpose of this request was to include in Decision No. 75755 a verbal amendment that changed "Performing a full survey" to "Providing a full set of available maps" in Finding of Fact No. 71.c. Staff recommends approval of the Nunc Pro Tunc.

#### *List of Recommendations*

Below is a list of new Staff recommendations for Brooke Water and Circle City.

General Recommendations

1. Staff recommends that Brooke and Circle City meet all compliance requirements contained in Decision No. 75755 and all new compliance requirements contained in this order on or before June 30, 2017, unless a different deadline is noted. The July 2017 monthly update report shall be filed on or before July 1, 2017.
2. Staff further recommends approval of the Nunc Pro Tunc.

Consumer Services Recommendations

1. Staff further recommends that within 30 days of this order Brooke and Circle City remove "current disconnect notice" from the monthly bill statement, and when required, issue a separate Disconnect Notice, per A.A.C. R14-2-410.E.

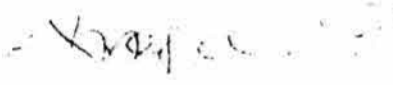
Engineering Recommendation:

1. Staff further recommends that the Company include in all future annual reports for each water system the amount of water pumped for each water system in order to calculate water loss.
2. Staff further recommends that Brooke compare known locations of waterlines with current maps, and if discrepancies are found, the Company shall modify waterline maps to show actual waterline locations.
3. Staff further recommends that the Company contact ADWR to discuss submittal of missing Annual Water Use Reports for 2009, 2011 & 2012.
4. Staff further recommends that an additional operating source pump be installed at the Holiday Harbour and Lakeside water systems in case the existing single source pump fails.
5. Staff further recommends that the Company repair the rusted areas of the Holiday Harbour water system's 30,000 gallon storage tank and inspect the tank interior. If the tank interior has been compromised, Staff further recommends that the Company recoat the interior with a National Sanitation Foundation approved coating.
6. Staff further recommends that the Company repair the rusted areas of the Moovalya Keys water system's 10,000 gallon storage tank and inspect the tank interior. If the tank interior has been compromised, Staff further recommends that the Company recoat the interior with a National Sanitation Foundation approved coating.
7. Staff further recommends that the Company remove the entire Lakeside water system retaining wall on the north side of the plant due to imminent failure and construct a new more substantial wall in its place, on or before December 31, 2017.

8. Staff further recommends that the Company clean up miscellaneous parts and debris that litter the Lakeside water system pump house and Moovaha Keys water system Buckskin plant.
9. Staff further recommends that the Company repair or replace the tank water level gauge at the Parker Dam water system's 15,000 gallon storage tank.
10. Staff further recommends that the Company repair the Rio Lando water system air compressor power cable per OSHA standards.
11. Staff further recommends that the Company develop a schedule for tank maintenance to inspect and clean water storage tanks on a regular schedule, at least every five years.
12. Staff further recommends that the Company recoat tank interiors every 10-15 years and recoat the tank exteriors every 7-10 years.

Financial Recommendations

1. Staff further recommends that Circle City, within 30 days of the date of the Order in this proceeding, file for Commission approval of Circle City's long term debt in Docket No. W-03510-17-0003.

  
Elijah Abinal  
Acting Director  
Utilities Division

EOA:RRG:mr/RWG

ORIGINATOR: Robert Gray



UTILITY COMMISSION

March 27, 2017


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On this 27<sup>th</sup> day of March, 2017, the foregoing document was filed with Docket Control as a Memorandum and Proposed Order, and copies of the foregoing were mailed on behalf of the Utilities Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

Robert Hardcastle  
Brooke Water Company, LLC  
Circle City Water Company, LLC  
Post Office Box 82218  
Bakersfield, California 93380

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

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

By:   
Nausha Ross  
Administrative Support Specialist

**BW-9**

## MEMORANDUM

TO: Bob Gray  
Executive Consultant  
Utilities Division

FROM: Frank M. Smala  
Utilities Staff Engineer  
Utilities Division

DATE: March 17, 2017

RE: Brooke Water, LLC – Lakeside Water System (Company Response to Staff Report and Update to Commission Decision No. 75755) Docket Nos. W-03510A-16-0322 and W-03039A-16-0322

## INTRODUCTION

On August 26, 2016, Utilities Division Staff (“Utilities Staff” or “Staff”) was informed that Brooke Water, LLC - Lakeside Water System (“Lakeside” or “Company”) had several service interruptions beginning on August 21, 2016. Engineering Staff was instructed to inspect the water system and report findings to the Commissioners during a Special Open Meeting held on August 29, 2016 at 4:00 PM. Staff verbally reported the site inspection findings and after hearing additional comments from the Company and customers, Staff was instructed to provide a written evaluation of the water system and present findings at the September open meeting. Staff docketed its report on the inspection findings and recommendations on September 20, 2016.

On September 23, 2016 the Commission held an open meeting concerning Brooke Water, LLC and Circle City Water LLC, , Docket Nos W-03039A-16-0322 and W03510A-16-0322. On October 4, 2016, Decision No. 75755 was docketed ordering the Company to comply with a number of operational and engineering, consumer services and financial recommendations as shown in Table 1.

Table 1. Orders per Decision No. 75755

Order to	Shall Comply with	Finding of Fact
Brooke Water, LLC	Operational & Engineering Recommendations	No. 67a-k
Brooke Water, LLC & Circle City Water Company	Consumer Service Recommendations	No. 68a-k
Brooke Water, LLC & Circle City Water Company	Financial Fitness Recommendations	No. 69a & b
Brooke Water, LLC	Response to Staff Report	No. 70
Brooke Water, LLC	Filing a Plan of Improvement	No. 71a-f
Brooke Water, LLC & Circle City Water Company	Provide Monthly Progress Updates	No's 67 & 68

This memorandum will discuss the engineering issues related to the Company's Response to Staff's September 20, 2016 Report, Plan of Improvement and the Company's February Monthly Progress Update Report.<sup>1</sup>

## COMPANY'S RESPONSE TO THE STAFF REPORT

### 1. *Reason for Service Interruptions*

In the Company's response to the Staff Report it states "The Report [Staff Report] accurately defines the chronological parameters of the water service interruption ("WSI") at Brooke's Lakeside Water System ("LWS") between the dates August 21-23, 2016 (the "WSI Period")." The Company also agrees that the failure of the pressure reducing valve ("PRV") was the root cause of the WSI's.

### 2. *Return of Service*

The Company states that the Report does not discuss interim periods of time between water piping repairs that service was returned to all customers.

#### Staff Response

Staff understood that not all Lakeside Water System customers had their water service interrupted and that only the customers who were supplied by the PRV were affected. Staff was aware that the affected areas were isolated from the rest of the system allowing only a few customers to be affected while repairs proceeded. The system operator did mention to Staff that, between waterline breaks and repairs, service was returned to all customers. Staff did not include this information in its report and should have for clarity.

### 3. *Compliance with Rules*

The Company states "The Company has always observed the requirements, statutes, and rules of the Commission."

#### Staff Response

The Company has not submitted complete annual reports from 2012 forward showing the amount of water pumped from the Colorado River. Without knowledge of the amount of pumped water Staff cannot determine water loss. Staff recommends that the Company include in all future annual reports the amount of water pumped for each water system in order to accurately calculate water loss.

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<sup>1</sup> The February Monthly Update Report was docketed on March 14, 2017.

## COMPANY'S PLAN OF IMPROVEMENT ("PLAN")

The Decision ordered the Company to comply with Finding of Fact 71 which required the Company to file a Plan by October 24, 2016. The Company filed the required Plan on October 24, 2016. The Plan includes a few engineering related issues that are discussed below.

### 1. *Hiring of Additional Operations Staff*

The Company argues that hiring additional operational staff is not warranted. The Company maintains that from June 2013 through September 2016 Brooke's total overtime hours averaged less than 50 hours per month. According to the Company, a full-time operational staff employee works 173 hours monthly. The Company further states "Thus, an unnecessary operational staff employee, under Brooke's actual operational circumstances, would require almost a 250 percent increase in available hours for which no work is regularly necessary."

#### Staff Response

Staff re-inspected Lakeside on February 3, 2017, and discussed this issue with the system operator. The operator stated that the Company has decided to hire a fourth individual to help with the day to day operation and maintenance of Brooke Water. The operator believes that the additional hire should be on the job by mid to late March.

### 2. *Survey of Brooke Water LLC's Waterlines*

It is Brooke's understanding that filing recordable water system piping maps in digital and/or paper form with the La Paz County Recorder and with the Commission will satisfy this order. The Company indicated that Brooke's water systems were installed by real estate developers in 1962 and that the Company has not verified the accuracy of the location of all portions of the distribution system.

#### Staff Response

Staff recommends comparing known locations of waterlines with current maps and if discrepancies are found the Company shall modify waterline maps to show actual waterline locations.

### 3. *Plant Improvements*

The Company was to provide details about projects that include replacement or refurbishment of pipes, tanks, valves, etc. The Company provided a spreadsheet titled "2016 Capital Expenditures Budget" ("2016 Budget") which showed budgetary monies for projects for all Brooke water systems from 2016 through 2021. Of particular interest to Staff were the Lakeside water system 50,000 gallon storage tank repair, altitude valve repair, pressure reducing valve operator training, reconditioning of all tanks exterior surfaces, distribution system asbestos sampling and filter backwash meter. Table 2 shows the estimated expenditures and schedule for Lakeside plant improvements.

Table 2. Lakeside Estimated Expenditures

Description of Expenditure	Status	Estimated Cost, \$	Estimated Completion
Storage Tanks Competence Inspections	Complete	\$19,000	1 <sup>st</sup> Quarter, 2017
Repair/Replacement of Altitude Valve for 100,000 gallon Storage Tank	Complete	\$4,500	4 <sup>th</sup> Quarter, 2016
Exterior Refurbishment of all Storage Tanks (Reconditioning)	Not Begun	\$15,000	2 <sup>nd</sup> Quarter, 2017
Rebuild Pressure Reducing Valve	Complete	\$1,300	3 <sup>rd</sup> Quarter, 2016

Staff Response

Staff only reviewed the 2016 Budget as it pertains to the Lakeside water system as this report concerns only the Lakeside water system. Staff recently inspected the other Brooke Water Systems and those observations will be provided in a separate report.

4. *Filter Backwash Meter*

Staff recommendation 67.k stated, "Install a meter on the backwash piping as soon as practical so that the water loss may be determined."

Company's Response

The Company wrote "It should be noted that Staff's recommendation in Decision No. 75755 Finding of Fact #67, item (k), line 20, page 18 is in error. Backwash meters measuring outflow backwash water have been installed on All Brooke backwash lines for many years."

Staff's Response

Company response to backwash meter is correct. From conversations with the system operator during the site inspection and annual reports from 2012 onward not showing the amount of pumped water, it was Staff's understanding that the backwash meter was not in place. During the site inspection Staff misunderstood the system operator's comments. Upon consideration of the Company's resubmittal of the 2015 annual report, photos included in the Plan, additional conversation with the system operator, and Staff's observation during February 3, 2017 re-inspection, it is clear that the backwash meter is in place.

5. *Water Quality*

The Company states that during the September 23, 2016 Open Meeting a customer indicated that the drinking water had excessive caustic chlorine smell and caused staining in sinks and toilet bowls.

Company Response

The Company contacted Arizona Department of Environmental Quality ("ADEQ") and confirmed that no Maximum Contaminant Level ("MCL") chlorine violations of the Maximum

Residential Disinfection Level ("MRDL") standards are present in the Lakeside water system or any other Brooke water system. The Company states that the monthly average over the past 12 months is less than 1/3 of the MCL of 4.0 mg/l. The Company further states that a chlorine residual sample was taken on October 18, 2016 immediately adjacent to the complainant's residence. The results showed that the chlorine residual was 0.87 mg/l, less than 1/4 of what is allowed.

**Staff Response**

Staff contacted ADEQ and confirmed that the Company is compliant with the MRDL. Staff surmises that after a waterline repair and flushing a slug of high chlorine concentration may have entered the complainant's residence. This could possibly be the cause of the chlorine smell and staining.

**MONTHLY UPDATE REPORT – FEBRUARY 2017 COMPLIANCE TO DECISION**

The Company on March 14, 2017 filed a Monthly Progress Report in the form of a status update spreadsheet for Findings of Fact 67 through 71 as ordered by Decision No. 75755. Table 3 shows the current status of Finding of Fact 67 and Staff's response.

**Table 3. Status of Finding of Fact 67**

Finding of Fact No. 67	Description of Staff Recommendation	Company Status Response	Company Notes	Staff Response
a	Contact ADWR as to what is required to becoming compliant.	Completed	Community Water Systems Report 2015 filed.	Staff Disputes (See No. 1 below).
b	File Curtailment Tariff.	Completed	Effective December 1, 2016; docketed January 6, 2017.	Staff Concur.
c	File updated Backflow Prevention Tariff.	Completed	Effective December 1, 2016	Staff Concur.
d	Repair rusted areas of 50,000 gallon storage tank & inspect interior.	Completed	Tank inspections completed.	Staff Disputes. Company has not repaired rusted area of 50K gallon storage tank. But did complete tank inspections on January 30 & 31, 2017.*
e	If necessary, recoat interior of 50,000 gallon storage tank. Finding of Fact 67 d & e are linked.	In Process	Inspections completed January 31, 2017; Awaiting reports.	
f	Adjust or repair altitude valve at 100,000 gallon storage tank.	In Process	Replacement parts for the altitude valve received & the tank overflow condition has been stopped; subsequently, a very challenging 4" tank valve needs to be replaced in order to make the tank operational.	Operator readjusted the altitude valve which resulted in the secession of water overflow.* But the 4 inch drain valve began to leak and must be repaired or water loss

g	Hire technician to adjust or repair altitude valve. Finding of Fact 67 f & g are linked.	Completed	Repairs & adjustments have been made by Operations staff.	will continue.
h	Train system operators on PRV diagnostics & repair.	Completed	On-site manufacturer PRV training for all Ops staff on March 14 and 15.	Staff Concur. System Operator initially trained by EPCOR personnel on August 24, 2016. <sup>*2</sup> (See No. 2 below).
i	Recondition exterior of all tanks & develop tank maintenance schedule.	Complete	Inspections completed.	Staff Disputes. Inspections were completed January 30 & 31, 2017.* The Company has yet to recondition any tanks nor provide ongoing maintenance schedule (See No. 3 below).
j	Sample distribution system for asbestos contamination.	Completed	Samples collected by MAP contractor 2-12-2013 with LKS result of 0.2 MFL with an applicable MCL level of 7.0 MFL; samples collected 12-14-2016 & analyzed by lab on 12-15-2016 report result of 0.2 MFL as compared to an applicable MCL of 7.0 MFL.	Staff Concur. Distribution sampling for Asbestos occurred on December 12, 2016.* Results indicated that the Asbestos level in the distribution system is below MCL.
k	Install backwash meter	Completed	Backwash meter has existed for at least five years.	Staff Concur. Staff verified that Backwash meter was in-place and functional.

Note\*: Information provided by water system operations superintendent, Dale Allred

1. *Compliant with ADWR*

On March 16, 2017 Staff received updated ADWR water provider compliance reports. The reports showed that the Company submitted their 2015 Annual Report. The Company remains non-compliant as past Annual Reports (2009, 2011 & 2012) have not been submitted. Staff continues to recommend that the Company contact ADWR to discuss submittal of missing Annual Water Use Reports for 2009, 2011 & 2012.

2. *PRV Training*

According to the system operator, EPCOR provided PRV training to the system operator during EPCOR's repair of the unit on August 24, 2016. Due to the PRV being an integral part of

<sup>2</sup> According to the system operator, EPCOR trained system operator on the PRV during EPCOR's repair of unit.



two Brooke Water Systems, Staff did not believe that such brief in-field training was sufficient and recommended that formal training be completed by the PRV's manufacture, CLA-VAL. Staff spoke to the local CLA-VAL representative and verified that Brooke Water, LLC personnel completed two days of in-depth training on their PRV's. In fact, the CLA-VAL representative pointed out that the PRV's contained components that were not germane to the Company's specific model. The incorrect components were replaced and the PRV units are operating effectively.

### 3. *Storage Tank Maintenance*

The Company provided information concerning the exterior reconditioning of all tanks but did not include an overall tank maintenance schedule. In accordance with American Water Works Association ("AWWA") Manual M42 for Steel Water Storage Tanks, standard AWWA practice calls for tanks to be inspected by industry professionals on a regular basis to ensure structural and sanitary integrity and to extend the useful life of the storage tank. Regular storage tank inspection also helps the Company identify problems in the storage tank which may develop into major problems if left undetected or repaired. Lack of proper maintenance and repairs leads to costly repairs and premature tank failure. These inspections should also include routine cleaning as necessary. Water storage tanks that are not routinely cleaned can cause water quality issues such as poor bacterial quality, turbidity, reduced chlorine residual and taste and odor and can lead to customer complaints. In addition to routine inspections and cleaning, AWWA standard practice calls for every tank inspection to include a detailed inspection of the structure and foundation and a report performed by a qualified inspector documenting the inspection results. Without a robust tank maintenance program, water storage tanks would deteriorate more rapidly, shortening the useful life of each tank and increasing costs.

Staff recommends that the Company inspect and clean water storage tanks on a regular schedule, typically every three to five years. Staff further recommends that the Company recoat interiors every 10-15 years and recoat the exteriors every seven years or so depending on condition. Without this program, water storage tanks would deteriorate more rapidly, shortening the useful life of each tank and increasing costs.

## CONCLUSIONS

1. On October 4, 2016 the Commission, in Decision No. 75755, ordered the Company to comply with a number of operational and engineering, consumer services and financial recommendations.
2. The Company submitted three (3) documents in relation to the Commission Decision 75755. The documents include the Company's Response to Staff Report, Plan of Improvement and Monthly Progress Update.
3. The Company agrees that the Staff Report accurately defines the chronological parameters of the water service interruption ("WSI") at Brooke's Lakeside Water System ("LWS") between the dates August 21-23, 2016.

The Company also agrees that the failure of the pressure reducing valve ("PRV") was the root cause of the WSI's.

4. The Company is hiring additional help for the day to day operation and maintenance of Brooke Water.
5. The Company has filed a curtailment tariff and updated their backflow prevention tariff.
6. The Company remains non-compliant with ADWR.
7. The 50,000 gallon storage tank has extensive rust and was recently inspected.
8. The exterior surface of all tanks have surface rust and degrading paint and have not been reconditioned as of yet.

The Company is planning tank reconditioning during the 2<sup>nd</sup> Quarter of 2017.

9. The Company has successfully adjusted the altitude valve on the 100,000 gallon storage tank. Unfortunately the storage tank is out of service as the drain valve is presently leaking and must be repaired.
10. The pressure reducing valve has been rebuilt and is operating properly.
11. CLA-VAL representative provided Company personnel with 2-day PRV training.
12. The Company did not provide an ongoing schedule for storage tank maintenance.
13. The filter backwash meter exists and is operational.
14. The drinking water provided to customers meets the Maximum Residential Disinfection Level ("MRDL") standards for all Brooke water systems.
15. The distribution system was sampled for asbestos contamination and analysis indicate that the asbestos level is below the MCL.

## RECOMMENDATIONS

1. Staff recommends that the Company include in all future annual reports the amount of water pumped for each water system in order to calculate water loss.
2. Staff recommends comparing known locations of waterlines with current maps and if discrepancies are found the Company shall modify waterline maps to show actual waterline locations.

3. Staff continues to recommend that the Company contact ADWR to discuss submittal of missing Annual Water Use Reports for 2009, 2011 & 2012.
4. Staff recommends that the Company inspect and clean water storage tanks on a regular schedule, typically every three to five years.
5. Staff further recommends that the Company recoat interiors every 10-15 years and recoat the exteriors every seven years or so depending on condition.

**BW-10**

**Payson Water Company Formal Complaint Summaries:**

- W-03514A-05-0420 (Formal complaint against Payson Water Co., Inc. filed by Jim Dunne)—**Complaint Withdrawn/Administratively Closed**
  - On June 7, 2005, James E. Dunne filed with the Commission a request for a variance to the moratorium on new water meter connections that is in effect for Payson Water Company, Inc. On June 13, 2005, Robert T. Hardcastle, President of Payson Water's parent company, Brooke Utilities, Inc., filed a letter acknowledging the existence of the moratorium on new connections and stating that the Company neither supports nor opposes Mr. Dunne's request. On July 8, 2005, Mr. Dunne withdrew his formal complaint against the Company. On July 27, 2005, Staff filed a response indicating that it had no objection to Mr. Dunne's request to withdraw his complaint. Also on July 27, 2005, the ALJ granted Mr. Dunne's Motion to Withdraw his complaint against the Company and ordered that the docket should be administratively closed. The docket was administratively closed on August 5, 2005 (No. 68059).
  
- W-03514A-06-0607 (Formal complaint against Payson Water Co., Inc. filed by John MacKenzie)—**Complaint Withdrawn/Administratively Closed**
  - On September 22, 2006, John MacKenzie filed with the Commission a formal complaint against Payson Water Co., Inc. alleging that Mr. MacKenzie was improperly denied a residential water service meter. On December 26, 2006, the Complainant filed a letter requesting withdrawal of the complaint pursuant to an agreement with Payson Water to provide service to the Complainant's property through existing easements. On January 4, 2007, the ALJ granted Mr. MacKenzie's Motion to Withdraw his complaint against the Company and ordered that the docket should be administratively closed. The docket was administratively closed on January 8, 2007 (No. 69220).
  
- W-03514A-07-0386 (Formal Complaint against Payson Water Co., Inc., filed by Steve P. Prahin)/ W-03514A-08-0047 (Formal Complaint against Payson Water Co., Inc. filed by Rebecca M. Sigeti) [Consolidated]—**Administratively Closed**
  - On June 25, 2007, Steve Prahin filed with the Commission a formal complaint (Docket No. W-03514A-07-0386) against Payson Water Company, which alleged that a representative of Payson Water insulted him and that the Company uses "aggressive bullying tactics" in response to customer complaints. On January 25, 2008, Rebecca Sigeti filed a formal complaint (Docket No. W-03514A-08-0047) against Payson Water, alleging that a representative of the Company failed to follow up on certain items agreed to during a November 10, 2007, meeting with customers. Ms. Sigeti stated that Payson Water needs to resolve storage and water issues or turn over the Company's assets and permits to the property owners of the Elusive Acres community. By Procedural Order issued May 23, 2008, these dockets were consolidated. On May 21, 2015, Payson made a filing requesting that the

Commission dismiss these complaints because the issues raised by complainants have already been addressed by the Commission in Docket No. W-03514A-05-0729. The Commission administratively closed the Sigeti complaint Docket No. W-03514A-08-0047 on May 23, 2018.

- W-03514A-10-0329 (Formal complaint against Payson Water Co., Inc. filed by J. Stephen Gehring)—**Complaint Dismissed/Administratively Closed**
  - On August 5, 2010, J. Stephen Gehring filed with the Commission a Formal Complaint against Payson Water Company, Inc. alleging that Payson Water, among other things, created water outages due to negligence; misrepresented customer usage; harassed and intimidated customers; demanded reconnection fees “by misrepresentation and fraud;” and “cause[d] property and financial injury and loss of income.” On August 30, 2011, the Company filed a Motion to Dismiss stating that Mr. Gehring had cashed a \$650 check from Payson Water in settlement of the claims raised in the Complaint. On September 9, 2011, the Company and Mr. Gehring filed a Joint Stipulation to Dismiss Complaint. On September 12, 2011, the ALJ granted the Company and Mr. Gehring’s Joint Stipulation to Dismiss the Complaint. The docket was administratively closed on September 28, 2011 (No. 72603).
- W-03514A-12-0007 (Formal complaint against Payson Water Co., Inc. filed by J. Alan Smith)—**Decision No. 75413 (January 19, 2016)**
  - On January 10, 2012, J. Alan Smith filed with the Commission a Formal Complaint against Payson Water Company, Inc. and Brooke Utilities, Inc. The Complaint alleges, among other things, that Payson Water overcharged its customers for water hauling costs. According to the Complainant, Mr. Jim Pearson of Pearson Transport/Pearson Water Company provided water hauling services to Payson Water during the time that Payson Water is alleged to have overcharged its customers for water hauling costs. Of the nine claims alleged by Complainant against the Company, only three were found to be substantiated (i.e., Payson failed to provide proper notice before disconnecting service; customer was overcharged because of a meter misread; inaccurate hauling charges). The Company was ordered to credit customer for overcharging and was also required to clarify its disconnection procedures/notices to customers for violations of Curtailment tariffs.
- W-03514A-12-0008 (Formal complaint against Payson Water Co., Inc. filed by J.S. Gehring and Bobby/ Lois Jones)—**Decision No. 75555 (May 13, 2016)**
  - On January 1, 2012, a Formal Complaint was filed against Payson Water Co., Inc. and Brooke Utilities, Inc. by J. Stephen Gehring and Bobby and Lois Jones, concerning Payson Water’s provision of water utility service in its Mesa del Caballo System. The Complainants’ allegations primarily relate to the implementation of a Water Augmentation Surcharge tariff and a revised Curtailment Plan Tariff authorized in Decision No. 71902 (September 28, 2010). Of the twenty-one claims alleged against

the Company by the Complainants, only three were found to be partly substantiated (i.e, MDC customers were charged for 100% of the travel time on four occasions when water was hauled to both MDC and to another area EVP; and as such MDC customers were overcharged for water hauling travel time in the amount of \$1,200.00). MDC customers were provided a refund for hauling overcharges in Decision No. 75413 (12-0007), and thus, there was no need for the Commission to approve any additional remedy in this docket.

**Pine Water Company Formal Complaint Summaries:**

- W-03512A-01-0464 (Pine Water Co.'s Formal Complaint against Strawberry Hollow Development, Inc.)—**Decision No. 64302 (December 28, 2001)**
  - On June 6, 2001, Pine Water Company filed a Complaint with the Commission and an Application for an Order to Show Cause why the Respondents, Strawberry Hollow Development, Inc., Strawberry Hollow Properties, LLC, and Strawberry hollow Property Owners Association, Inc., should not be adjudicated a public service corporation. Due to historical water shortages, Pine Water has operated under various moratoria since the late 1980s with respect to establishing new connections and/or main connections (Decision Nos. 56539, 56654, and 59753). Strawberry Hollow Development approached Pine Water for service but Strawberry Hollow was denied service due to the Commission-imposed moratoria. Pine Water alleged that Strawberry Hollow Development, a real estate developer, intended to act as a “water provider” to 41 residential lots on 38 acres through a central distribution system in an area that is certificated to Pine Water, in order to circumvent the water service moratoria. On August 22, 2001, Strawberry Hollow filed a Motion to Dismiss because the company abandoned its plans to provide water service to the Strawberry Hollow subdivision or to anyone else in Arizona and argued that the issues raised in Pine Water’s Complaint were now moot. The Commission dismissed the complaint in Decision No. 64302 on December 28, 2001.
- W-03512A-02-0031(Formal Complaint against Pine Water by Gerald Marshall)—**Complaint Withdrawn/Administratively Closed**
  - On January 14, 2002, Dr. Gerald Marshall filed a formal complaint against Pine Water Company regarding a billing dispute. On February 4, 2002, Dr. filed a motion to withdraw his formal complaint because the Company agreed to issue him a credit for the disputed bill amount. On February 8, 2002, the ALJ granted Dr. Marshall’s motion to withdraw his complaint. The docket was administratively closed on February 15, 2002 (No. 64507).

- W-03512A-03-0231 (Formal Complaint filed by The Strawberry Hollow Domestic Water Improvement District filed against Pine Water Co. for deletion of territory from their CC&N)—**Complaint Withdrawn/Administratively Closed**
  - On April 14, 2003, the Property Owners within the Strawberry Hollow Domestic Water Improvement District filed with the Commission a formal complaint against Pine Water Company, requesting that the Commission delete the area located within Strawberry Hollow Improvement District from Pine Water's CC&N. On May 1, 2003, Strawberry Hollow Domestic Improvement District filed a motion to withdraw their complaint. On May 6, 2003, the ALJ granted the motion to withdraw the complaint. The docket was administratively closed on May 7, 2003 (No. 65881).
  
- W-03512A-06-0057 (Formal Complaint against Pine Water Co., Inc. filed by Doug Staab)—**Complaint Withdrawn/Administratively Closed**
  - On February 1, 2006, Doug Staab filed a Complaint with the Commission against Pine Water Company, Inc. alleging, among other things, that Pine Water has engaged in illegal billing practices and has failed to deliver adequate service. On February 21, 2006, Pine Water filed an Answer denying the material allegations in the Complaint, claiming that it has complied with all regulatory requirements under the law, and stating that it previously provided a billing adjustment to the Complainant to resolve the alleged billing issues, and as such Pine Water requested that the Complaint be dismissed. As a result of settlement discussions, the parties agreed to a settlement of the allegations raised in the Complaint, and the Complainant requested that the Complaint be dismissed. On July 6, 2006, the ALJ granted the motion to dismiss the complaint. The docket was administratively closed on July 14, 2006 (No. 68835).
  
- W-03512A-06-0407 (Application of Raymond R. Pugel and Julie B. Pugel of the Pugel family trust for approval of a deletion of their territory from Pine Water Company's CC&N)—**Administratively Closed**
  - On June 21, 2006, Raymond R. Pugel and Julie B. Pugel, as trustees of the Raymond R. Pugel and Julie B. Pugel Family Trust, and Robert Randall and Sally Randall filed with the Commission a Complaint against Pine Water Company. The Complaint seeks to delete property owned by the Complainants from Pine Water's certificated service area based on the allegation that Pine Water is not able to provide satisfactory and adequate water service in a reasonable time and at a reasonable rate. On October 9, 2009, Pine Water filed a Notice of Condemnation application (W-03512A-09-0486) with the Commission in which the Company indicated that all of the assets of Pine, including CC&N, had been condemned and acquired by the Pine-Strawberry Water Improvement District. On March 31, 2010, the Commission's Utilities Division filed a Request for Administrative Closure in this matter. On April 6, 2010, the ALJ granted Staff's request to administratively close this docket. The docket was administratively closed on April 19, 2010 (No. 71663).



- W-03512A-06-0613 (Formal Complaint against Pine Water Company filed by Asset Trust Management, Corp.)—**Administratively Closed**
  - On September 25, 2006, Asset Trust Management Corp. filed a Complaint against Pine Water Company, seeking to delete property owned by Asset Trust Management Corp. from Pine Water’s certificated service area based on the allegation that Pine Water was not able to provide satisfactory and adequate water service in a reasonable time and at a reasonable rate. On October 9, 2009, Pine Water filed a Notice of Condemnation application (W-03512A-09-0486) with the Commission in which the Company indicated that all of the assets of Pine, including its CC&N, had been condemned and acquired by the Pine-Strawberry Water Improvement District. On March 31, 2010, the Commission’s Utilities Division filed a Request for Administrative Closure in this matter. On April 6, 2010, the ALJ granted Staff’s request to administratively close this docket. The docket was administratively closed on April 16, 2010 (No. 71655).
  
- W-03512A-06-0742 (Formal Complaint of Mark J. Fumusa against Pine Water Company, Inc. relating to the water hauling charges to the customers of Pine Water Company for the billing periods of June and July of 2006)—**Administratively Closed**
  - On November 21, 2006, Mark J. Fumusa filed with the Commission a fontal complaint against Pine Water Company, Inc., alleging that Pine Water improperly hauled water, and billed customers for the hauled water, without exhausting other sources of available water. On October 9, 2009, Pine Water filed a Notice of Condemnation application (W-03512A-09-0486) with the Commission in which the Company indicated that all of the assets of Pine Water, including its CC&N, had been condemned and acquired by the Pine-Strawberry Water Improvement District. On March 31, 2010, the Commission’s Utilities Division filed a Request for Administrative Closure in this matter. On April 6, 2010, the ALJ granted Staff’s request to administratively close this docket. The docket was administratively closed on April 16, 2010 (No. 71659).
  
- W-03512A-07-0019 (Formal Complaint against Pine Water Company of Brent Weekes)—**Administratively Closed**
  - On January 12, 2007, Brent Weekes filed with the Commission a Complaint against Pine Water Company, seeking to delete property owned by the Complainant from Pine Water’s certificated service area based on the allegation that Pine Water was not able to provide satisfactory and adequate water service in a reasonable time and at a reasonable rate. On October 9, 2009, Pine Water filed a Notice of Condemnation application (W-03512A-09-0486) with the Commission in which the Company indicated that all of the assets of Pine, including its CC&N, had been condemned and acquired by the Pine-Strawberry Water Improvement District. On March 31, 2010, the Commission’s Utilities Division filed a Request for Administrative Closure in this

matter. On April 6, 2010, the ALJ granted Staff's request to administratively close this docket. The docket was administratively closed on April 19, 2010 (No. 71662).

- W-03512A-09-0356 (Formal Complaint against Pine Water Co., Inc. filed by Ron Austerman)—**Administratively Closed**
  - On July 14, 2009, Ron Austerman filed a Complaint with the Commission against Pine Water Co., Inc. On October 9, 2009, Pine Water filed a Notice of Condemnation application (W-03512A-09-0486) with the Commission in which the Company indicated that all of the assets of Pine, including its CC&N, had been condemned and acquired by the Pine-Strawberry Water Improvement District. On March 31, 2010, the Commission's Utilities Division filed a Request for Administrative Closure in this matter. On April 6, 2010, the ALJ granted Staff's request to administratively close this docket. The docket was administratively closed on April 7, 2010 (No. 71545).

**There were no formal complaints filed against Tonto Basin Water Company, Inc., Strawberry Water Company, Inc., or Navajo Water Company, Inc. as indicated by ACC docket report summaries.**

Payson Water Co.

## Dockets By Company Name: Payson Water Co., Inc. [W-03514A]

Docket Number	Case Type	Start Date	Status	Docket Description
W-03514A-98-0083	Sale of Assets / Cancel CC&N	2/12/1998	Compliance Due	Application for transfer of assets and CC&N to Payson Water Co., Inc. from C&S Water Co., Inc. U - Williams I - X Williams L - Wagner H - Farmer U - Olea
W-03514A-98-0084	Sale of Assets / Cancel CC&N	2/12/1998	Compliance Due	Application for transfer of assets and CC&N to Payson Water Co., Inc. from United Utilities, Inc. U - Olea H - Farmer U - Williams I - X Williams L - Wagner
W-03514A-02-0918	Variance	12/19/2002	Closed	Application for Variance to Decision 57584 for the Payson Water Co., Inc. Geronimo System U - Walczak L - Ronald H - Dwight Nodes I - Dwight Nodes U - Ruff
W-03514A-04-0906	Tariff	12/17/2004	Compliance Due	In the matter of the application of Payson Water Co., Inc. for approval of a Curtailment Tariff. L - Ronald L - Scott
W-03514A-05-0188	Tariff	3/15/2005	Closed	In the matter of the application of Payson Water Co., Inc. tariff filing for approval of a Water Augmentation Surcharge Tariff. L - Sabo U - M. Scott Jr.
W-03514A-05-0324	Tariff	5/3/2005	Closed	In the matter of the application of Payson Water Co., Inc. tariff filing for approval of a Cross-Connection Tariff. U - Madrid

**Dockets By Company Name:  
Payson Water Co., Inc. [W-03514A]**

<b>Docket Number</b>	<b>Case Type</b>	<b>Start Date</b>	<b>Status</b>	<b>Docket Description</b>
				L - Ronald
W-03514A-05-0352	Variance	5/17/2005	Closed	In the matter of the application of Steven P. Prahin for a variance to the moratorium on a new water hook up in effect for Payson Water Co., Inc. - Geronimo Systems. U - Scott L - Scott H - Dwight Nodes I - Dwight Nodes L - Ronald U - Morton
W-03514A-05-0398	Tariff	6/3/2005	Closed	In the matter of the application of Payson Water Co., Inc. for approval of a Cross-Connection Tariff filing. U - Chukwu U - Madrid L - Ronald
W-03514A-05-0420	Formal Complaint	6/7/2005	Closed	In the matter of the formal complaint against Payson Water Co., Inc. filed by Jim Dunne. U - Morton I - Dwight Nodes H - Dwight Nodes U - M. Scott Jr. L - Layton
W-03514A-05-0729	Variance	10/19/2005	Compliance Due	In the matter of the application of Payson Water Co., Inc. for variance to Decision No. 67747. L - Ronald L - Robin Mitchell U - Morton H - Dwight Nodes I - Dwight Nodes U - M. Scott Jr.

## Dockets By Company Name: Payson Water Co., Inc. [W-03514A]

Docket Number	Case Type	Start Date	Status	Docket Description
W-03514A-06-0607	Formal Complaint	9/22/2006	Closed	In the matter of the formal complaint against Payson Water Co., Inc. filed by John MacKenzie. U - Morton H - Dwight Nodes U - M. Scott Jr. L - Robin Mitchell I - Dwight Nodes
W-03514A-07-0386	Formal Complaint	6/25/2007	Open	In the matter of the Formal Complaint against Payson Water Co., Inc., filed by Steve P. Prahin. L - Bridget Humphrey S - B. Smith U - M. Scott Jr. L - Kevin Torrey I - Dwight Nodes H - Jane Rodda L - Bridget Humphrey U - Morton U - Vicki Wallace H - Dwight Nodes L - BrianE.Smith U - V. Wallace
W-03514A-08-0047	Formal Complaint	1/25/2008	Open	In the matter of the Formal Complaint against Payson Water Co., Inc. filed by Rebecca M. Sigeti. L - Kevin Torrey L - Bridget Humphrey H - Dwight Nodes L - BrianE.Smith L - Bridget Humphrey I - Dwight Nodes U - Amezcua U - Morton S - B. Smith H - Jane Rodda

## Dockets By Company Name: Payson Water Co., Inc. [W-03514A]

Docket Number	Case Type	Start Date	Status	Docket Description
W-03514A-10-0116	Emergency Rate Case	3/31/2010	Compliance Due	<p>In the matter of the application of Payson Water Company for approval of a water augmentation surcharge tariff (Mesa Del Caballo System).</p> <p>U - D. Smith</p> <p>L - Kimberly Ruht</p> <p>U - M. Scott Jr.</p> <p>I - Marc Stern</p> <p>L - Robin Mitchell</p> <p>U - Darak Eaddy</p> <p>H - Marc Stern</p> <p>U - Morton</p> <p>U - Del Smith</p>
W-03514A-10-0117	Tariff	3/31/2010	Compliance Due	<p>In the matter of the notice of filing of Payson Water Company's proposed changes to its curtailment tariff (Mesa De Caballo System).</p> <p>L - Robin Mitchell</p> <p>U - Morton</p> <p>U - Del Smith</p> <p>L - Kimberly Ruht</p> <p>U - Darak Eaddy</p> <p>U - D. Smith</p> <p>U - M. Scott Jr.</p>
W-03514A-10-0329	Formal Complaint	8/5/2010	Closed	<p>In the matter of the formal complaint against Payson Water Co., Inc. filed by J. Stephen Gehring.</p> <p>U - Meeter</p> <p>U - Trish Meeter</p> <p>L - Bridget Humphrey</p> <p>I - Dwight Nodes</p> <p>H - Dwight Nodes</p>
W-03514A-11-0412	Misc	11/17/2011	Compliance Due	<p>Staff's request for Commission relief to order Payson Water Company and Steve Prahin to ensure continued water service to customers.</p> <p>L - Bridget Humphrey</p> <p>H - Dwight Nodes</p>

## Dockets By Company Name: Payson Water Co., Inc. [W-03514A]

Docket Number	Case Type	Start Date	Status	Docket Description
				I - Dwight Nodes
W-03514A-12-0007	Formal Complaint	1/10/2012	Compliance Due	In the matter of the formal complaint against Payson Water Co., Inc. filed by J. Alan Smith L - BrianE.Smith H - Dwight Nodes L - Robin Mitchell I - Dwight Nodes U - Amezcua L - Robin Mitchell S - B. Smith
W-03514A-12-0008	Formal Complaint	1/11/2012	Compliance Due	In the matter of the formal complaint against Payson Water Co., Inc. filed by J.S. Gehring and Bobby/ Lois Jones. L - Robin Mitchell L - Robin Mitchell H - Dwight Nodes S - B. Smith I - Dwight Nodes L - BrianE.Smith
W-03514A-12-0301	Tariff	7/5/2012	Open	In the matter of the application of Payson Water Company for approval of an emergency water augmentation tariff (East Verde Park Water System). L - Robin Mitchell U - D. Smith U - M. Scott Jr. U - Del Smith U - Carlson I - Dwight Nodes S - B. Smith L - Robin Mitchell U - Amezcua U - Tom Davis L - BrianE.Smith H - Dwight Nodes



**Dockets By Company Name:**  
**Payson Water Co., Inc. [W-03514A]**

<b>Docket Number</b>	<b>Case Type</b>	<b>Start Date</b>	<b>Status</b>	<b>Docket Description</b>
W-03514A-12-0300	Tariff	7/5/2012	Open	<p>In the matter of the application of Payson Water Company for approval of changes to its curtailment tariff (East Verde Park Water System).</p> <p>L - Robin Mitchell</p> <p>U - D. Smith</p> <p>H - Jane Rodda</p> <p>H - Dwight Nodes</p> <p>U - Del Smith</p> <p>U - Amezcua</p> <p>L - BrianE.Smith</p> <p>L - Robin Mitchell</p> <p>U - Tom Davis</p> <p>S - B. Smith</p> <p>U - M. Scott Jr.</p> <p>I - Dwight Nodes</p>
W-03514A-13-0111	Rates	4/22/2013	Compliance Due	<p>In the matter of the application of Payson Water Co., Inc. for a determination of the fair value of its utility plants and property and for increases in its water rates and charges for utility service based thereon.</p> <p>U - Christine Payne</p> <p>L - Robin Mitchell</p> <p>L - Wesley Van Cleve</p> <p>L - Robin Mitchell</p> <p>U - Brown</p> <p>U - John Cassidy</p> <p>I - Dwight Nodes</p> <p>H - Dwight Nodes</p> <p>L - BrianE.Smith</p> <p>S - B. Smith</p> <p>U - Amezcua</p> <p>U - Jian Liu</p>

**Dockets By Company Name:  
Payson Water Co., Inc. [W-03514A]**

<b>Docket Number</b>	<b>Case Type</b>	<b>Start Date</b>	<b>Status</b>	<b>Docket Description</b>
W-03514A-13-0142	Financing	5/17/2013	Compliance Due	<p>In the matter of the application of Payson Water Co., Inc. for authority to issue evidence of indebtedness in an amount not to exceed \$1,238,000 in connection with infrastructure improvements to the utility system; and encumber real property and plant as security for such indebtedness</p> <p>U - Brown</p> <p>H - Dwight Nodes</p> <p>L - Robin Mitchell</p> <p>U - John Cassidy</p> <p>L - Robin Mitchell</p> <p>S - B. Smith</p> <p>U - Amezcua</p> <p>U - Christine Payne</p> <p>L - Wesley Van Cleve</p> <p>L - BrianE.Smith</p> <p>I - Dwight Nodes</p> <p>U - Jian Liu</p>
W-03514A-13-0365	Tariff	10/25/2013	Closed	<p>In the matter of the application of Payson Water Co., Inc. for approval of a cross-connection or backflow tariff.</p> <p>L - Robin Mitchell</p> <p>U - Madrid</p>
W-03514A-18-0062	Financing	3/13/2018	Open Meeting Pending	<p>In the matter of the application of Payson Water Co., Inc. an Arizona Corporation, for Authority to (1) Issue evidence of indebtedness in an amount not to exceed \$875,000 and (2) Encumber its real property and plant as security for such indebtedness.</p> <p>U - Jian Liu</p> <p>U - Crystal Brown</p> <p>L - Robert Geake</p> <p>H - Scott Hesla</p> <p>U - Deborah Reagan</p>

Pine Water Co.

## Dockets By Company Name: Pine Water Co., Inc. [W-03512A]

Docket Number	Case Type	Start Date	Status	Docket Description
W-03512A-98-0078	Sale of Assets / Cancel CC&N	2/12/1998	Closed	Application for transfer of assets and CC&N to Pine Water Co., Inc. from E&R Water Co., Inc. I - X Williams U - Williams U - Olea L - Wagner H - Farmer
W-03512A-98-0079	Sale of Assets / Cancel CC&N	2/12/1998	Closed	Application for transfer of assets and CC&N to Pine Water Co., Inc. from Williamson Waterworks, Inc. U - Olea L - Wagner H - Farmer I - X Williams U - Williams
W-03512A-00-0531	Tariff	7/24/2000	Closed	Tariff filing for approval of an amendment to its regulatory tariff. U - Ruff L - Melti
W-03512A-01-0464	Formal Complaint	6/8/2001	Closed	Pine Water Co's complaint against Strawberry Hollow Development, Inc. U - Kennedy H - Dwight Nodes L - Wolfe U - Fisher I - x Wolfe I - Dwight Nodes
W-03512A-01-0481	Misc	6/13/2001	Closed	Application for partial rescission of previous commission orders. U - M. Scott Jr. L - Ronald
W-03512A-01-0764	Misc	9/27/2001	Closed	Application for an order instituting a modified water service moratorium within Pine Water's CC&N. H - Dwight Nodes L - Scott

## Dockets By Company Name: Pine Water Co., Inc. [W-03512A]

Docket Number	Case Type	Start Date	Status	Docket Description
				U - Fernandez U - M. Scott Jr. L - Ronald I - Dwight Nodes
W-03512A-02-0031	Formal Complaint	1/14/2002	Closed	Formal complaint by Gerald Marshall L - Ronald
W-03512A-03-0106	Interim Rates	2/18/2003	Closed	Application for interim adjustments to its rates and charges for water utility service. U - Bozzo L - Horton U - M. Scott Jr. U - Ruff
W-03512A-03-0104	Tariff	2/18/2003	Closed	Tariff filing for curtailment plan. U - M. Scott Jr. U - Walczak U - Fernandez U - Ruff U - Bozzo L - Horton L - Scott
W-03512A-03-0231	Formal Complaint	4/14/2003	Closed	In the matter of the Formal Complaint filed by The Strawberry Hollow Domestic Water Improvement District filed against Pine Water Co. for deletion of territory from their Certificate of Convenience and Necessity. U - Ruff H - Dwight Nodes I - Dwight Nodes L - Horton
W-03512A-03-0279	Rates	5/1/2003	Closed	In the matter of the application of Pine Water Company, Inc. for increases in rates and charges based thereon for utility service and for approval to incur long- term debt. L - Scott I - Dwight Nodes

## Dockets By Company Name: Pine Water Co., Inc. [W-03512A]

Docket Number	Case Type	Start Date	Status	Docket Description
				U - Fernandez U - Jaress H - Dwight Nodes U - Madrid U - Reiker U - Fernandez U - M. Scott Jr. U - Reiker L - Vandenberg L - Vandenberg A - Kim Battista U - Madrid U - Battista
W-03512A-05-0320	Tariff	5/3/2005	Closed	In the matter of the application of Pine Water Co., Inc. tariff filing for approval of a Cross-Connection Tariff. U - Madrid L - Ronald
W-03512A-05-0397	Tariff	6/3/2005	Closed	In the matter of the application of Pine Water Co., Inc. for approval of a Cross-Connection Tariff filing. U - Madrid L - Ronald
W-03512A-06-0057	Formal Complaint	2/1/2006	Closed	In the matter of the Formal Complaint against Pine Water Co., Inc. filed by Doug Staab. L - Ronald H - Dwight Nodes I - Dwight Nodes U - Morton
W-03512A-06-0407	Formal Complaint	6/20/2006	Closed	In the matter of the application of Raymond R. Pugel and Julie B. Pugel of the Pugel family trust for approval of a deletion of their territory from Pine Water Company's certificate of convenience and necessity. L - Wagner L - Alward

**Dockets By Company Name:  
Pine Water Co., Inc. [W-03512A]**

Docket Number	Case Type	Start Date	Status	Docket Description
				U - M. Scott Jr. L - Fisher U - Reagan U - Jaress H - Dwight Nodes L - Kevin Torrey I - Dwight Nodes
W-03512A-06-0613	Formal Complaint	9/25/2006	Closed	In the matter of the Formal Complaint against Pine Water Company filed by Asset Trust Management, Corp. H - Dwight Nodes U - Jaress L - Kevin Torrey U - Reagan L - Wagner I - Dwight Nodes U - M. Scott Jr.
W-03512A-06-0742	Formal Complaint	11/21/2006	Closed	In the matter of the Formal Complaint of Mark J. Fumusa against Pine Water Company, Inc. relating to the water hauling charges to the customers of Pine Water Company for the billing periods of June and July of 2006. U - LynnMCombs H - Dwight Nodes L - Kevin Torrey U - Morton U - Combs I - Dwight Nodes U - M. Scott Jr.
W-03512A-07-0019	Formal Complaint	1/12/2007	Closed	In the matter of the application of Brent Weekes for approval of a Formal Complaint against Pine Water Company. L - Kevin Torrey U - Jaress U - Morton U - M. Scott Jr. H - Dwight Nodes

**Dockets By Company Name:  
Pine Water Co., Inc. [W-03512A]**

<b>Docket Number</b>	<b>Case Type</b>	<b>Start Date</b>	<b>Status</b>	<b>Docket Description</b>
				I - Dwight Nodes
W-03512A-07-0100	Deletion of Territory	2/15/2007	Closed	In the matter of the application of James and Susan Hill for approval of a Deletion of territory from Certificate of Convenience and Necessity of Pine Water Company. H - Dwight Nodes U - Morton U - M. Scott Jr. I - Dwight Nodes L - Kevin Torrey
W-03512A-07-0301	Misc	5/16/2007	Closed	In the matter of the application of Pine Water Company for approval of a Joint Well Development Agreement with The Pine-Strawberry Water Improvement District. H - Dwight Nodes L - Kevin Torrey U - M. Scott Jr. U - Morton I - Dwight Nodes
W-03512A-07-0362	Financing	6/11/2007	Closed	In the matter of the Application of Pine Water Company, for approval to Encumber a Part of its Plant and System and Issue Evidence of Indebtedness. U - Morton U - Chaves U - M. Scott Jr. I - Dwight Nodes L - Kevin Torrey H - Dwight Nodes
W-03512A-08-0582	A.R.S. §40-252	11/21/2008	Closed	In the matter of the application of Pine Strawberry Water Improvement District to revoke the Certificates of Convenience and Necessity of Pine Water Company and Strawberry Water Company pursuant to A.R.S. §40-252 I - Dwight Nodes U - M. Scott Jr.



## Dockets By Company Name: Pine Water Co., Inc. [W-03512A]

Docket Number	Case Type	Start Date	Status	Docket Description
				U - Igwe L - Kevin Torrey U - Wells U - Morton H - Dwight Nodes
W-03512A-09-0110	Financing	3/12/2009	Closed	In the matter of the application of Pine Water Co., Inc. for approval of a financing application L - Kevin Torrey U - Juan Manrique I - Dwight Nodes H - Dwight Nodes U - M. Scott Jr. U - Morton
W-03512A-09-0356	Formal Complaint	7/14/2009	Closed	In the matter of the Formal Complaint against Pine Water Co., Inc. filed by Ron Austerman. L - Kevin Torrey H - Yvette Kinsey U - Morton H - Yvette Kinsey
W-03512A-09-0486	Sale of Assets / Cancel CC&N	10/9/2009	Closed	In the matter of the condemnation of Pine Water Company. H - Dwight Nodes U - Vicki Wallace U - V. Wallace L - Robin Mitchell I - Dwight Nodes U - Morton U - Wells

Tonto Basin Water Co.

## Dockets By Company Name: Tonto Basin Water Co., Inc. [W-03515A]

Docket Number	Case Type	Start Date	Status	Docket Description
W-03515A-98-0077	Sale of Assets / Cancel CC&N	2/12/1998	Compliance Due	Application for transfer of assets and CC&N to Tonto Basin Water Co., Inc. from United Utilities, Inc.  L - Wagner  U - Williams  U - Olea  I - X Williams  H - Farmer
W-03515A-04-0907	Tariff	12/17/2004	Compliance Due	In the matter of the application of Tonto Basin Water Co., Inc. for approval of a Curtailment Tariff.  L - Ronald  L - Scott
W-03515A-05-0187	Tariff	3/15/2005	Closed	In the matter of the application of Tonto Basin Water Co., Inc. tariff filing for approval of a Water Augmentation Surcharge Tariff.  U - M. Scott Jr.  L - Sabo
W-03515A-05-0323	Tariff	5/3/2005	Closed	In the matter of the application of Tonto Basin Water Co., Inc. tariff filing for approval of a Cross-Connection Tariff.  L - Ronald  U - Madrid
W-03515A-05-0400	Tariff	6/3/2005	Closed	In the matter of the application of Tonto Basin Water Co., for approval of a Cross- Connection Tariff filing.  U - Madrid  L - Ronald
W-03515A-09-0109	Financing	3/12/2009	Closed	In the matter of the application of Tonto Basin Water Co., Inc. for approval of a financing application.  L - Ayesha Vohra  U - William Musgrove  U - Amezcua  U - Juan Manrique  I - Dwight Nodes  U - Hains

**Dockets By Company Name:  
Tonto Basin Water Co., Inc. [W-03515A]**

<b>Docket Number</b>	<b>Case Type</b>	<b>Start Date</b>	<b>Status</b>	<b>Docket Description</b>
				H - Dwight Nodes
W-03515A-09-0175	Adjudication	4/7/2009	Closed	<p>In the matter of the application of Tonto Basin Water Co., Inc. for a declaratory order adjudication that Water Duke is providing water utility services in Gila County Arizona as a Public Service Corporation.</p> <p>H - Charles Hains  L - Kevin Torrey  U - Kiana Sears  U - V. Wallace  U - Wells  U - Amezcua  U - Vicki Wallace  I - Dwight Nodes  U - Hains  L - Nancy Scott  H - Dwight Nodes</p>
W-03515A-13-0374	Tariff	11/1/2013	Closed	<p>In the matter of the application of Tonto Basin Water Co., Inc. for approval of a cross-connection tariff.</p> <p>L - Matthew Laudone  U - Madrid</p>
W-03515A-14-0310	Rates	8/22/2014	Compliance Due	<p>In the matter of the application of Tonto Basin Water Co., Inc. for approval of an adjustment in the existing rates charged by the Company.</p> <p>S - B. Smith  L - BrianE. Smith  H - Teena Jibilian  U - Michael Thompson  U - Briton Baxter  U - Amezcua  I - Teena Jibilian</p>

**Dockets By Company Name:  
Navajo Water Co., Inc. [W-03511A]**

<b>Docket Number</b>	<b>Case Type</b>	<b>Start Date</b>	<b>Status</b>	<b>Docket Description</b>
W-03511A-98-0074	Sale of Assets / Cancel CC&N	2/12/1998	Compliance Due	Application for transfer of assets and CC&N to Navajo Water Co., Inc. from Desert Utilities, Inc. I - x Wolfe I - X Williams L - Wolfe U - Williams U - Olea H - Farmer
W-03511A-98-0076	Sale of Assets / Cancel CC&N	2/12/1998	Compliance Due	Application for transfer of assets and CC&N to Navajo Water Co., Inc. from Pine-Oak Water Co. H - Farmer U - Williams L - Wagner U - Olea I - X Williams
W-03511A-98-0075	Sale of Assets / Cancel CC&N	2/12/1998	Compliance Due	Application for transfer of assets and CC&N to Navajo Water Co., Inc. from High Country Water Co., Inc. I - X Williams H - Farmer U - Williams L - Wagner U - Olea
W-03511A-99-0177	Rates	3/26/1999	Closed	Application for rates and financing. U - Ruff U - Rolle U - M. Scott Jr. L - Metti U - Carlson
W-03511A-04-0905	Tariff	12/17/2004	Closed	In the matter of the application of Navajo Water Co., Inc. for approval of a Curtailment Tariff. L - Scott L - Ronald

**Dockets By Company Name:  
Navajo Water Co., Inc. [W-03511A]**

<b>Docket Number</b>	<b>Case Type</b>	<b>Start Date</b>	<b>Status</b>	<b>Docket Description</b>
W-03511A-05-0189	Tariff	3/15/2005	Closed	In the matter of the application of Navajo Water Co., Inc. tariff filing for approval of a Water Augmentation Surcharge Tariff. U - M. Scott Jr. L - Sabo
W-03511A-05-0322	Tariff	5/3/2005	Closed	In the matter of the application of Navajo Water Co., Inc. tariff filing for approval of a Cross-Connection Tariff. L - Ronald U - Madrid
W-03511A-05-0401	Tariff	6/3/2005	Closed	In the matter of the application of Navajo Water Co., Inc., for approval of a Cross-Connection Tariff filing. U - Madrid L - Ronald
W-03511A-13-0373	Tariff	11/1/2013	Closed	In the matter of the application of Navajo Water Co., Inc. for approval of a cross-connection tariff. U - Madrid L - Matthew Laudone
W-03511A-14-0304	Rates	8/15/2014	Compliance Due	In the matter of the application for Navajo Water Company for the approval of a rate adjustment. H - Teena Jibilian L - Robin Mitchell I - Teena Jibilian U - Amezcua U - Stukov U - Katrin Stukov U - Briton Baxter

Strawberry Water Co.

## Dockets By Company Name: Strawberry Water Co., Inc. [W-03513A]

Docket Number	Case Type	Start Date	Status	Docket Description
W-03513A-98-0082	Sale of Assets / Cancel CC&N	2/12/1998	Closed	Application for transfer of assets and CC&N to Strawberry Water Co., Inc. from E&R Water Co., Inc. U - Olea L - Wagner U - Williams H - Farmer I - X Williams
W-03513A-98-0081	Sale of Assets / Cancel CC&N	2/12/1998	Closed	Application for transfer of assets and CC&N to Strawberry Water Co., Inc. from Williamson Waterworks, Inc. H - Farmer U - Williams L - Wagner I - X Williams U - Olea
W-03513A-98-0080	Sale of Assets / Cancel CC&N	2/12/1998	Closed	Application for transfer of assets and CC&N to Strawberry Water Co., Inc. from United Utilities, Inc. U - Olea U - Williams H - Farmer I - X Williams L - Wagner
W-03513A-01-0727	Extension of Territory	9/13/2001	Closed	Application for approval for extension of its CC&N to include Hardscrabble Mesa subdivision. L - Kenya Collins U - Woller U - Fisher U - M. Scott Jr. H - Dwight Nodes U - Fisher U - Hammon I - Dwight Nodes U - Woller L - Ronald



## Dockets By Company Name: Strawberry Water Co., Inc. [W-03513A]

Docket Number	Case Type	Start Date	Status	Docket Description
				U - Hammon
W-03513A-04-0908	Tariff	12/17/2004	Closed	In the matter of the application of Strawberry Water Co., Inc. for approval of a Curtailment Tariff. L - Ronald
W-03513A-05-0321	Tariff	5/3/2005	Closed	In the matter of the application of Strawberry Water Co., Inc. tariff filing for approval of a Cross-Connection Tariff. U - Madrid L - Ronald
W-03513A-05-0399	Tariff	6/3/2005	Closed	In the matter of the application of Strawberry Water Co., Inc. for approval of a Cross-Connection Tariff filing. U - Madrid U - Chukwu L - Ronald
W-03513A-08-0582	A.R.S. §40-252	11/21/2008	Closed	In the matter of the application of Pine Strawberry Water Improvement District to revoke the Certificates of Convenience and Necessity of Pine Water Company and Strawberry Water Company pursuant to A.R.S. §40-252 H - Dwight Nodes U - Wells U - M. Scott Jr. U - Igwe U - Morton I - Dwight Nodes L - Kevin Torrey
W-03513A-09-0485	Sale of Assets / Cancel CC&N	10/9/2009	Closed	In the matter of the condemnation of Strawberry Water Company L - Robin Mitchell H - Dwight Nodes U - Wells U - V. Wallace U - Vicki Wallace I - Dwight Nodes

**Dockets By Company Name:  
Strawberry Water Co., Inc. [W-03513A]**

<b>Docket Number</b>	<b>Case Type</b>	<b>Start Date</b>	<b>Status</b>	<b>Docket Description</b>
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U - Morton

**BW-11**



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Date: June 13, 2017

To: **Docket Control**  
**Arizona Corporation Commission**  
**1200 West Washington St.**  
**Phoenix, AZ 85007**

Arizona Corporation Commission

DOCKETED

From: Robert T. Hardcastle  
Brooke Water LLC  
Circle City Water Co. LLC

JUN 19 2017

DOCKETED BY

DOCKET NO. W-03039A-16-322<sup>0</sup> and W-03510A-16-322<sup>51</sup>

Re: Tank Maintenance Schedule

By:

Robert T. Hardcastle

RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL  
2017 JUN 19 A 10:11

**Tank Maintenance and Improvements Schedule**

13-Jan-17

System	PWS#	CWS#	Tank Reference	Tank Description	Year	Work Description	Status	When	Comments
MV	15-011	91-000743 0000	15-011-01	100,000	2017	Exterior inspection	Done	March-17	Inspection completed, needs exterior coating
MV	15-011	91-000743 0000	15-011-01	100,000	2017	Interior inspection			
MV	15-011	91-000743 0000	15-011-01	100,000	2017	Dive inspection			
MV	15-011	91-000743 0000	15-011-01	100,000	2017	Other			
MV	15-011	91-000743 0000	15-011-01	100,000	2017	Other	Done	April-17	Inspection completed, needs exterior coating
MV	15-011	91-000743 0000	15-011-02	3,000	2017	Exterior inspection			
MV	15-011	91-000743 0000	15-011-02	3,000	2017	Interior inspection			
MV	15-011	91-000743 0000	15-011-02	3,000	2017	Dive inspection			
MV	15-011	91-000743 0000	15-011-02	3,000	2017	Other			
MV	15-011	91-000743 0000	15-011-02	3,000	2017	Other			
PD	15-027	91-000748 0000	15-027-01	15,000	2017	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
PD	15-027	91-000748 0000	15-027-01	15,000	2017	Interior inspection			
PD	15-027	91-000748 0000	15-027-01	15,000	2017	Dive inspection			
PD	15-027	91-000748 0000	15-027-01	15,000	2017	Other			
PD	15-027	91-000748 0000	15-027-01	15,000	2017	Other			
PD	15-027	91-000748 0000	15-027-02	15,000	2017	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
PD	15-027	91-000748 0000	15-027-02	15,000	2017	Interior inspection			
PD	15-027	91-000748 0000	15-027-02	15,000	2017	Dive inspection			
PD	15-027	91-000748 0000	15-027-02	15,000	2017	Other			
PD	15-027	91-000748 0000	15-027-02	15,000	2017	Other			
PD	15-027	91-000748 0000	15-027-03	17,000	2017	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
PD	15-027	91-000748 0000	15-027-03	17,000	2017	Interior inspection			
PD	15-027	91-000748 0000	15-027-03	17,000	2017	Dive inspection			
PD	15-027	91-000748 0000	15-027-03	17,000	2017	Other			
PD	15-027	91-000748 0000	15-027-03	17,000	2017	Other			
PD	15-027	91-000748 0000	15-027-04	3,000	2017	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
PD	15-027	91-000748 0000	15-027-04	3,000	2017	Interior inspection			
PD	15-027	91-000748 0000	15-027-04	3,000	2017	Dive inspection			
PD	15-027	91-000748 0000	15-027-04	3,000	2017	Other			
PD	15-027	91-000748 0000	15-027-04	3,000	2017	Other			
HH	15-058	91-000752 0000	15-058-01	15,000	2017	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
HH	15-058	91-000752 0000	15-058-01	15,000	2017	Interior inspection			
HH	15-058	91-000752 0000	15-058-01	15,000	2017	Dive inspection			
HH	15-058	91-000752 0000	15-058-01	15,000	2017	Other			
HH	15-058	91-000752 0000	15-058-01	15,000	2017	Other			
HH	15-058	91-000752 0000	15-058-02	15,000	2017	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
HH	15-058	91-000752 0000	15-058-02	15,000	2017	Interior inspection			
HH	15-058	91-000752 0000	15-058-02	15,000	2017	Dive inspection			
HH	15-058	91-000752 0000	15-058-02	15,000	2017	Other			
HH	15-058	91-000752 0000	15-058-02	15,000	2017	Other			
HH	15-058	91-000752 0000	15-058-03	15,000	2017	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
HH	15-058	91-000752 0000	15-058-03	15,000	2017	Interior inspection			

HH	15-058	91-000752.0000	15-058-05	15,000	2017	Dive inspection	Done	April-17	Inspection completed, needs exterior coating
HH	15-058	91-000752.0000	15-058-03	15,000	2017	Other			
HH	15-058	91-000752.0000	15-058-04	100,000	2017	Exterior inspection			
HH	15-058	91-000752.0000	15-058-04	100,000	2017	Interior inspection			
HH	15-058	91-000752.0000	15-058-04	100,000	2017	Dive inspection			
HH	15-058	91-000752.0000	15-058-01	100,000	2017	Other			
HH	15-058	91-000752.0000	15-058-04	10,000	2017	Exterior inspection			
RI	15-040	91-000751.0000	15-040-01	10,000	2017	Interior inspection			
RI	15-040	91-000751.0000	15-040-01	10,000	2017	Dive inspection			
RL	15-040	91-000751.0000	15-040-01	10,000	2017	Other			
RL	15-040	91-000751.0000	15-040-02	3,000	2017	Exterior inspection			
RL	15-040	91-000751.0000	15-040-02	3,000	2017	Interior inspection			
RL	15-040	91-000751.0000	15-040-02	3,000	2017	Dive inspection			
RL	15-040	91-000751.0000	15-040-02	3,000	2017	Other			
RL	15-040	91-000751.0000	15-040-02	3,000	2017	Other			
LKS	15-015	91-000751.0000	15-015-01	50,000	2017	Exterior inspection			
LKS	15-015	91-000751.0000	15-015-01	50,000	2017	Interior inspection			
LKS	15-015	91-000751.0000	15-015-01	50,000	2017	Dive inspection			
LKS	15-015	91-000751.0000	15-015-01	50,000	2017	Other			
LKS	15-015	91-000751.0000	15-015-02	100,000	2017	Exterior inspection			
LKS	15-015	91-000751.0000	15-015-02	100,000	2017	Interior inspection			
LKS	15-015	91-000751.0000	15-015-02	100,000	2017	Dive inspection			
LKS	15-015	91-000751.0000	15-015-02	100,000	2017	Other			
LKS	15-015	91-000751.0000	15-015-02	100,000	2017	Other			
LKS	15-015	91-000751.0000	15-015-03	300,000	2017	Exterior inspection			
LKS	15-015	91-000751.0000	15-015-03	300,000	2017	Interior inspection			
LKS	15-015	91-000751.0000	15-015-03	300,000	2017	Dive inspection			
LKS	15-015	91-000751.0000	15-015-03	300,000	2017	Other			
MV	15-011	91-000743.0000	15-011-01	100,000	2022	Exterior inspection			
MV	15-011	91-000743.0000	15-011-01	100,000	2022	Interior inspection			
MV	15-011	91-000743.0000	15-011-01	100,000	2022	Dive inspection			
MV	15-011	91-000743.0000	15-011-01	100,000	2022	Other			
MV	15-011	91-000743.0000	15-011-01	100,000	2022	Other			
MV	15-011	91-000743.0000	15-011-02	3,000	2022	Exterior inspection			
MV	15-011	91-000743.0000	15-011-02	3,000	2022	Interior inspection			
MV	15-011	91-000743.0000	15-011-02	3,000	2022	Dive inspection			
MV	15-011	91-000743.0000	15-011-02	3,000	2022	Other			
MV	15-011	91-000743.0000	15-011-02	3,000	2022	Other			
PD	15-027	91-000748.0000	15-027-01	15,000	2022	Exterior inspection			
PD	15-027	91-000748.0000	15-027-01	15,000	2022	Interior inspection			
PD	15-027	91-000748.0000	15-027-01	15,000	2022	Dive inspection			
PD	15-027	91-000748.0000	15-027-01	15,000	2022	Other			



LKS	15-015	91-000751 0000	15-015-01	2022	50,000	Interior inspection	Done	April-17	Inspection completed, needs exterior coating
LKS	15-015	91-000751 0000	15-015-01	2022	50,000	Dive inspection			
LKS	15-015	91-000751 0000	15-015-01	2022	50,000	Other			
LKS	15-015	91-000751 0000	15-015-01	2022	50,000	Other			
LKS	15-015	91-000751 0000	15-015-02	2022	100,000	Exterior inspection			
LKS	15-015	91-000751 0000	15-015-02	2022	100,000	Interior inspection			
LKS	15-015	91-000751 0000	15-015-02	2022	100,000	Dive inspection			
LKS	15-015	91-000751 0000	15-015-02	2022	100,000	Other			
LKS	15-015	91-000751 0000	15-015-02	2022	100,000	Other			
LKS	15-015	91-000751 0000	15-015-03	2022	300,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
LKS	15-015	91-000751 0000	15-015-03	2022	300,000	Interior inspection			
LKS	15-015	91-000751 0000	15-015-03	2022	300,000	Dive inspection			
LKS	15-015	91-000751 0000	15-015-03	2022	300,000	Other			
LKS	15-015	91-000751 0000	15-015-03	2022	300,000	Other			
MV	15-011	91-000743 0000	15-011-01	2022	100,000	Exterior inspection	Done	March-17	Inspection completed, needs exterior coating
MV	15-011	91-000743 0000	15-011-01	2022	100,000	Interior inspection			
MV	15-011	91-000743 0000	15-011-01	2022	100,000	Dive inspection			
MV	15-011	91-000743 0000	15-011-01	2022	100,000	Other			
MV	15-011	91-000743 0000	15-011-01	2022	100,000	Other			
MV	15-011	91-000743 0000	15-011-02	2022	3,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
MV	15-011	91-000743 0000	15-011-02	2022	3,000	Interior inspection			
MV	15-011	91-000743 0000	15-011-02	2022	3,000	Dive inspection			
MV	15-011	91-000743 0000	15-011-02	2022	3,000	Other			
MV	15-011	91-000743 0000	15-011-02	2022	3,000	Other			
PD	15-027	91-000748 0000	15-027-01	2022	15,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
PD	15-027	91-000748 0000	15-027-01	2022	15,000	Interior inspection			
PD	15-027	91-000748 0000	15-027-01	2022	15,000	Dive inspection			
PD	15-027	91-000748 0000	15-027-01	2022	15,000	Other			
PD	15-027	91-000748 0000	15-027-01	2022	15,000	Other			
PD	15-027	91-000748 0000	15-027-02	2022	15,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
PD	15-027	91-000748 0000	15-027-02	2022	15,000	Interior inspection			
PD	15-027	91-000748 0000	15-027-02	2022	15,000	Dive inspection			
PD	15-027	91-000748 0000	15-027-02	2022	15,000	Other			
PD	15-027	91-000748 0000	15-027-02	2022	15,000	Other			
PD	15-027	91-000748 0000	15-027-03	2022	17,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
PD	15-027	91-000748 0000	15-027-03	2022	17,000	Interior inspection			
PD	15-027	91-000748 0000	15-027-03	2022	17,000	Dive inspection			
PD	15-027	91-000748 0000	15-027-03	2022	17,000	Other			
PD	15-027	91-000748 0000	15-027-03	2022	17,000	Other			
PD	15-027	91-000748 0000	15-027-04	2022	3,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
PD	15-027	91-000748 0000	15-027-04	2022	3,000	Interior inspection			
PD	15-027	91-000748 0000	15-027-04	2022	3,000	Dive inspection			
PD	15-027	91-000748 0000	15-027-04	2022	3,000	Other			
PD	15-027	91-000748 0000	15-027-04	2022	3,000	Other			
HH	15-058	91-000752 0000	15-058-01	2022	15,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
HH	15-058	91-000752 0000	15-058-01	2022	15,000	Interior inspection			
HH	15-058	91-000752 0000	15-058-01	2022	15,000	Dive inspection			



HH	15-058	91-000752.0000	15-058-01	15,000	Other	Done	April-17	Inspection completed, needs exterior coating
HH	15-058	91-000752.0000	15-058-01	15,000	Other			
HH	15-058	91-000752.0000	15-058-02	15,000	Exterior inspection			
HH	15-058	91-000752.0000	15-058-02	15,000	Interior inspection			
HH	15-058	91-000752.0000	15-058-02	15,000	Dive inspection			
HH	15-058	91-000752.0000	15-058-02	15,000	Other			
HH	15-058	91-000752.0000	15-058-02	15,000	Other			
HH	15-058	91-000752.0000	15-058-03	15,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
HH	15-058	91-000752.0000	15-058-03	15,000	Interior inspection			
HH	15-058	91-000752.0000	15-058-03	15,000	Dive inspection			
HH	15-058	91-000752.0000	15-058-03	15,000	Other			
HH	15-058	91-000752.0000	15-058-04	15,000	Other			
HH	15-058	91-000752.0000	15-058-04	100,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
HH	15-058	91-000752.0000	15-058-04	100,000	Interior inspection			
HH	15-058	91-000752.0000	15-058-04	100,000	Dive inspection			
HH	15-058	91-000752.0000	15-058-04	100,000	Other			
RL	15-040	91-000751.0000	15-040-01	10,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
RL	15-040	91-000751.0000	15-040-01	10,000	Interior inspection			
RL	15-040	91-000751.0000	15-040-01	10,000	Dive inspection			
RL	15-040	91-000751.0000	15-040-01	10,000	Other			
RL	15-040	91-000751.0000	15-040-01	10,000	Other			
RL	15-040	91-000751.0000	15-040-02	3,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
RL	15-040	91-000751.0000	15-040-02	3,000	Interior inspection			
RL	15-040	91-000751.0000	15-040-02	3,000	Dive inspection			
RL	15-040	91-000751.0000	15-040-02	3,000	Other			
RL	15-040	91-000751.0000	15-040-02	3,000	Other			
LKS	15-015	91-000751.0000	15-015-01	50,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
LKS	15-015	91-000751.0000	15-015-01	50,000	Interior inspection			
LKS	15-015	91-000751.0000	15-015-01	50,000	Dive inspection			
LKS	15-015	91-000751.0000	15-015-01	50,000	Other			
LKS	15-015	91-000751.0000	15-015-01	50,000	Other			
LKS	15-015	91-000751.0000	15-015-02	100,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
LKS	15-015	91-000751.0000	15-015-02	100,000	Interior inspection			
LKS	15-015	91-000751.0000	15-015-02	100,000	Dive inspection			
LKS	15-015	91-000751.0000	15-015-02	100,000	Other			
LKS	15-015	91-000751.0000	15-015-02	100,000	Other			
LKS	15-015	91-000751.0000	15-015-03	300,000	Exterior inspection	Done	April-17	Inspection completed, needs exterior coating
LKS	15-015	91-000751.0000	15-015-03	300,000	Interior inspection			
LKS	15-015	91-000751.0000	15-015-03	300,000	Dive inspection			
LKS	15-015	91-000751.0000	15-015-03	300,000	Other			
LKS	15-015	91-000751.0000	15-015-03	300,000	Other			

**BW-12**

**Arizona Corporation Commission**  
Staff's First Set of Data Requests Nos. 1.1 – 1.40  
Brooke Water, LLC Docket No. W-03039A-17-0295  
January 19, 2018

**STF: 1.23**     **Payment Processing Address** – Where are customers directed to make payments on their Brooke Water bills? Describe the policy and procedures for receiving customer payments via U.S. mail, the physical location where payments are received, the individual(s) responsible for collecting this mail, the procedures used to record the receipt of customer payments, and how customer payments are reflected in the electronic records of the Company and available to the customer service representatives in Costa Rica. In your response, provide the information for October 2017 and November 2017 as follows:

- a.     The identification of the customer and the amount of each customer payment on each date during the month received by Brooke Water at the location required for customer payments for each day of each month;
- b.     The date of the post office mark on the customer's envelope or, if such information is not available, the date that appears on the customer's check or other payment method;
- c.     The date on which each customer payment was reflected in the Company's electronic records available to the customer service representative in Costa Rica.

Response:     Customer payments are directed to the PO Box in Bakersfield, CA. Mail from the PO Box is picked up daily at 7:30 AM Monday – Friday. Checks made to Brooke Utilities are entered into the remote deposit scanner, thus depositing them into the Brooke Utilities bank account. A report is generated from the bank posting. The scanned images, and the bank report are emailed to Costa Rica the same day. Customer payments are recorded the same day. Images are kept for 45 days and automatically deleted from the servers. Customer payments are retained for 45 days and cannot be provided under this data request because of customer confidentiality concerns regarding their bank information.

Responder:     Bob Hardcastle

**Arizona Corporation Commission**  
Staff's First Set of Data Requests Nos. 1.1 – 1.40  
Brooke Water, LLC Docket No. W-03039A-17-0295  
January 19, 2018

**STF: 1.24**     **Credit Card Options** – With regard to the acceptance of credit and/or debit cards for payment of Brooke Water utility bills, is there any additional fee or charge for such a payment option? If so, identify the fee and the monthly amount of such fees collected by or charged by Brooke Water for such payment option for each month in 2016 and 2017.

**Response:**     No regulatory authority to collect credit card payment fees associated with any component of the process has been approved by the Commission. The Company absorbs all such costs. Customers are not charged further for credit card payment processing costs.

**Responder:**     Bob Hardcastle

**Arizona Corporation Commission**  
Staff's First Set of Data Requests Nos. 1.1 – 1.40  
Brooke Water, LLC Docket No. W-03039A-17-0295  
January 19, 2018

**STF: 1.25**    **Locations Accepting Payments** – Can a Brooke Water customer make payment for their utility bill in any location in Arizona? If so, identify such location, hours of operation, additional fees or other charges, if applicable.

Response:    No. Customer pay stations previously existed in Parker, Arizona for approximately 18 years before APS decided to close the facility because of the cost of operating the facility for few customers. As a result, customers now pay their bills throughout Arizona by placing their payment in any USPO facility or drop box.

Responder:    Bob Hardcastle

**Arizona Corporation Commission**  
Staff's First Set of Data Requests Nos. 1.1 – 1.40  
Brooke Water, LLC Docket No. W-03039A-17-0295  
January 19, 2018

**STF: 1.26**     **Parker Payment Locations** – Identify the date that Brooke Water will implement a location in its service territory to allow customers to make payments for customer bills. In your response, identify the entities or individuals that Brooke Water or Mr. Hardcastle has communicated with to implement this requirement in the Town of Parker, the dates of such communications, and the current status of such communications.

**Response:**     It is unlikely that the Company will offer local customers a paystation after dissolution of APS's pay station office was closed. The APS paystation was closed because of being non-economical and excessive costly to customers. The Company has spoken with La Paz County Supervisor Duce Minor and his staff whom directed the Company to discuss the possibility of creating a local paystation. While initial discussions with the Town of Parker were encouraging, subsequent discussions were not fruitful. Unfortunately, the Town of Parker has expressed no subsequent interest in helping the Company to provide these services in a cost effective manner.

**Responder:**     Bob Hardcastle

**Arizona Corporation Commission**  
Staff's First Set of Data Requests Nos. 1.1 – 1.40  
Brooke Water, LLC Docket No. W-03039A-17-0295  
January 19, 2018

**STF: 1.37**     **Brooke Water's Policies** - Describe Brooke Water's policies as reflected in its training materials or instructions to its CSRs concerning a customer who is unable to pay their current bill in full and whether or not a customer's ability to pay is taken into account in negotiating payment terms.

**Response:**     The Company offers Special Payment Plans (SPA's) to customers when their ability to timely pay their bills is affected. Our policies are to be as reasonable with customers as possible. CSR's are able to offer 90-day SPA's to affected customers without additional management approval. Longer terms SPA's or special circumstances SPA's require senior management approval. In most cases, SPA's are offered customers who have historically demonstrated timely regular payments or have a history of making SPA payments within the terms of the SPA.

**Responder:**     Bob Hardcastle

**Arizona Corporation Commission**  
Staff's First Set of Data Requests Nos. 1.1 – 1.40  
Brooke Water, LLC Docket No. W-03039A-17-0295  
January 19, 2018

**STF: 1.38**     **Guidelines** - Provide the “guidelines on making adjustments approved by a Supervisor,” referenced in Voluntary Brooke Improvements in the November 15, 2017 Update Report [page 9 of 12].

**Response:**     The guidelines are a continuous evolving process based on questions, inquiries, and needs of the customers. Management of the Company as well as that of the CSC involve regular discussions with CSR’s to discuss this process including modifications to our Special Payments Arrangements (SPA’s) as required. Specific customer inquiries are addressed by CSC management and referred to the Company for final approval in special circumstances. The Company provides CSR’s with reasonable latitude to make SPA’s with customers that fit their needs.

**Responder:**     Bob Hardcastle



**Arizona Corporation Commission**  
Staff's Sixteenth Set of Data Requests No. 16.1 - 16.35  
Brooke Water, LLC Docket No. W-03039A-17-0295  
March 22, 2018

**STF 16.27** Are there retail outlets in Parker, Arizona or the surrounding area that would be able to take credit card payments on behalf of Brooke Water, LLC and Circle City Water? Please list all retail outlets that perform, or could perform this function and indicate whether Brooke Water, LLC has checked into the costs associated with performing this function.

**Response:** The Company has not conducted an exhaustive search of potential providers and cannot list all retail outlets that perform, or could perform this function. Based on preliminary investigation by the Company, the Company understands that WalMart, Safeway, Ace Hardware, Chase Bank, Bank of America, and Circle K may provide this type of service. The costs of these facilities have been generally discussed, but not firmly determined. In all cases, on-site credit card payments are assessed an additional processing fee by the retailer that would be at the expense of our customers. There are processing requirements or limitations in all retailers case that makes costs of processing a secondary problem.

**Responder:** Bob Hardcastle

**Arizona Corporation Commission**  
Staff's **Sixteenth** Set of Data Requests No. 16.1 - 16.35  
Brooke Water, LLC Docket No. W-03039A-17-0295  
March 22, 2018

**STF 16.28** Is there a Wal-mart located in the vicinity of Parker, Arizona? Has Brooke Water, LLC checked into having Wal-mart collect credit card / cash payments for its customers? What would the costs be to Brooke for Wal-mart performing this function?

**Response:** Please see the Company's response to STF 16.27.

**Responder:** Bob Hardcastle

**Arizona Corporation Commission**  
Staff's Sixteenth Set of Data Requests No. 16.1 - 16.35  
Brooke Water, LLC Docket No. W-03039A-17-0295  
March 22, 2018

**STF 16.29** Please indicate whether any entity or person has inquired into the costs of collecting credit card payments via a website for Brooke Water, LLC? If the answer is yes, what were the costs involved?

**Response:** The cost is in excess of \$12,000 and approximately \$2,500 annually depending on the features that are provided.

**Responder:** Bob Hardcastle

## Arizona Corporation Commission

Staff's Eighteenth Set of Data Requests No. 18.1 – 18.27

Brooke Water, LLC Docket No. W-03039A-17-0295

April 2, 2018

**STF 18.8** Refer to Brooke Water LLC's response to STF 16.27: Please provide the amounts that would be charged to the company and its customers by Wal-Mart, Safeway, ACE Hardware, Chase Bank, Bank of America and Circle K to process credit card, cash, check and money order payments for customers to pay their Brooke Water LLC bills.

### **OBJECTION:**

The Company objects to this data request because it is overly broad and unduly burdensome.

Without waiving its objection, the Company responds as follows:

**Response:** The Company's initial response indicated that such costs were generally discussed, but not firmly determined. Further, as the Company is not seeking recovery of any such costs, Staff bears the burden of establishing the reasonableness of such costs if it recommends these services should be used by the Company, and should therefore seek its own information in response to the question posed, as the information sought in this discovery request is equally available to Staff.

**Responder:** Bob Hardcastle

**Arizona Corporation Commission**  
Staff's Eighteenth Set of Data Requests No. 18.1 – 18.27  
Brooke Water, LLC Docket No. W-03039A-17-0295  
April 2, 2018

**STF 18.9** Refer to Brooke Water LLC's response to STF 16.27. Please explain the "processing requirements or limitations in all retailers case that makes costs of processing a secondary problem."

**Response:** On-site payments by credit card are more costly to consumers and reporting of customers payments does not have the ability to be integrated into the Company's financial system.

**Responder:** Bob Hardcastle

**BW-13**

## Arizona Corporation Commission

Staff's Twentieth Set of Data Requests No. 20.1 through 20.7

Brooke Water, LLC Docket No. W-03039A-17-0295

May 11, 2018

**STF 20.1** Please address the concern that the Company has not been adequately investing in its water utility systems since acquisition. For each year since the year of acquisition of Brooke Water through the 2016 test year, identify the amount of plant additions in total and by USOA plant account.

**Response:** The Company believes it has made appropriate investments in its water utility system as required to provide water service, maintain water quality and assure regulatory compliance. The Company's commitment to its water utility system has occurred through both capital investment and operations and maintenance expenditures occurring since acquisition of the water system.

The Company has previously provided the requested plant addition information both in its filing schedules and workpapers.

In the schedules filed with the Company's Application, the Company provided Schedule B-2.1, pages 1 through 22, detailing plant additions from October 1995 (date of acquisition) through December 31, 2016. This data is presented by USOA plant account by year and includes plant adjustments. In its response to STF 1.1 provided to Staff on January 19, 2018, the Company provided an Excel workbook named BW Direct Filing.xlsm containing all of the schedules provided with the Company's Application. Schedule B-2.1 is presented on the tab named "B-2.1".

In its response to STF 1.1 provided to Staff on January 19, 2018, the Company provided Excel workpapers detailing the amount of plant additions in total and by USOA plant account. Specifically, the company provided an Excel workbook named BW Rate Case Data.xlsx containing the following described data.

On the tab named "Plant Detail" a schedule of all plant additions and retirements from 1995 through the 2016 test year is provided. The data is i) presented by USOA plant account number, by year, ii) presented to allow filtering the data by USOA plant account number, in-service year or amount, and iii) the schedule contains a summary by year below the presentation of detailed data.

On the tab named "Exp to Cap" a schedule of all 2016 test year expensed items that were classified to capital by adjustment (OC-1.1) is provided. The Schedule indicates the amount and USOA plant account number for each invoice reclassified. The schedule also includes a summary by USOA plant account of the items presented.

## **Arizona Corporation Commission**

Staff's Twentieth Set of Data Requests No. 20.1 through 20.7

Brooke Water, LLC Docket No. W-03039A-17-0295

May 11, 2018

In addition to the summary schedules provided in response to STF 1.1, discussed above, in its response to STF 1.3 to Staff on January 19, 2018, the Company provided i) a detailed listing of plant additions from January 1, 2000 through December 31, 2016 (Assetacquisitionreport 2000 - 2016.pdf) and ii) a comprehensive depreciation schedule providing detail for all plant in service, including the USOA plant account number.

Although the Company has previously provided the requested plant in service data, it has prepared an additional summary schedule in an attempt to be responsive to this data request. Please see attached BW PIS Summary.pdf. The Company notes that the provided supplemental schedule contains only previously provided data and that the previously provided data contains significant additional detail regarding the historic plant additions.

Responder: Bob Hardcastle/ Ray Jones



Brooke Water LLC  
 Supplementary Schedule Summarizing Plant Additions  
 October 1995 through December 31, 2016

<u>NARUC</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
303	232,332	-	-	-	-	-	-	-	-	-	-	-
304	-	-	2,124	-	1,107	300	323	3,076	-	-	-	2,604
306	-	-	-	-	-	-	-	1,930	1,799	-	-	-
309	-	-	-	-	-	-	-	-	-	-	-	-
311	62,179	2,712	2,453	1,576	1,438	1,420	2,250	1,238	1,906	-	5,106	5,423
320.1	11,773	31,736	1,915	-	-	4,221	1,187	490	-	-	36,513	322
330.1	92,106	14,000	-	14,716	-	-	-	-	780	-	-	-
331	517,676	-	22,700	-	-	39	180	46,976	598	1,412	727	1,035
333	-	-	-	-	1,433	-	-	7,621	1,576	-	215	1,635
334	12,817	-	4,168	3,425	1,214	10,255	17,572	7,610	9,500	6,311	17,559	57,402
339	2,011	5,738	898	1,758	-	-	-	-	-	-	-	305
340	5,617	-	2,954	-	-	-	-	-	-	-	-	-
340.1	-	-	8,309	5,316	-	-	-	-	-	-	-	-
341	4,771	-	-	-	17,792	-	-	-	-	-	-	23,132
343	-	-	-	-	-	2,215	-	-	-	-	-	1,003
345	17	-	-	-	-	843	496	2,041	183	219	-	-
346	-	-	-	-	-	-	-	-	-	-	-	535
348	-	-	-	-	-	-	-	-	-	-	-	-
	<u>941,299</u>	<u>54,186</u>	<u>45,521</u>	<u>26,791</u>	<u>22,984</u>	<u>19,293</u>	<u>22,008</u>	<u>70,982</u>	<u>16,342</u>	<u>7,942</u>	<u>60,120</u>	<u>93,394</u>

<u>NARUC</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	Per Books <u>2016</u>	<u>2016</u> <u>(OC1.1)</u>
303	-	-	-	-	-	-	-	-	-	-	-
304	-	15,481	-	-	-	5,700	7	-	-	-	-
306	-	-	-	-	-	-	-	-	-	-	1,177
309	-	-	-	-	1,402	-	-	-	-	-	-
311	3,418	2,960	2,551	3,786	15,985	2,218	1,823	-	-	-	7,832
320.1	-	-	-	-	-	-	60,298	-	-	-	2,558
330.1	-	-	-	-	-	-	-	-	-	-	-
331	13,350	-	-	-	4,814	50,410	3,514	2,420	-	-	-
333	-	-	-	-	-	-	-	-	-	-	5,053
334	60,184	18,819	1,770	5,877	2,526	6,110	4,946	-	-	1,038	6,580
339	-	-	1,277	2,036	-	-	-	-	-	-	-
340	-	-	-	-	-	-	-	-	-	-	-
340.1	1,383	-	-	-	-	-	-	-	-	-	-
341	-	22,024	25,268	-	-	-	-	-	53,229	-	-
343	8,547	2,893	-	215	1,467	-	-	-	-	-	-
345	-	1,084	-	-	-	-	-	-	-	-	-
346	4,682	-	-	-	-	-	-	-	-	-	-
348	-	-	-	-	-	-	-	-	-	-	31,485
	<u>91,563</u>	<u>63,262</u>	<u>30,866</u>	<u>11,915</u>	<u>26,194</u>	<u>64,438</u>	<u>70,587</u>	<u>2,420</u>	<u>53,229</u>	<u>1,038</u>	<u>54,685</u>

## Arizona Corporation Commission

Staff's Twentieth Set of Data Requests No. 20.1 through 20.7

Brooke Water, LLC Docket No. W-03039A-17-0295

May 11, 2018

**STF 20.2** Please identify each of the capital expenditures identified in the Plan of Improvement (Attachment 3) filed on October 24, 2016, that have been completed.

Response: Please see attached the Company's most recent "Monthly Status Update Report" filed on April 24, 2018 in the Outage Docket (16-0322) for an update on the status of required engineering improvements.

Responder: Bob Hardcastle

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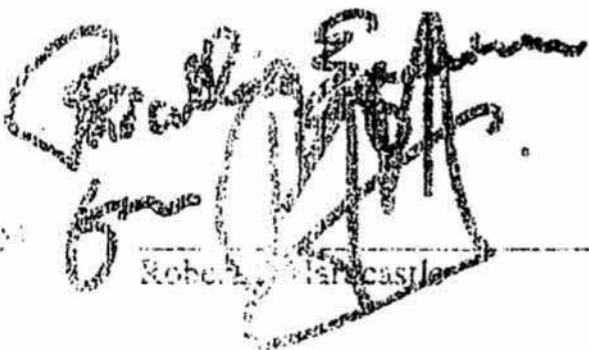
Date: April 26, 2018  
To: **Docket Control**  
**Arizona Corporation Commission**  
**1200 West Washington St.**  
**Phoenix, AZ 85007**  
From: Brooke Water LLC  
Circle City Water Co LLC

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AZ CORP COMMISSION  
DOCKET CONTROL  
2018 APR 24 A 10:14

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DOCKET NOS. W-03039A-16-0322 and W-03510A-16-0322

Re: Brooke Water LLC and Circle City Water Co LLC  
Monthly Update Report

By:   
Robert J. Marcastel

Arizona Corporation Commission  
**DOCKETED**  
APR 24 2018  
DOCKETED BY 

**ACC Docket No.'s W-03039A-16-0322 and W-03510A-16-0322**  
**Brooke Water LLC and Circle City Water Co LLC**

Date: April 20, 2018

**DECISION NO. 75755**

<b><u>Finding of Fact Reference</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>	<b><u>Notes</u></b>
67 (a)	Contact ADWR to become compliant with outstanding CWS reports.	Completed	
67 (b)	File Curtailment Tariff with Commission	Completed	Effective December 1, 2016.
67 (c)	Re-file Backflow Prevention Tariff with Commission	Completed	Effective December 1, 2016
67 (d)	Repair rusted areas of 50k storage tank	Completed	
67 (e)	Recoat as necessary interior of storage tank	Completed	
67 (f)	Adjust/repair altitude valve to storage tank	Completed	
67 (g)	Hire technician as necessary to eliminate water loss at storage tank	Completed	Repairs and adjustments have been made by Operations staff.
67 (h)	PRV training for operators	Completed	On-site manufacturer PRV training for all Ops staff.
67 (i)	Recondition exterior of all storage tanks and develop maintenance schedule	Completed	Work in progress, contractor scheduled to complete work December 31. Waiver of exterior tank recoating of Lakeside 300,000 gallon tank recommended by Staff to be deferred until 2018.
67 (j)	Test distribution system for asbestos contamination	Completed	Samples collected by MAP contractor 2-12-2013 with LKS result of 0.2 MFL with an applicable MCL level of 7.0 MFL; sample collected 12-14-2016 and analyzed by lab on 12-15-2016 report result of 0.2 MFL

			as compared to an applicable MCL of 7.0 MFL.
67 (k)	Install meter on backwash piping	Completed	Backwash meter currently installed and has existed for at least five years
68 (a)	Utilize Outage Reporting form as applicable	Completed	Currently used
68 (b)	Notify ACC, La Paz County Sheriff's Office, La Paz County Office of Emergency Management, La Paz County Board of Supervisors, ADEQ of all water outages pursuant to revised EOP	Completed	Notification regularly in process; met with LPCEMT on March 16.
68 (c)	Modify Call Center telephone message tree to include notification of water outages	Completed	Ring Central telephone management system completed.
68 (d)	Conduct customer outreach to solicit new, additional, or changed email addresses for advisory alerts	Completed	Provided explanation to all customers regarding the billing process; provide general customer mailing asking for updated or new email addresses for advisory lists. Docketed.
68 (e)	Develop CSC training schedule with metrics from Exhibit B and notify Staff of objectives, implementation dates, and reporting requirements	Completed	Numerous CSC metrics implemented including Exhibit B metrics
68 (f)	Develop website for customer information	Completed	<a href="http://www.BrookeWaterLLC.com">www.BrookeWaterLLC.com</a> and <a href="http://www.CircleCityWaterLLC.com">www.CircleCityWaterLLC.com</a> websites launched July 26, 2017; further improvements planned.
68 (g)	Conduct outreach twice annually with La Paz County officials discussing communications, service quality, and improvement ideas	Complete	Meeting conducted with La Paz County Emergency Management Team; Meeting notes, agenda, and attendance list docketed.
68 (h)	Provide emergency number for after-hours cell phone contact	Complete	Designed an internal telephone rotation system that will contact appropriate staff and ultimately

			contact me after hours.
68 (i)	Make arrangements to be on-site for future water outages similar to August 2016	Complete	BWLLC management is committed to be on-site in Parker, AZ in the event of a serious water outage similar to that of August 2016.
68 (j)	Update EOP as changes occur including emergency after-hours contact information	Complete	EOP updated 8-29-2016, 10-3-2016, 1-9-2017, 3-20-2017, and 4-18-2017; provided copy to La Paz County Supervisor Minor and others.
68 (k)	Make good faith effort to resolve easement dispute with Trabue	Completed	Settlement offer letter to Trabue docketed February 22, 2017; settlement offer declined.
69 (a)	File CapEx Budget with Staff	Completed	2016 CapEx Budget filed with Staff September 2016 and revised and updated October 24, 2016
69 (b)	File rate application by September 28, 2017 for Brooke Water	Completed	Rate application timely filed September 28, 2017.
69 (b)	File rate application by December 31, 2016 for CCWCoLLC	Completed	Filed December 30, 2016 and March 10, 2017 into W-03510A-17-0003.
70	File Plan of Improvement	Completed	Timely filed and docketed
70	File Response to Staff Report	Completed	Timely filed and docketed
71 (a)	Hire additional operations staff	Completed	Ops staff currently consists of 5 employees
71 (b)	Develop in-house CSC or external contract CSC	Completed	This issue was addressed in ACC Decision 76223; Company filed into Docket Application for Re-Hearing. Otherwise, see Plan of Improvement; numerous changes and improvements have been developed in the CSC in recent months, including: replaced under-performing staff, maintained staff levels at 4-5 people, increased monthly internal training, hired external training of software and billing system for CSR's on an ongoing basis, improved billing system

			statement to reduce Parker USPS deliveries by 1 day (3-day commitment by USPS), developed RingCentral system that allows for greater management feedback systems and reports of CSR performance, customer call recording, live monitors, determination of received, returned, voice mail, and missed calls, determination of call duration, time answer, que documentation, que messaging and call back features, complete integration to billing system, increased internal management policies to improve and increase customer service.
71 (c)	File water systems piping maps with La Paz County Recorder and ACC	Completed	Water system maps can't be recorded in La Paz County unless in 8-1/2X11 format. The water system maps are not available in such format and would otherwise be so small to be unusable. One copy set of water system maps was delivered to La Paz County Community Development Department. Two other copy sets were filed with ACC.
71 (d)	Deveiop new billing system or make changes to existing billing system	Completed	Made changes to billing system to allow for 1 day faster delivery from USPS using "stripping" statement mailings; USPS schedules class mail delivery to Parker in 3 days; Company has agreed to Staff recommendation to remove Disconnection Notice included on customer bill statements and mail a separate notice as required.
71 (e)	Begin plant improvement project pursuant to 2016 Cap	Completed	Company has begun making plant improvements, including:

	Ex Budget		ordered complete engineering review of all BWLLC systems including mechanical, electrical, and plumbing systems, valves, pipelines, tanks, and operations manuals; completed all internal tank inspections; ordered internal and external repairs to all tanks including tank top replacement, epoxy repairs, exterior recoating of rust areas; backwash meter replacement; production meter replacement, as needed; filtration remediation; PRV rebuilding; PRV training of Ops staff by valve manufacturer; duplicate supply intake pump; pump house building replacement; Company has commissioned engineering survey that will identify and prioritize all necessary plant improvement repairs and replacement with engineering cost estimates for repairs that will assist management in identifying, scheduling and prioritizing needed upcoming plant and infrastructure improvements in future years; engineering report is expected to be available in late July 2017.
71 (f)	Work with ADEQ to address excessive chlorine of water quality issues	Completed	ADEQ indicates no excess chlorine levels exist (MRDL reports)



**ACC Decision No. 76102**  
**Finding of Fact 28 and 29**

<u>Finding of Fact 28</u>	<u>Description</u>	<u>Status</u>	<u>Notes</u>
	<b><u>General Recommendations</u></b>		
(a)	Compliance with requirements of Decision No. 75755 and 76102	In process	Completed all requirements of Decision 75755.
(b)	Approval of Nunc Pro Tunc	Completed	No objection expressed.
(a)	Removal of current disconnection notice from bill statements	Completed	July 2017 bills did not include disconnection notice.
	<b><u>Engineering Recommendations</u></b>		
(a)	Include water pumped for each water system in annual reports	Completed	Included in 2016 annual report and future reports.
(b)	Modify water system maps to show actual waterline locations	Completed	This work is always in process. Water system changes reported to engineering firm which updates digital maps.
(c)	Contact ADWR to discuss status of Water Use Reports for 2009, 2011, and 2012	Completed	All years completed and submitted to ADWR
(d)	Install additional source pump at HH and LKS water systems	Completed	The Company has discussed with Staff acquisition and inventory of replacement pumps and motors for the water source. Such equipment is available as an inventory item at the Company's warehouse; can be immediately installed in one hour or less; and, will not affect customer service as more-than-sufficient back-up water storage is available during pump replacement. Otherwise, the replacement of these buildings, pursuant to Decision No. 76102, cannot be completed until December 31, 2017.

(e)	Repair rusted areas of HH 30k water tank; inspect interior, determine if tank integrity compromised	In process	This work cannot be completed before Q1-Q2 of 2018 because of the availability of tank repair and refurbishment contractors. The work has been approved and ordered through a tank manufacturer, engineering drawings are in process, ADEQ ATC will be applied for and construction, delivery, and installation scheduled as soon as possible.
(f)	Repair rusted areas of MK 10k water tank; inspect interior, determine if tank integrity compromised	Completed	New 10k gallon tank installed week of July 10, 2017; ADEQ AOC issued October 19, 2017.
(g)	Remove LKS retaining wall on north side of plant and construct new replacement wall by December 31, 2017	Completed	
(h)	Clean-up of LKS plant pump house and MK Buckskin (Sandpiper) plant.	Completed	
(i)	Repair or replace PD water system 15k storage tank level gauge	Completed	This system improvement by ACC, and noted deficiency by ADEQ, is redundant and unnecessary. The improvement recommendation has been eliminated by ADEQ and should be eliminated by ACC as other digital, alternative water storage SCADA alarmed devices are installed on the water storage tanks that electronically report the status of water levels in 4 to 6 hours intervals.
(j)	Repair RL water system air compressor power cable to OSHA standards	Completed	
(k)	Develop water storage tank maintenance schedule, at least every 5 years	Completed	Maintenance schedule filed into Docket.

(l)	Recoat all water tank interiors every 10-15 years and every tank exterior every 7-10 years	Completed	Maintenance schedule filed into Docket.
	<b>Financial Recommendations</b>		
(a)	CCWCo to file for approval of long term debt in Docket No. W-03510A-17-0003 within 30 days of Decision No. 76102	Completed	Not applicable. No debt exists in the Company. See Docket for responses to Finding of Fact 20 and 28 of Decision No. 76102.
<b>Finding of Fact 29</b>	Relocate Customer Service Center to AZ	Completed	This issue was resolved in ACC Decision 76223.

**Additional Voluntary Brooke Improvements:**

<b><u>Reference</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>	<b><u>Comments</u></b>
Improvement Plan	VM message que announcements	Completed	See 68 (c) above
Improvement Plan	Customer Outreach Committee	In process	Second issued invitations to eight BWLLC customers willing to serve on an advisory committee.
Improvement Plan	Policy re-evaluation to allow CSR's more authority	Completed	Reviewed rules and policies related to CSR ability to adjust accounts; developing guidelines on making adjustments approved by a supervisor.
Improvement Plan	Integrate CMS with GPS Ops location	Completed	CMS connects to GPS location of Ops for "closest" routing and better dispatch during emergency conditions
Improvement Plan	After hours customer paging with Ops for emergency conditions	Completed	RingCentral implementation completed.
Improvement Plan	After hours emergency contact to advise customers of service interruptions	Completed	Process for notification modified and implemented.
Improvement Plan	Mail processing	Completed	Working with mail process contractor to reduce internal

			processing time by 1-2 days to provide for earlier delivery to customers.
Improvement Plan	Bill processing	Completed	Established internal policy parameters requiring meter read data to be processed within one business day and bill production to be completed in one additional business day.
Improvement Plan	Corporate records	Completed	BWLLC and CCWCoLLC are AZ corporations in good standing. Docketed.
Improvement Plan	Engineering review	Completed	Contracted with engineering firm to provide written report of operational, management, and operational condition of water system infrastructure and make suggestions for improvement.
Improvement Plan	Bill statements	Completed	Redesign of bill format has been accomplished with a statement now being delivered on "stripped" paper that allows for easier recognition and faster postal processing.
Improvement Plan	ADEQ field inspection	Completed	ADEQ top-down field inspection, review, and evaluation of all Parker water systems; Inspection Report provides for Notice of Opportunities to correct conditions. BWLLC will implement corrective action within the required time periods required by Report.
Improvement Plan	Customer Service Center contact email address	Completed	Modify email contact address to <a href="mailto:CSC@bui.com">CSC@bui.com</a> as compared to a much longer more complex address
Improvement Plan	Paystation	In progress	
Improvement Plan	Asphalt patching	Completed	Evaluation is complete and preferred for future use. Based on a reference from La Paz

			County Supervisor Minor researched a street pavement patch product that allows for small patches that is fast and returns roads to service quickly.
Decision 75755	50000 gallon storage tank	Completed	The 50,000 gallon water storage tank at Circle City was taken out of service on June 28, 2017 at approximately 0730 hours to address the leaking water tank bottom that will require future repair/replacement. In the interim period, CCWCo will be able to adequately rely on the remaining 75,000 gallons of water storage which has been calculated to exceed peak day/time/month demand of customers. The existing abandoned storage tank is being assessed for repairs, replacements, or salvage opportunities.

**Customer Outreach Committee:**

<u>Reference</u>	<u>Description</u>	<u>Status</u>	<u>Comments</u>
Outreach Committee	Advisory committee	In process	Sent invitations to seven customer to form advisory committee.
Outreach Committee			
Outreach Committee			
Outreach Committee			
Outreach Committee			
Outreach Committee			

**Consumer Services Decision No. 75755 Exhibit B Implemented Metrics**

<b><u>Exhibit B Reference</u></b>	<b><u>Metric Description</u></b>	<b><u>Metric</u></b>	<b><u>Notes</u></b>
6	Average Que Time	30 seconds or less	
9	Abandonment Rate	Not more than 5 calls per day	Abandoned calls determined by customers; metric does not include abandoned call call-backs
11	Answer Rate	About 11 seconds or less	Approximately 4 rings or transfer to VM

Note: Subsequent monthly update reports shall be filed on/about the 15<sup>th</sup> of the month.

## Arizona Corporation Commission

Staff's **Twenty First** Set of Data Requests No. 21.1 through 21.29

Brooke Water, LLC Docket No. W-03039A-17-0295

June 4, 2018

(Updated June 7, 2018)

**STF 21.1** Please refer to Brooke's response to Staff's DR 14.3, and to the table below, and identify the specific post-test year plant additions by location and include a description of each specific addition with reference to the following amounts that typically are listed below by USOA plant account. For each plant account in which Brooke Water added utility plant in 2017, specifically explain the plant that was added and identify the location (utility system and street address) of the addition:

Account	Description	Adjusted Book End of Test Year (A)	Post- Test Year Plant (B)
303	Land and Land Rights	\$ 232,332	
304	Structures & Improvements	\$ 30,722	\$ 57,908
306	Lake, River, Canal Intakes	\$ 4,906	
309	Raw Water Supply Mains	\$ 1,402	
311	Pumping Equipment	\$ 128,273	
320.1	Water Treatment Plants	\$ 151,013	
330.1	Storage Tanks	\$ 121,602	\$ 186,403
330.2	Pressure Tanks	\$ -	\$ 36,550
331	Transmission & Distribution Mains	\$ 665,850	
333	Services	\$ 17,534	
334	Meters	\$ 255,683	\$ 11,584
339	Other Plant & Misc. Equipment	\$ 14,024	
340	Office Furniture & Equipment	\$ 8,571	
340.1	Computers & Software	\$ 15,008	
341	Transportation Equipment	\$ 120,947	\$ 51,168
343	Tools, Shop & Garage Equipment	\$ 16,340	
345	Power Operated Equipment	\$ 4,883	
346	Communication Equipment	\$ 5,217	
348	Other Tangible Plant	\$ 31,485	
	<b>Total</b>	<b>\$ 1,825,792</b>	<b>\$ 343,613</b>

**Response:** The Company is in the processing of collecting the information responsive to this data request and will supplement its response as soon as possible.

**Supplemental**

**Response:**

Please see attached Supplemental Detail for 2017 plant additions.

**Responder:** Ray Jones

# Brooke Water LLC

2017 Plant Acid Buys - Single-Item Invoice Detail

System	Location	Address	Description	Date	NARUC	Amount
All	Office	9079 Riverside Drive	Purchase 2017 Colorado 2WD ext cab	07/01/2017	341	25,584.00
All	Office	9079 Riverside Drive	Purchase 2017 Colorado 2WD ext cab	07/01/2017	341	25,584.00
Parker Dam	Treatment	3288 Parker Dam Road	Replace Parker Dam 5000 gallon hydropneumatic tank	07/01/2017	330.2	36,550.00
Holiday Harbor	Customer Home	37245 Marina Bay Ct. a.k.a. 37245 Bay View Lane	New Meter Installation	09/21/2017	334	2,936.38
Holiday Harbor	Customer Home	4800 Hwy 95	New Meter Installation	02/03/2017	334	2,639.68
Holiday Harbor	Customer Home	4788 Hwy 95	New Meter Installation	02/03/2017	334	1,038.90
Moovalya Keys	Estates Tank Site	9367 Upper Moovalya Estates Dr.	Cl-Vel 4" 610G combination altitude valve with 4" gate valve, adjustment nut and handwheel	08/01/2017	330.1	6,917.38
Moovalya Keys	Estates Tank Site	9367 Upper Moovalya Estates Dr.	Replace Moovalya Keys (Estates) 10,000 gallon storage tank	07/01/2017	330.1	45,313.73
Lakeside	Treatment	9943 Riverside Drive	Replace approx. 278 ft. of 8 ft. and 6 ft. x 12" concrete block wall with appropriate foundations, top rail security fencing, dirtwork, backfill, demolition.	12/01/2017	304	57,908.08
Lakeside	Treatment	9943 Riverside Drive	Replacement of portions of rusted 50,000 gallon Lakeside water storage tank, including rehabilitation and recoating	12/30/2017	330.1	47,400.00
Lakeside	Treatment	9943 Riverside Drive	Lakeside temporary storage installation and site piping needed during rehabilitation of 50,000 gal tank	12/20/2017	330.1	74,248.93
Lakeside	Treatment	9943 Riverside Drive	Purchase two reusable 5,000 gals water storage tanks for use during tank maintenance and repair operations	08/01/2017	330.1	9,922.96
Lakeside	Tank Site	Located on Arizona State Land - no address	Replace overflow piping at Lakeside 100,000 gals tank, including rehabilitation and recoating	12/30/2017	330.1	52,600.00
Lakeside	Customer Home	31509 Marine Dr.	New Meter Installation	09/25/2017	334	951.62
Lakeside	Customer Home	8540 Miraleste Shores Dr.	New Meter Installation	11/16/2017	334	4,017.44
<b>Total</b>						<b>343,613.10</b>

## Summary by NARUC Plant Account

Structures & Improvements	304	57,908.08
Storage Tanks	330.1	186,403.00
Pressure Tanks	330.2	36,550.00
Meters	334	11,584.02
Transportation Equipment	341	51,168.00
<b>Total</b>		<b>343,613.10</b>



**BW-14**



Chairman, Tom Forese  
Bob Burns  
Boyd W. Dunn  
Andy Tobin  
Justin Olson

February 9, 2018

Lauren Ferrigni  
Patrick J. Black  
FENNEMORE CRAIG, P.C.  
2394 E. Camelback Road, Suite 600  
Phoenix, Arizona 85016

**Via Email and United States Mail**

[lferrigni@fclaw.com](mailto:lferrigni@fclaw.com)  
[pblack@fclaw.com](mailto:pblack@fclaw.com)  
[RTH@brookeutilities.com](mailto:RTH@brookeutilities.com)

Robert T. Hardcastle  
Brooke Water, LLC  
P.O. Box 82218  
Bakersfield, California 93380-2218

Re: Staff's Responses to Brooke Water, LLC's Second Set of Data Requests  
Docket No. W-03039A-17-0295

Dear Ms. Ferrigni, Messrs. Black and Hardcastle:

Enclosed are Staff's Responses to Brooke Water, LLC's Second Set of Data Requests to the Arizona Corporation Commission Staff in the above-referenced matter.

Please do not hesitate to contact me if you have any questions regarding the enclosed.

Sincerely,

Maureen A. Scott  
Deputy Chief of Appeals & Litigation  
Robert W. Geake  
Staff Attorney

MAS:RWG:klc

cc (via email only):  
Barbara Alexander  
Doug Kobrick  
Ralph Smith  
Mark Dady  
Megan Cranston  
Dawn Bisdorf  
Bob Gray  
Frank Smaila  
Connie Walzak  
Al Amezcua

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S SECOND SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
FEBRUARY 9, 2018**

- 2.1 Please provide the following information for 2015, 2016 and 2017 for all public service corporations reporting, either in a rate case proceeding or other proceeding, the performance of its customer service call center, in an electronic spreadsheet with formulas and functions intact:
- a. Number of calls received from the public service corporation's customers;
  - b. Wait time to answer the call once the customer enters the queue to speak to a customer service representative expressed as Average Speed of Answer and Percentage of calls answered within 30 seconds;
  - c. Length of call;
  - d. Number of calls that received a busy signal;
  - e. The identification of the category relating to the customer's call, including billing and payment; customer service generally; rates and prices; quality of water service; request for new service; and maintenance and operation of facilities;
  - f. Whether any of the calls were recorded; and
  - g. How many customer complaints remain unresolved.

**RESPONSE:** The information requested is not collected by Staff; therefore, it is not available.

**RESPONDENT:** Connie Walczak – Public Utilities Program Manager – Utilities Division, 1200 W. Washington Street, Phoenix, Arizona 85007

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S SECOND SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
FEBRUARY 9, 2018**

- 2.2 Identify the number of full and/or part time employees available to answer calls for each of the public service corporations included in the response to DR 2.1, as well as the number of customers served by each public service corporation.

**RESPONSE:** Please see Staff's response to 2.1.

**RESPONDENT:** Connie Walczak – Public Utilities Program Manager – Utilities Division, 1200 W. Washington Street, Phoenix, Arizona 85007

- 2.3 Please provide the following information for 2015, 2016 and 2017 for the Utility Division's Consumer Services Division, in an electronic spreadsheet with formulas and functions intact:

- a. Number of calls received from the public;
- b. Wait time to answer the call once the consumer enters the queue to speak to a consumer services representative expressed as Average Speed of Answer and Percentage of calls answered within 30 seconds;
- c. Length of call;
- d. Number of calls that received a busy signal; and
- e. Any internal performance statistics tracked by the Commission with respect to the performance of its Consumer Services Division.

**RESPONSE:**

- a. Please see attachment 2.3a for the number of calls received from the public for the requested years:
  - 2015: 3,677
  - 2016: 3,197
  - 2017: 3,175

The reasons for the calls include complaints, inquiries (a consumer asks a question, then the Consumer Services Divisions provides an answer or forwards the question to the utility for the utility's response) and opinions (comments). Please note that not all calls become complaints. Additionally, the attachment includes all methods of contact (and the total number for each) made by the public.

- b. The information requested is not collected by Staff; therefore, it is not available.

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S SECOND SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
FEBRUARY 9, 2018**

- c. **The information requested is not collected by Staff; therefore, it is not available.**
- d. **The information requested is not collected by Staff; therefore, it is not available.**
- e. **The information requested is not collected by Staff; therefore, it is not available.**

**RESPONDENT: Connie Walczak – Public Utilities Program Manager – Utilities Division, 1200 W. Washington Street, Phoenix, Arizona 85007**

- 2.4 With respect to Barbara Alexander and any previous testimony she has submitted in any jurisdiction over the last 5 years (2013 – 2017) on the issue of Call Center and/or Customer Service performance, please provide the following information:
- a. The number of times she has submitted testimony on cases on behalf of clients by industry type (i.e. electric, natural gas, water);
  - b. The average number of total customers for the utility upon which she assessed call center and/or customer service performance;
  - c. Whether the location of any Call Center or Customer Service Department that was assessed for performance was an issue to the standard of performance;
  - d. Whether she has recommended in testimony that a utility physically re-locate its Call Center and/or Customer Service Department to within the state where utility service is being provided. If the answer is “yes,” please identify the utility and state involved;
  - e. All training program material on customer service quality authored by Ms. Alexander, including for international regulators in India and Brazil on behalf of the Regulatory Assistance Project.

**RESPONSE:**

- a. **Over the last five years (2013-2017), Ms. Alexander has submitted testimony on the issue of Call Center and/or Customer Service performance in the following proceedings:**
  - 1. **Direct Testimony on behalf of Canadian Office and Professional Employee's Union, Local 378, before the British Columbia Utilities Commission, Re: Fortis BC Energy, Inc. Application for Approval of a**

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S SECOND SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
FEBRUARY 9, 2018**

**Multi-Year Performance Based Ratemaking Plan for 2014 through 2018,  
Project No. 3698719 (December 2013) [Service Quality Index]**

- 2. Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania Public Utility Commission, Pennsylvania PUC v. West Penn Power, Metropolitan Edison, Penn Power, and Penelec, Dockets Nos. R-2014-2428742-2428745 (November 2014 and January 2015) [FirstEnergy rate cases: customer service; reliability of service; estimated billing protocols; proposed Storm Damage Expense Rider; tariff revisions]**
  - 3. Direct and Surrebuttal Testimony on behalf of the Office of People's Counsel before the Maryland Public Service Commission, In the Matter of the Application of Potomac Electric Power Co. for Adjustments to its Retail Rates for the Distribution of Electric Energy, Case No. 9443 (June and August 2017) [Service Quality and Reliability of Service]**
  - 4. Direct Testimony on behalf of the Washington State Office of Attorney General before the Washington Utilities and Transportation Commission, Public Counsel Unit, W.U.T.C. v. Puget Sound Energy, Dockets UE-170033 and UG-170034 (June 2017) [Base Rate Case: Service Quality Index; customer services]**
  - 5. Direct and Surrebuttal Testimony on behalf of the Office of Peoples Counsel before the Maryland Public Service Commission, In the Matter of the Merger of AltaGas Ltd. And WGL Holdings, Inc., Case No. 9449 (August and September 2017) [Merger: conditions for service quality and reliability of service]**
- b. While this information may or may not be included in her testimony, this type of information is typically provided to Ms. Alexander in the form of data responses and workpapers that are not included in her testimony since the number of customers served by the utility does not factor into the performance of the call center. Rather, call center and/or customer service performance is typically determined by the number of calls received by the call center, the percentage of calls answered within 30-40 seconds, the average speed of answering calls, busy-out rate, etc.**
- c. Not directly; however, in the testimony concerning Washington Gas Light's merger with AltaGas in Maryland, it was noted that Washington Gas Light had previously relied on call centers located in the Philippines and Canada. Washington Gas Light, however, had recently moved its call center duties to Virginia in order to serve its customers in the District of Columbia, Virginia, and Maryland.**

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S SECOND SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
FEBRUARY 9, 2018**

- d. No. In Ms. Alexander's experience, utilities have located their call centers in the State where they serve customers or in a nearby state when they serve customers in several states because the utility is a multi-state entity.**
  
- e. Please see Attachment 2.4-1 for Ms. Alexander's PowerPoint presentation for India. Ms. Alexander no longer has the electronic version of her presentation in Brazil, but she does have the handouts and materials. Due to a delay in delivery, the handouts and materials will be provided in a supplemental response as Attachment 2.4-2.**

**RESPONDENT: Barbara Alexander - Barbara Alexander Consulting LLC - 83 Wedgewood Drive, Winthrop, ME 04364**



February 13, 2018

Via Email and United States Mail

lferrigni@fclaw.com

pblack@fclaw.com

RTII@brookeutilities.com

Lauren Ferrigni  
Patrick J. Black  
FENNEMORE CRAIG, P.C.  
2394 E. Camelback Road, Suite 600  
Phoenix, Arizona 85016

Robert T. Hardcastle  
Brooke Water, LLC  
P.O. Box 82218  
Bakersfield, California 93380-2218

Rc: Staff's Supplemental Responses to Brooke Water, LLC's Second Set of Data Requests  
Docket No. W-03039A-17-0295

Dear Ms. Ferrigni, Messrs. Black and Hardcastle:

Enclosed is Staff's Supplemental Response to Brooke Water, LLC's Second Set of Data Requests to the Arizona Corporation Commission Staff in the above-referenced matter.

Please do not hesitate to contact me if you have any questions regarding the enclosed.

Sincerely,

Maureen A. Scott  
Deputy Chief of Appeals & Litigation  
Robert W. Geake  
Staff Attorney

MAS:RWG:klc

cc (via email only):  
Barbara Alexander  
Doug Kobrick  
Ralph Smith  
Mark Dady  
Megan Cranston  
Dawn Bisdorf  
Bob Gray  
Frank Smaila  
Connie Walzak  
Al Amezcua



**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S SECOND SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
FEBRUARY 13, 2018**

- 2.4 With respect to Barbara Alexander and any previous testimony she has submitted in any jurisdiction over the last 5 years (2013 – 2017) on the issue of Call Center and/or Customer Service performance, please provide the following information:
- a. The number of times she has submitted testimony on cases on behalf of clients by industry type (i.e. electric, natural gas, water);
  - b. The average number of total customers for the utility upon which she assessed call center and/or customer service performance;
  - c. Whether the location of any Call Center or Customer Service Department that was assessed for performance was an issue to the standard of performance;
  - d. Whether she has recommended in testimony that a utility physically re-locate its Call Center and/or Customer Service Department to within the state where utility service is being provided. If the answer is "yes," please identify the utility and state involved;
  - e. All training program material on customer service quality authored by Ms. Alexander, including for international regulators in India and Brazil on behalf of the Regulatory Assistance Project.

**SUPPLEMENTAL RESPONSE:**

- e. Attached hereto as Attachment 2.4-2 are Ms. Alexander's handouts and materials of her presentation in Brazil.

**RESPONDENT: Barbara Alexander - Barbara Alexander Consulting LLC - 83 Wedgewood Drive, Winthrop, ME 04364**

**BW-15**



Chairman, Tom Forese  
Bob Burns  
Boyd W. Dunn  
Andy Tobin  
Justin Olson

April 16, 2018

Patrick J. Black  
Lauren Ferrigni  
FENNEMORE CRAIG, P.C.  
2394 E. Camelback Road, Suite 600  
Phoenix, Arizona 85016

*Via Email and United States Mail*

[pblack@fclaw.com](mailto:pblack@fclaw.com)  
[lferrigni@fclaw.com](mailto:lferrigni@fclaw.com)  
[RTH@brookeutilities.com](mailto:RTH@brookeutilities.com)

Robert T. Hardcastle  
Brooke Water, LLC  
P.O. Box 82218  
Bakersfield, California 93380-2218

Re: Staff's Responses to Brooke Water, LLC's Third Set of Data Requests  
Docket No. W-03039A-17-0295

Dear Messrs. Black, Hardcastle and Ms. Ferrigni:

Enclosed are Staff's Responses to Brooke Water, LLC's Third Set of Data Requests to the Arizona Corporation Commission Staff in the above-referenced matter.

Please do not hesitate to contact me if you have any questions regarding the enclosed.

Sincerely,

Maureen A. Scott  
Deputy Chief of Appeals & Litigation  
Robert W. Geake  
Staff Attorney

MAS:RWG:klc

cc (via email only):  
Barbara Alexander  
Doug Kobrick  
Ralph Smith  
Mark Dady  
Megan Cranston  
Dawn Bisdorf  
Bob Gray  
Frank Smaila  
Connie Walzak  
Al Amezcua

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S THIRD SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
APRIL 16, 2018**

- 3.1 Please identify the last five (5) Commission Decisions requiring the installation of an interim manager/operator for the public service corporation at issue. In providing the response, please also identify:
- a. Whether the owners of the public service corporation at issue consented to the installation of an interim manager/operator;
  - b. What utility, management company or individual was installed as the interim manager/operator?
  - c. Did the interim manager/operator volunteer to act as the interim manager/operator? If not, did the Commission appoint one? and
  - d. How long did the interim manager/operator operate the public service corporation pursuant to the Commission Decision?

Please identify the last five (5) Commission Decisions requiring the installation of an interim manager/operator for the public service corporation at issue. In providing the response, please also identify:

**RESPONSE:**           **Decision No. 75871 (1-3-17) ACME Water Company**  
                              **Decision No. 74832 (11-14-14) Citrus Park Water Company**  
                              **Decision No. 74097 (9-23-13) Far West Water and Sewer Company**  
                              **Decision No. 73931 (6-27-13) Green Acres Water Company**  
                              **Decision No. 73257 (8-21-12) Tacna Water Company**

- a. Whether the owners of the public service corporation at issue consented to the installation of an interim manager/operator:

**RESPONSE:**

1. **ACME Water Company – ACME consented to an interim manager;**
2. **Citrus Park Water Company – Abandoned by owner. Owner ordered to cooperate with interim manager;**
3. **Far West Water and Sewer Company – Owner ordered to comply with ACC decisions;**
4. **Green Acres Water Company – Abandoned by owner. Ordered to cooperate with interim manager; and**
5. **Tacna Water Company – Owner ordered to obtain interim manager or Staff would. Owner contracted for interim manager.**

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S THIRD SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
APRIL 16, 2018**

- b. What utility, management company or individual was installed as the interim manager/operator?

**RESPONSE:**

1. **ACME Water Company - Walden Meadows Community Cooperative;**
2. **Citrus Park Water Company - Nancy Miller, Sunstate Environmental Services;**
3. **Far West Water and Sewer Company - Interim manager not designated;**
4. **Green Acres Water Company - Nancy Miller, Sunstate Environmental Services; and**
5. **Tacna Water Company - Nancy Miller, Sunstate Environmental Services.**

- c. Did the interim manager/operator volunteer to act as the interim manager/operator? If not, did the Commission appoint one? And

**RESPONSE:**

**Yes, in all cases where an interim manager was appointed.**

- d. How long did the interim manager/operator operate the public service corporation pursuant to the Commission Decision?

**RESPONSE:**

**There is no timeframe designated in an interim manager agreement for performance of duties designated. The agreement indicates each party, Staff and the interim manager, can terminate the agreement with a 30-day notice. For the four companies cited above that had an interim manager appointed, all four still have an interim manager in place at this time.**

**RESPONDENT: Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007**

**BW-16**



May 29, 2018

Patrick J. Black  
Lauren Ferrigni  
FENNEMORE CRAIG, P.C.  
2394 E. Camelback Road, Suite 600  
Phoenix, Arizona 85016

Via Email ONLY  
pblack@fclaw.com  
lferrigni@fclaw.com  
RTH@brookeutilities.com

Robert T. Hardcastle  
Brooke Water, LLC  
P.O. Box 82218  
Bakersfield, California 93380-2218

Re: Staff's Responses to Brooke Water, LLC's Fourth Set of Data Requests  
Docket No. W-03039A-17-0295

Dear Messrs. Black, Hardcastle and Ms. Ferrigni:

Enclosed are Staff's Responses to Brooke Water, LLC's Fourth Set of Data Requests to the Arizona Corporation Commission Staff in the above-referenced matter.

Please do not hesitate to contact me if you have any questions regarding the enclosed.

Sincerely,

Maureen A. Scott  
Deputy Chief of Appeals & Litigation  
Robert W. Geake  
Staff Attorney

MAS:RWG:klc

cc (via email only):  
Barbara Alexander  
Doug Kobrick  
Ralph Smith  
Mark Dady  
Megan Cranston  
Dawn Bisdorf  
Bob Gray  
Frank Smaila  
Connie Walzak  
Al Amezcua

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FOURTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
MAY 29, 2018**

4.1 Please provide the current resume, as well as a written summary of the educational background and work experience for each person and/or entity listed as a potential interim manager included in Exhibit RGG-18.

**RESPONSE:** Staff does not maintain a current resume for each person and/or entity contained on its list of interim managers included at Exhibit RGG-18. Staff maintains this list which includes 1) entities that have been willing to perform this function in the past, and 2) that Staff has typically worked with in the past and is familiar with. Staff selects a particular interim manager based upon a number of factors including those identified in Mr. Gray's Direct Testimony in the Question and Answer starting on page 48, line 1.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007



**BW-17**



June 6, 2018

Patrick J. Black  
Lauren Ferrigni  
FENNEMORE CRAIG, P.C.  
2394 E. Camelback Road, Suite 600  
Phoenix, Arizona 85016

Via Email ONLY  
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lferrigni@fclaw.com  
RTH@brookeutilities.com

Robert T. Hardcastle  
Brooke Water, LLC  
P.O. Box 82218  
Bakersfield, California 93380-2218

Re: Staff's Responses to Brooke Water, LLC's Fifth Set of Data Requests  
Docket No. W-03039A-17-0295

Dear Messrs. Black, Hardcastle and Ms. Ferrigni:

Enclosed are Staff's Responses to Brooke Water, LLC's Fifth Set of Data Requests to the Arizona Corporation Commission Staff in the above-referenced matter.

Please do not hesitate to contact me if you have any questions regarding the enclosed.

Sincerely,

Maureen A. Scott  
Deputy Chief of Appeals & Litigation  
Robert W. Geake  
Staff Attorney

MAS:RWG:klc

cc (via email only):  
Barbara Alexander  
Doug Kobrick  
Ralph Smith  
Mark Dady  
Megan Cranston  
Dawn Bisdorf  
Bob Gray  
Frank Smaila  
Connie Walzak  
Al Amezcua

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018**

- 5.1 Please provide all written and/or electronic communication between any member of Arizona Corporation Commission Staff ("Staff"), and individual persons and/or organizations, soliciting either written or verbal testimony, or affidavits or other written document(s), for Staff's use in the Order to Show Cause hearing or Rate Case proceeding, including but not limited to Mr. Wayne Posey of the Buckskin Sanitation District. In providing the response, please identify the Staff member making the solicitation and the person and/or organization solicited.

**RESPONSE:** Please see attached Exhibit A for electronic communications between Staff and individual persons and Exhibit B for a log of verbal communications between Staff and individual persons.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

- 5.2 Please identify all instances of verbal communications, including the date and time, between any member of Staff and any individual persons and/or organizations, soliciting either written or verbal testimony, or affidavits or other written document(s), for Staff's use in the Order to Show Cause hearing or Rate Case proceeding, including but not limited to Mr. Wayne Posey of the Buckskin Sanitation District. In providing the response, please identify the Staff member making the solicitation and the person and/or organization solicited.

**RESPONSE:** Please see response to 5.1.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

- 5.3 Please provide all written and/or electronic communication, and identify all instances of verbal communications, including date and time, between any member of the Commission Staff and customers of Brooke, seeking to solicit either public comment, written or verbal testimony, affidavit or other written document, for the Order to Show Cause hearing or Rate Case proceeding.

**RESPONSE:** Staff did not contact any customers of Brooke Water, LLC.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018**

- 5.4 Please provide all written and/or electronic communication between any member of Staff, and individual persons and/or organizations, soliciting either written or verbal testimony, or affidavits or other written document(s), for Staff's use in the Order to Show Cause hearing or Rate Case proceeding, including but not limited to any person, Board member, officer, or employee employed at Buckskin Sanitation District. In providing the response, please identify the Staff member making the solicitation and the person and/or organization solicited.

**RESPONSE:** Please see response to 5.1.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

- 5.5 Please provide all written and/or electronic communication between any member of Staff, and individual persons and/or organizations, soliciting either written or verbal testimony, or affidavits or other written document(s), for Staff's use in the Order to Show Cause hearing or Rate Case proceeding, including but not limited to King Clapperton, former Member of the La Paz County Board of Supervisors. In providing the response, please identify the Staff member making the solicitation and the person and/or organization solicited.

**RESPONSE:** Please see response to 5.1.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

- 5.6 Please provide all written and/or electronic communication between any member of Staff, and individual persons and/or organizations, soliciting either written or verbal testimony, or affidavits or other written document(s), for Staff's use in the Order to Show Cause hearing or Rate Case proceeding, including but not limited Duce Minor, current Member of the La Paz County Board of Supervisors. In providing the response, please identify the Staff member making the solicitation and the person and/or organization solicited.

**RESPONSE:** Please see response to 5.1.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018**

5.7 Please provide all written and/or electronic communication between any member of Staff, and individual persons and/or organizations, soliciting either written or verbal testimony, or affidavits or other written document(s), for Staff's use in the Order to Show Cause hearing or Rate Case proceeding, including but not limited to Tina Childers, or any person, owner, officer, or employee of CNB Excavating. In providing the response, please identify the Staff member making the solicitation and the person and/or organization solicited.

**RESPONSE:** Please see response to 5.1.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

5.8 Please provide all written and/or electronic communication between any member of Staff, and individual persons and/or organizations, soliciting either written or verbal testimony, or affidavits or other written document(s), for Staff's use in the Order to Show Cause hearing or Rate Case proceeding, including but not limited to Glenn Panaro, or other engineering representative on behalf of Buckskin Sanitation District. In providing the response, please identify the Staff member making the solicitation and the person and/or organization solicited.

**RESPONSE:** Please see response to 5.1.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

5.9 Please provide dates, times, names of Staff personnel, and copies of Staff Reports related to such visits, and purpose of such visits since October 1995 that conducted an on-site review, inspection, engineering review, or the like of Brooke Water's water systems located in Parker, AZ.

**RESPONSE:** See Staff engineering reports previously filed in Docket No. W-03039A-16-0322.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018**

5.10 Please provide the standard for water outage reporting of all Class A, B, C, and D AZ water utility companies as compared to that currently required of Brooke Water.

**RESPONSE:** Rule R14-2-407.D.  
<http://www.azcc.gov/Divisions/Utilities/OutageReportForms.asp>  
See Attachment Exhibit A Outage Form

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

5.11 Please provide the names of all persons attending the November 3, 2016 Public Comment session in Parker, AZ. including contact information, if available.

**RESPONSE:** Please see Transcript for the Public Comment Session.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

5.12 Please provide dates of any expressed concern of any health and safety violations by the Commission of any Brooke water system since October 1995.

**RESPONSE:** No reports were received prior to August 2016.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

5.13 Please provide all copies of subpoenas issued by Staff pertaining to either the Order to Show Cause hearing or Rate Case proceeding.

**RESPONSE:** See EXHIBIT C for copies of all Subpoenas issued.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018**

- 5.14 Please provide copies of all Commission Decisions or Orders that include either a finding of fact or conclusion of law that any of the Arizona water utilities managed by Mr. Hardcastle were not fit and proper entities to provide water service to customers, since 1995. In providing your response, please also identify the total number of Commission Decisions or Orders related to each of the following water utilities, Brooke Water, LLC, Circle City Water Company, LLC, Payson Water Company, Pine Water Company, Strawberry Water Company, Tonto Basin Water Company, Navajo Water Company.

**RESPONSE:**           **The Company can do its own research on this issue and should not have to rely upon the Staff to do research for it.**

**RESPONDENT:**       **Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007**

- 5.15 Please provide copies of all Commission Decisions or Order that include either a finding of fact or conclusion of law that Mr. Hardcastle does not possess the managerial, operational or technical expertise to manage any of the Arizona water utilities Mr. Hardcastle has managed since 1995. In providing your response, please also identify the total number of Commission Decisions or Orders related to each of the following water utilities, Brooke Water, LLC, Circle City Water Company, LLC, Payson Water Company, Pine Water Company, Strawberry Water Company, Tonto Basin Water Company, Navajo Water Company.

**RESPONSE:**           **The Company can do its own research on this issue and should not have to rely upon the Staff to do research for it.**

**RESPONDENT:**       **Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007**

- 5.16 Please indicate whether Bob Gray has any technical training and/or managerial experience in operating or supervising a water utility, and describe the training and experience received.

**RESPONSE:**           **Mr. Gray has been an employee of the Corporation Commission for approximately 28 years to date and has not worked for or been trained to operate a water utility.**

**RESPONDENT:**       **Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007**

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018**

5.17 Please indicate whether Ralph Smith has any technical training and/or managerial experience in operating or supervising a water utility, and describe the training and experience received.

**RESPONSE:** In general, see Attachment RCS-1 filed with Mr. Smith's Direct Testimony for a summary of his experience and education. Mr. Smith has approximately 39 years of experience with accounting and addressing regulatory issues for regulated utilities including water utilities. He has participated as a project manager and expert witness in numerous rate cases involving water utilities, including regulatory commission-ordered management audits of water and wastewater utilities. He has also taught at the Michigan State University Institute for Public Utilities Regulatory Studies Program (aka "Camp NARUC") and Advanced Regulatory Studies Program on various subjects relating to public utility regulation and utility management including financial (GAAP) accounting and regulatory account for public utilities, rate case auditing, public utility financial statement analysis and other subjects, most or all of which would apply at least in part to water utilities as well as to other types of utilities.

**RESPONDENT:** Ralph Smith, Larkin & Associates, P.L.L.C., 15728 Farmington Road, Livonia, Michigan, 48154

5.18 Please indicate whether Barbara Alexander has any technical training and/or managerial experience in operation or supervising a water utility, and describe the training and experience received.

**RESPONSE:** Ms. Alexander has not owned or operated a water utility. Ms. Alexander's expertise relates to the regulatory oversight of water utilities, particularly with respect to customer service, call center performance, reliability performance standards and operations, and service quality generally. See Staff Response to Brooke Water-2.4 and Ms. Alexander's C.V. attached to her Direct Testimony in the rate case as Exhibit BA-1.

**RESPONDENT:** Barbara Alexander, Barbara Alexander Consulting, LLC, 83 Wedgewood Drive, Winthrop, Maine 04364



**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018**

**5.19** Please indicate whether Bhaskar Kolluri has any managerial experience in operating or supervising a water utility, and describe the training and experience received.

**RESPONSE:** Bhaskar Kolluri, has three years' experience working for a private utility as an engineering project manager, his role was to manage all capital improvements projects for the utility.

**RESPONDENT:** Bhaskar Kolluri, Hazen and Sawyer, 1400 E. Southern Avenue, Suite 340, Tempe, Arizona 85282

**5.20** Please provide any and all Commission rules, regulations or standards that set forth minimum qualifications for any individual to own, manage and/or operate a water utility in Arizona for each Utility Class (A, B, C, D and E).

**RESPONSE:** The Company can do its own research on this issue and should not have to rely upon the Staff to do research for it.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

**5.21** Please provide the number of Class D water utility rate cases that each of Staff's witnesses who filed Direct Testimony in the proceeding has participated in prior to this case. In providing the number, please identify the water utility and any final Decision of the Commission.

**RESPONSE:** Bhaskar Kolluri has never provided direct testimony.

**RESPONDENT:** Bhaskar Kolluri, Hazen and Sawyer, 1400 E. Southern Avenue, Suite 340, Tempe, Arizona 85282

**RESPONSE:** Mr. Gray has not filed direct testimony in a previous Class D water utility rate case.

**RESPONDENT:** Bob Gray, Public Utilities Manager, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007

**RESPONSE:** Ms. Alexander has not previously testified in a proceeding involving a Class D water utility.

ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018

RESPONDENT: Barbara Alexander, Barbara Alexander Consulting, LLC, 83 Wedgewood Drive, Winthrop, Maine 04364

RESPONSE: For Staff witness Ralph Smith, in general, see Attachment RCS-1 filed with Mr. Smith's Direct Testimony for an illustrative listing of regulatory proceedings in which he has participated, which include water utility rate cases. The information listed in Attachment RCS-1 includes identification of the utility involved and the related regulatory proceeding but does not identify the class of the utility. While Larkin & Associates typically maintains files of testimony filed with regulatory commissions, neither the firm nor Mr. Smith maintains lists of prior water utility rate case testimony by class of the water utility. The class of the utility would not necessarily be mentioned in Mr. Smith's testimony and thus identifying the class of each prior water utility rate case would likely involve additional research which would be burdensome and time-consuming; however, it is believed that the majority of the prior water utility cases in which Mr. Smith has participated involved Class A or B water utilities. The final Decisions of the respective regulatory commissions in every water utility rate case in which Mr. Smith has participated have generally not been maintained by Larkin & Associates and therefore Mr. Smith does not have copies to provide but Decisions may be publicly available to the requestor from the respective regulatory commission. Based on information that was readily accessible in Larkin & Associates records and the limited time allotted for responding to this discovery request, we have not identified any Class D water utility rate cases in which Mr. Smith previously participated.  
[If time allows and we can identify any – include list of identified cases for Class D water utilities that were addressed in prior rate case testimony]

RESPONDENT: Ralph Smith, Larkin & Associates, P.L.L.C., 15728 Farmington Road, Livonia, Michigan, 48154

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018**

5.22 Please provide the number of informal and formal customer complaints against Brooke received by the Commission in 2018. For each informal or formal complaint received, please identify the nature of the complaint, and any resolution of same.

**RESPONSE:**           **Informal Complaint 2. Formal Complaints Zero  
See Exhibit C**

**RESPONDENT:**   **Bob Gray, Public Utilities Manager, Utilities Division, 1200 West  
Washington Street, Phoenix, Arizona 85007**

5.23 Please provide all training manuals and/or materials used by the Commission in training its consumer services representatives in the Utilities Division. Also provide the minimum qualifications required in order for an individual to be hired as a consumer services representative.

**RESPONSE:**           **Arizona Administrative Code (rules and regulations), mentor training  
with Staff, tariff reviews, database review, side by side (job shadow),  
rate case meetings, statuc reviews, rate case preparation (including  
staff memo), mediation and meter testing.**

**Minimum qualifications see Exhibit D**

**RESPONDENT:**   **Bob Gray, Public Utilities Manager, Utilities Division, 1200 West  
Washington Street, Phoenix, Arizona 85007**

5.24 Please provide all copies of any Emergency Operations Plans authored by Barbara Alexander.

**RESPONSE:**           **Ms. Alexander has not "authored" an Emergency Operations Plan.  
However, she has testified concerning the adequacy of customer service  
and customer communications with outage events, including the  
adequacy of utility Emergency Operations Plans:**

**Direct Testimony on behalf of Public Counsel and the Energy Project  
before the Washington Utilities and Transportation Commission,  
WUTC v. Puget Sound Energy, Inc., Docket Nos. UE-072300 and UG-  
072301 (May 2008) [revisions to Service Quality Index; storm cost  
recovery; fixed customer charge; low income program funding]**

**ARIZONA CORPORATION COMMISSION STAFF'S  
RESPONSE TO BROOKE WATER, LLC'S FIFTH SET OF DATA REQUESTS  
DOCKET NO. W-03039A-17-0295  
JUNE 6, 2018**

**Direct and Rebuttal Testimony on behalf of the Attorney General of the Commonwealth of Massachusetts before the Department of Public Utilities, Investigation by the Department of Public Utilities on its Own Motion into the Preparation and Response on Fitchburg Gas & Electric Co. d/b/a Unitil to the December 12, 2008 Winter Storm, D.P.U. 09-01-A (March and April 2009) [Investigation of storm restoration practices]**

**Comments on behalf of AARP before the Maryland Public Service Commission, Proposed Revisions to Reliability and Customer Service Regulations, RM 43 (November 16, 2011) (reliability performance standards and customer call center standards)**

**Direct Testimony on behalf of the Massachusetts Office of the Attorney General before the Massachusetts Department of Public Utilities, Western Massachusetts Electric Co. 2011 Winter Storm Investigation, Docket No. D.P.U. 11-119-C (March 9, 2012) (Analysis of communications with customers and state and local officials in storm restoration)**

**Comments on behalf of AARP before the Public Service Commission of the District of Columbia, Notice of Proposed Rulemaking, Major Event Outage Restoration Plans, Formal Case No. 766, 982, 991, and 1002 (May 29, 2012) [Regulatory reporting requirements for major event outage restoration plans]**

**Comments on behalf of AARP before the Maryland Public Service Commission, In the Matter of the Electric Service Interruptions in the State of Maryland due to the June 29, 2012 Derecho Storm, Case No. 9298 (September 10, 2012) [Analysis of customer communications in major storm restoration for Pepco and BGE]**

**Direct and Surrebuttal Testimony of Barbara Alexander before the Maryland Public Service Commission on behalf of the Office of Peoples Counsel, In the Matter of the Merger of AltaGas Ltd. And WGL Holdings, Inc., Case No. 9449 (August and September 2017) [Merger: conditions for service quality and reliability of service]**

**RESPONDENT: Barbara Alexander, Barbara Alexander Consulting, LLC, 83 Wedgewood Drive, Winthrop, Maine 04364**

# EXHIBIT A

**Robert Geake**

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**From:** Robert Geake  
**Sent:** Thursday, May 31, 2018 1:23 PM  
**To:** CNB.PM@msn.com  
**Subject:** Brooke Water, LLC: ACC Order to Show Cause Proceedings

*This message is for Tina Childers.*

*Tina, I left a voice mail for you today about appearing at the Commission hearings, as you and I have discussed.*

*In the interest of time, Staff will be having a subpoena for your attendance served on you in the near future, for your appearance on June 13, 2018.*

*We would very much like to talk to you before your appearance; and, of course, if this date will not work for you, please let me know ASAP.*

*Telephone numbers for me are [REDACTED] or my cell number, [REDACTED]*

*Hope to hear from you soon; thanks!*

**Robert Geake**

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**From:** Robert Geake  
**Sent:** Friday, May 18, 2018 4:24 PM  
**To:** 'wayne.posey@bsdsewer.org'  
**Subject:** Brooke Water, LLC: 17-0295: information needed for Order to Show Cause Hearing

*Mr. Posey, if you could please send me whatever contact information you can for King Clapperton, and Tina Childers of CNB Excavating, I would really appreciate it, it will be very helpful for Staff in preparing its case for the OSC proceeding.*

*Thanks very much, and have a good weekend.*

## Robert Geake

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**From:** Robert Geake  
**Sent:** Tuesday, May 22, 2018 10:50 AM  
**To:** wayne.posey@bsdsewer.org; CNB.PM@msn.com  
**Subject:** Brooke Water OSC Schedule

*Mr. Posey and Ms. Childers:*

*It looks like the dates for the Commission's OSC hearings for Brooke Water will begin on June 11, off June 12 and 13, then continue for possible witnesses like yourself on the week of June 18. I will know the exact dates later today.*

*Anyway, this will give you some idea as to when Staff may be calling you as witnesses in this case, in case we do.*

*I'll send you more information when it is available.*

**From:** Maureen Scott  
**Sent:** Tuesday, May 22, 2018 9:24 AM  
**To:** Elijah Abinah <EAbinah@azcc.gov>; James Armstrong <JArmstrong@azcc.gov>; Bob Gray <BGray@azcc.gov>; 'Rsmithla' <rsmithla@aol.com>; 'Barbara Alexander' <barbalex@ctel.net>; Gerald Becker <GBecker@azcc.gov>; Connie Walczak <CWalczak@azcc.gov>; Al Amezcua <Aamezcua@azcc.gov>  
**Cc:** Robert Geake <RGeake@azcc.gov>; Michele Finical <MFinical@azcc.gov>  
**Subject:** Brooke OSC Schedule

Here is the schedule we will be proposing at the Procedural Conference today: Begin hearing on Friday, June 8. Take public comment and perhaps start the hearing with public comment and any procedural issues. The evidentiary portion of the Hearing would begin June 11<sup>th</sup>. We would have to start with Bob Gray and Bhaskar. We will also be issuing subpoenas for witnesses to appear. We will fill in with those witnesses. June 12 would be off for the Open Meeting. On the 14<sup>th</sup> Ralph would go. The 15<sup>th</sup> would be a fill in day. Barbara would go on Monday the 18<sup>th</sup>. Please let me know your thoughts as soon as possible. Thank you.

**Maureen A. Scott**  
Deputy Chief – Litigation & Appeals  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007  
(602) 542-3402 (office)  
[mscott@azcc.gov](mailto:mscott@azcc.gov)  
[www.azcc.gov](http://www.azcc.gov)



**Robert Geake**

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**From:** Robert Geake  
**Sent:** Monday, May 21, 2018 4:49 PM  
**To:** Crystal Stewart  
**Cc:** Maureen Scott; Michele Finical; Connie Walczak; Al Amezcua  
**Subject:** Brooke Water Co, LLC: Order to Show Cause Hearing: Subpoenas

Tracking:	Recipient	Delivery	Read
	Crystal Stewart	Delivered: 5/21/2018 4:49 PM	Read: 5/22/2018 8:09 AM
	Maureen Scott	Delivered: 5/21/2018 4:49 PM	
	Michele Finical	Delivered: 5/21/2018 4:49 PM	Read: 5/22/2018 7:52 AM
	Connie Walczak	Delivered: 5/21/2018 4:49 PM	Read: 5/22/2018 7:20 AM
	Al Amezcua	Delivered: 5/21/2018 4:49 PM	

*Crystal, Wayne Posey with Buckskin Canyon Sanitary District just sent me what he believes is a good address (I believe it's the address of a residence) for King Clapperton:*

**[REDACTED]**

**[REDACTED]**

**Robert Geake**

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**From:** Robert Geake  
**Sent:** Monday, May 21, 2018 4:37 PM  
**To:** 'WAYNE POSEY'  
**Subject:** RE: Brooke Water, LLC: Docket W-03039A-17-0295: Order to Show Cause Proceeding

*Thanks, Mr. Posey; I also found the number I had for Mr. Clapperton was the same number you had, and has been disconnected.*

*I did call the Clerk's Office of the La Paz County Board of Supervisors, spoke to Joy, and she said that Mr. Clapperton's daughter is the La Paz County treasurer. I tried to reach her by telephone, she was at lunch and has not returned my call but her assistant told me that Mr. Clapperton has relocated to the Prescott area; if Skull Valley is near Prescott, that would click. Also, I believe I may have mentioned in an email to you today that I had located Ms. Childers in Dewey, AZ, where CB Excavating has relocated, and I spoke to her this morning to confirm her contact information. I learned about Mr. Clapperton possibly relocating to a location now perhaps near to Ms. Childer's business, and emailed her to see if she might know where he is located now; no response yet to my email. So, perhaps I will hear from Mr. Clapperton's daughter, or from Ms. Childer's, later this week, and be able to confirm Mr. Clapperton's address.*

*Thanks very much for your help, and I'll keep you posted on my progress.*

*Also, tomorrow, or shortly after that, I should know the date of the Order to Show Cause hearing concerning Brooke Water. I'll keep you posted on that, also.*

*Have a good week.*

From: WAYNE POSEY [mailto:wayne.posey@buckskinsanitarydistrict.org]  
Sent: Monday, May 21, 2018 4:24 PM  
To: Robert Geake <RGeake@azcc.gov>; wayne.posey@bsdsewer.org  
Subject: RE: Brooke Water, LLC: Docket W-03039A-17-0295: Order to Show Cause Proceeding

Good afternoon Robert

The phone numbers we had wa [REDACTED] but I called it and it has been disconnected. You may want to try La Paz County Board of Supervisor Office and they may have a good number for you.

I have two addresses for King Clapperton,

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

However, I don't believe he is still living here in Parker and may be at his Skull Valley address.

Thank you

Wayne Posey  
[REDACTED]  
[REDACTED]  
[REDACTED]

***An Equal Opportunity Employer and Provider***

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request this form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov)

From: Robert Geake <RGeake@azcc.gov>  
Sent: Monday, May 21, 2018 8:41 AM  
To: wayne.posey@bsdsewer.org  
Subject: Brooke Water, LLC: Docket W-03039A-17-0295: Order to Show Cause Proceeding

*Mr. Posey and Pam:*

*With Pam's help this morning, I was able to track down and speak to Tina Childers this morning, and I now have her address, phone number and email. So, if you are able to help me in tracking down Mr. Clapperton, that should do it for now.*

*Thanks for your help, and have a good week and Memorial Day weekend.*

**Robert Geake**

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**From:** WAYNE POSEY <wayne.posey@buckskinsanitarydistrict.org>  
**Sent:** Monday, May 21, 2018 4:24 PM  
**To:** Robert Geake; wayne.posey@bsdsewer.org  
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Good afternoon Robert

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I have two addresses for King Clapperton,

[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

However, I don't believe he is still living here in Parker and may be at his Skull Valley address.

Thank you

Wayne Posey

[REDACTED]  
[REDACTED]  
[REDACTED]

***An Equal Opportunity Employer and Provider***

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request this form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov)

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*Thanks for your help, and have a good week and Memorial Day weekend.*

**Robert Geake**

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*Thanks very much, and have a good weekend.*



**Robert Geake**

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**To:** 'wayne.posey@bsdsewer.org'  
**Subject:** Brooke Water, LLC: 17-0295: Information needed for Order to Show Cause Hearing

*Mr. Posey, if you could please send me whatever contact information you can for King Clapperton, and Tina Childers of CNB Excavating, I would really appreciate it, it will be very helpful for Staff in preparing its case for the OSC proceeding.*

*Thanks very much, and have a good weekend.*

**Robert Geake**

---

**From:** Tina Childers <tina@cnbexcavating.com>  
**To:** Robert Geake  
**Sent:** Monday, May 21, 2018 12:05 PM  
**Subject:** Read: Brooke Water, LLC: ACC Docket 17-0295: Order to Show Cause Proceeding

Your message

To: Tina Childers  
Subject: Brooke Water, LLC: ACC Docket 17-0295: Order to Show Cause Proceeding  
Sent: Monday, May 21, 2018 12:01:21 PM (UTC-08:00) Pacific Time (US & Canada)

was read on Monday, May 21, 2018 12:05:21 PM (UTC-08:00) Pacific Time (US & Canada).

**Robert Geake**

---

**From:** Tina Childers <tina@cnbexcavating.com>  
**To:** Robert Geake  
**Sent:** Monday, May 21, 2018 12:05 PM  
**Subject:** Read: Brooke Water, LLC: ACC Docket No. W-03039A-17-0295

Your message

To: Tina Childers  
Subject: Brooke Water, LLC: ACC Docket No. W-03039A-17-0295  
Sent: Monday, May 21, 2018 8:37:33 AM (UTC-08:00) Pacific Time (US & Canada)

was read on Monday, May 21, 2018 12:04:46 PM (UTC-08:00) Pacific Time (US & Canada).

5.10  
Outage Form

## 5.10 Exhibit A

# Arizona Corporation Commission Water Outage Form

Complete form electronically, click email address or submit button below:

[outage@azcc.gov](mailto:outage@azcc.gov)

REPORTING DATE	REPORTING TIME	REPORTED BY
COMPANY NAME		PHONE NUMBER

### TIME OF OUTAGE

OFF DATE	OFF TIME	
WHERE		
GEOGRAPHIC LOCATION OF COMPANY		
CAUSE		
ACTION TAKEN		
CUSTOMERS	DURATION	ON TIME

### ADDITIONAL INFORMATION

WHO DAMAGED UTILITY'S PROPERTY
COMMENTS



Clear Form

# EXHIBIT B

Telephone Calls re Brooke Water, LLC OSC Proceeding (all calls placed by Robert Geake, unless otherwise indicated):

1. May 18, 2018: call to Wayne Posey at Buckskin Sanitary District
2. May 21, 2018:
  - a. Call to La Paz County Bd. Of Supervisor's Office, spoke to Joy, trying to obtain contact info for former Supervisor King Clapperton
  - b. Call to Tina Childers at CNB Contracting
  - c. Call to La Paz County Treasurer trying to get contact info for King Clapperton
  - d. Call to Wayne Posey at Buckskin San District re any reports from CNB Contracting
3. Staff (Maureen, Bob Gray, Michele, RWG left messages for Duce Minor (County Supervisor), King Clapperton, Dale Allred, David Allred, Tina Childers, Wayne Posey and Jason Gellman (re EPCOR employees) ).
4. Call from Duce Minor to Maureen Scott, Michele Finical, Robert Geake
5. Call from Robert Geake and Michele Finical, June 4, 2018, and June 6, 2018 to David Allred
6. Call from King Clapperton, June 6, 2018 to Robert Geake and Michele Finical
7. June 6, 2018, Robert Geake left 2 messages for Tina Childers
8. June 6, 2018, Robert Geake and Michele Finical left message for Emory Layton

5.11

Transcript  
for Public Comment  
Session



## 5.11 (Exhibit B)

Valerie Hinson  
36950 Sunset Ave  
Parker AZ 85344  
928-667-4606

Don Alexandeer  
PO Box 5305  
Parker AZ 85344  
360-460-4650

Linda Fraser  
31554 Compass Rd  
Parker AZ 85344  
928-667-2383

Dca Famdrey  
31804 Rio Vista  
Parker AZ 85344  
928-667-4654

Elizabeth Kiss  
10073 Harbor View Rd  
Parker AZ 85344  
928-667-2015

Casino Beach Storage  
Judy Whitehead  
7914 Riverside Dr  
Parker AZ 85344

Colleen Colgan  
7876 Riverside Dr  
Parker AZ 85344  
714-269-9610

George Clark  
37310 Rio Grande Vista  
Parker AZ 8544  
928-667-5643

Cindie Douglas  
10582 Fenton Dr  
Parker AZ 85344

Gene Ohlendorf  
10096 Marina Loop  
Parker AZ 85344  
928-667-7289

Errol Antuna  
6626 Riverside Dr  
Parker Strip AZ 85344  
909-782-8968

Craig Lush  
31924 Treasure Rd  
Parker AZ 85344  
928-503-2959

Tina Childers  
915-492-8070

Tom Mosher  
8535 Beton Shores Dr  
Parker AZ 85344  
949-939-2560

Rodd Paelstra  
6865 Bonnie Dr  
Parker AZ 85344  
928-667-7027

Terry Watss  
31532 Marine  
Parker AZ 85344

King E Clapperton  
Supervisor District - 2

Paul Hellenberg (DEMA)  
5636 E McDowell  
Phoenix AZ

John Gutekunst  
726 Kofa Ave  
Parker AZ 85344  
928-575-7634

Mark & Jeanette R Thompson  
37163 Rio Grande Vista  
Parker AZ 85344  
928-667-3279

David Plunkett  
8832 Riverside Dr  
Parker AZ 85344  
928-667-3333

George D Stanley  
6942 Ocotillo Ave  
Parker AZ 85344  
928-667-3595

letter in writing  
Marty & Jan Kallemeyn  
9425 River Dr  
Parker AZ 85344  
714-722-4390

# **EXHIBIT C**

1 BEFORE THE ARIZONA CORPORATION COMMISSION

2 COMMISSIONERS

3 TOM FORESE – Chairman  
4 BOB BURNS  
5 ANDY TOBIN  
6 BOYD DUNN  
7 JUSTIN OLSON

8 IN THE MATTER OF THE APPLICATION OF  
9 BROOKE WATER, LLC, AN ARIZONA  
10 LIMITED LIABILITY COMPANY, FOR A  
11 DETERMINATION OF THE FAIR VALUE OF  
12 ITS UTILITY PLANTS AND PROPERTY  
13 AND FOR INCREASES IN ITS WATER  
14 RATES AND CHARGES FOR UTILITY  
15 SERVICE BASED THEREON.

DOCKET NO. W-03039A-17-0295

ADMINISTRATIVE SUBPOENA

12 TO: King Clapperton  
13 12585 W. Windmill Road  
14 Skull Valley, Arizona 86338

15 YOU ARE HEREBY COMMANDED, pursuant to A.R.S. §§ 40-241, 40-244, A.A.C. R14-3-  
16 109 and Ariz. R. Civ. P. 30 and 45, to appear and testify under oath in connection with the  
17 administrative hearing in the above-captioned action.

18 BEFORE WHOM APPEARANCE TO BE MADE: Arizona Corporation Commission

19 DATE AND TIME OF APPEARANCE: June 18, 2018 at 9:00 am

20 PLACE OF APPEARANCE: The Arizona Corporation Commission  
21 1200 West Washington Street  
22 Phoenix, Arizona 85007

23 YOU ARE COMMANDED to appear and give testimony concerning:

- 24 - Your knowledge and experience with Brooke Water, LLC, as well as, the issues  
25 brought to your attention by your constituents.

27 Persons with a disability may request a reasonable accommodation such as a sign language  
28 interpreter, as well as request this document in an alternative format, by contacting Kacie Cannon,  
Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail  
[kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the  
accommodation.

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YOU HAVE BEEN SUBPOENAED BY: Utilities Division Staff  
c/o Legal Division  
1200 West Washington Street  
Phoenix, Arizona 85007  
Telephone: (602) 542-3402  
e-mail: rgeake@azcc.gov  
msscott@azcc.gov

DISOBEDIENCE OF THIS SUBPOENA constitutes contempt of the Arizona Corporation Commission and may subject you to further proceedings and penalties under law, pursuant to A.R.S. § 40-424.

Given under by hand the seal of the Arizona Corporation Commission this 1<sup>ST</sup> day of JUNE, 2018.

  
\_\_\_\_\_  
Ted Vogt, Executive Director  
Arizona Corporation Commission

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail kcannon@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE – Chairman  
BOB BURNS  
ANDY TOBIN  
BOYD DUNN  
JUSTIN OLSON

IN THE MATTER OF THE APPLICATION OF  
BROOKE WATER, LLC, AN ARIZONA  
LIMITED LIABILITY COMPANY, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANTS AND PROPERTY  
AND FOR INCREASES IN ITS WATER  
RATES AND CHARGES FOR UTILITY  
SERVICE BASED THEREON.

DOCKET NO. W-03039A-I7-0295

ADMINISTRATIVE SUBPOENA

TO: Taylor Hains  
c/o Jason Gellman  
EPCOR Water Company  
2355 W. Pinnacle Peak, Suite 300  
Phoenix, Arizona 85027

YOU ARE HEREBY COMMANDED, pursuant to A.R.S. §§ 40-241, 40-244, A.A.C. R14-3-109 and Ariz. R. Civ. P. 30 and 45, to appear and testify under oath in connection with the administrative hearing in the above-captioned action.

BEFORE WHOM APPEARANCE TO BE MADE: Arizona Corporation Commission

DATE AND TIME OF APPEARANCE: June 14, 2018 at 9:00 am

PLACE OF APPEARANCE: The Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

YOU ARE COMMANDED to appear and give testimony concerning:

- Your experience and observations in working with Brooke Water, LLC in August 2016 in repairing its water systems

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

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YOU HAVE BEEN SUBPOENAED BY: Utilities Division Staff  
c/o Legal Division  
1200 West Washington Street  
Phoenix, Arizona 85007  
Telephone: (602) 542-3402  
e-mail: rgeake@azcc.gov  
msscott@azcc.gov

DISOBEDIENCE OF THIS SUBPOENA constitutes contempt of the Arizona Corporation Commission and may subject you to further proceedings and penalties under law, pursuant to A.R.S. § 40-424.

Given under by hand the seal of the Arizona Corporation Commission this 15<sup>th</sup> day of June, 2018.

  
\_\_\_\_\_  
Ted Vogt, Executive Director  
Arizona Corporation Commission

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail kcannon@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- TOM FORESE – Chairman
- BOB BURNS
- ANDY TOBIN
- BOYD DUNN
- JUSTIN OLSON

IN THE MATTER OF THE APPLICATION OF BROOKE WATER, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-03039A-17-0295

ADMINISTRATIVE SUBPOENA

TO: Don Long  
c/o Jason Gellman  
EPCOR Water Company  
2355 W. Pinnacle Peak, Suite 300  
Phoenix, Arizona 85027

YOU ARE HEREBY COMMANDED, pursuant to A.R.S. §§ 40-241, 40-244, A.A.C. R14-3-109 and Ariz. R. Civ. P. 30 and 45, to appear and testify under oath in connection with the administrative hearing in the above-captioned action.

BEFORE WHOM APPEARANCE TO BE MADE: Arizona Corporation Commission

DATE AND TIME OF APPEARANCE: June 14, 2018 at 9:00 am

PLACE OF APPEARANCE: The Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

YOU ARE COMMANDED to appear and give testimony concerning:

- Your experience and observations in working with Brooke Water, LLC in August 2016 in repairing its water systems.

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

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YOU HAVE BEEN SUBPOENAED BY: Utilities Division Staff  
c/o Legal Division  
1200 West Washington Street  
Phoenix, Arizona 85007  
Telephone: (602) 542-3402  
e-mail: rgeake@azcc.gov  
mscott@azcc.gov

DISOBEDIENCE OF THIS SUBPOENA constitutes contempt of the Arizona Corporation Commission and may subject you to further proceedings and penalties under law, pursuant to A.R.S. § 40-424.

Given under by hand the seal of the Arizona Corporation Commission this 1<sup>st</sup> day of June, 2018.

  
\_\_\_\_\_  
Ted V. Vgt, Executive Director  
Arizona Corporation Commission

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail kcannon@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE – Chairman  
BOB BURNS  
ANDY TOBIN  
BOYD DUNN  
JUSTIN OLSON

IN THE MATTER OF THE APPLICATION OF  
BROOKE WATER, LLC, AN ARIZONA  
LIMITED LIABILITY COMPANY, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANTS AND PROPERTY  
AND FOR INCREASES IN ITS WATER  
RATES AND CHARGES FOR UTILITY  
SERVICE BASED THEREON.

DOCKET NO. W-03039A-I7-0295

ADMINISTRATIVE SUBPOENA

TO: Duce Minor  
La Paz County Board of Supervisors  
1108 Joshua Avenue  
Parker, Arizona 85344

YOU ARE HEREBY COMMANDED, pursuant to A.R.S. §§ 40-241, 40-244, A.A.C. R14-3-109 and Ariz. R. Civ. P. 30 and 45, to appear and testify under oath in connection with the administrative hearing in the above-captioned action.

BEFORE WHOM APPEARANCE TO BE MADE: Arizona Corporation Commission

DATE AND TIME OF APPEARANCE: June 15, 2018 at 9:00 am

PLACE OF APPEARANCE: The Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

YOU ARE COMMANDED to appear and give testimony concerning:

- Your knowledge and experience with Brooke Water, LLC, as well as, the issues brought to your attention by your constituents

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

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YOU HAVE BEEN SUBPOENAED BY: Utilities Division Staff  
c/o Legal Division  
1200 West Washington Street  
Phoenix, Arizona 85007  
Telephone: (602) 542-3402  
e-mail: rgcake@azcc.gov  
msscott@azcc.gov

DISOBEDIENCE OF THIS SUBPOENA constitutes contempt of the Arizona Corporation Commission and may subject you to further proceedings and penalties under law, pursuant to A.R.S. § 40-424.

Given under by hand the seal of the Arizona Corporation Commission this 17 day of JUNE, 2018.

  
\_\_\_\_\_  
Ted Vogt/Executive Director  
Arizona Corporation Commission

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail kcannon@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE – Chairman  
BOB BURNS  
ANDY TOBIN  
BOYD DUNN  
JUSTIN OLSON

IN THE MATTER OF THE APPLICATION OF  
BROOKE WATER, LLC, AN ARIZONA  
LIMITED LIABILITY COMPANY, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANTS AND PROPERTY  
AND FOR INCREASES IN ITS WATER  
RATES AND CHARGES FOR UTILITY  
SERVICE BASED THEREON.

DOCKET NO. W-03039A-I7-0295

ADMINISTRATIVE SUBPOENA

TO: Wayne Posey  
Buckskin Canyon Sanitary District  
8832 Riverside Drive  
Parker, Arizona 85344

YOU ARE HEREBY COMMANDED, pursuant to A.R.S. §§ 40-241, 40-244, A.A.C. R14-3-109 and Ariz. R. Civ. P. 30 and 45, to appear and testify under oath in connection with the administrative hearing in the above-captioned action.

BEFORE WHOM APPEARANCE TO BE MADE: Arizona Corporation Commission

DATE AND TIME OF APPEARANCE: June 13, 2018 at 9:00 am

PLACE OF APPEARANCE: The Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

YOU ARE COMMANDED to appear and give testimony concerning:

- Your experience as District Manager of Buckskin Sanitary District working with Brooke Water, LLC personnel; your assessment of its systems, plants and operations.

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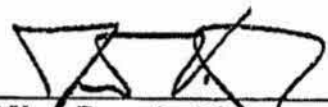
Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

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YOU HAVE BEEN SUBPOENAED BY: Utilities Division Staff  
c/o Legal Division  
1200 West Washington Street  
Phoenix, Arizona 85007  
Telephone: (602) 542-3402  
e-mail: [rgcake@azcc.gov](mailto:rgcake@azcc.gov)  
[msscott@azcc.gov](mailto:msscott@azcc.gov)

DISOBEDIENCE OF THIS SUBPOENA constitutes contempt of the Arizona Corporation Commission and may subject you to further proceedings and penalties under law, pursuant to A.R.S. § 40-424.

Given under by hand the seal of the Arizona Corporation Commission this 1<sup>st</sup> day of June, 2018.

  
\_\_\_\_\_  
Ted Vogt, Executive Director  
Arizona Corporation Commission

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE - Chairman  
BOB BURNS  
ANDY TOBIN  
BOYD DUNN  
JUSTIN OLSON

IN THE MATTER OF THE APPLICATION OF  
BROOKE WATER, LLC, AN ARIZONA  
LIMITED LIABILITY COMPANY, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANTS AND PROPERTY  
AND FOR INCREASES IN ITS WATER  
RATES AND CHARGES FOR UTILITY  
SERVICE BASED THEREON.

DOCKET NO. W-03039A-I7-0295

ADMINISTRATIVE SUBPOENA

TO: David Allred  
4173 S. 249<sup>th</sup> Drive  
Buckeye, Arizona 85326

YOU ARE HEREBY COMMANDED, pursuant to A.R.S. §§ 40-241, 40-244, A.A.C. R14-3-109 and Ariz. R. Civ. P. 30 and 45, to appear and testify under oath in connection with the administrative hearing in the above-captioned action.

BEFORE WHOM APPEARANCE TO BE MADE: Arizona Corporation Commission

DATE AND TIME OF APPEARANCE: June 13, 2018 at 9:00 am

PLACE OF APPEARANCE: The Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

YOU ARE COMMANDED to appear and give testimony concerning:

-Your employment with Brooke Water, LLC, the nature of your responsibilities, your knowledge of the system and operations, your interactions with Mr. Hardcastle and affiliated utilities.

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

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YOU HAVE BEEN SUBPOENAED BY: Utilities Division Staff  
c/o Legal Division  
1200 West Washington Street  
Phoenix, Arizona 85007  
Telephone: (602) 542-3402  
e-mail: [rgeake@azcc.gov](mailto:rgeake@azcc.gov)  
[mScott@azcc.gov](mailto:mScott@azcc.gov)

DISOBEDIENCE OF THIS SUBPOENA constitutes contempt of the Arizona Corporation Commission and may subject you to further proceedings and penalties under law, pursuant to A.R.S. § 40-424.

Given under by hand the seal of the Arizona Corporation Commission this 15<sup>th</sup> day of JUNE, 2018.

  
\_\_\_\_\_  
Ted Vogt, Executive Director  
Arizona Corporation Commission

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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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE – Chairman  
BOB BURNS  
ANDY TOBIN  
BOYD DUNN  
JUSTIN OLSON

IN THE MATTER OF THE APPLICATION OF  
BROOKE WATER, LLC, AN ARIZONA  
LIMITED LIABILITY COMPANY, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANTS AND PROPERTY  
AND FOR INCREASES IN ITS WATER  
RATES AND CHARGES FOR UTILITY  
SERVICE BASED THEREON.

DOCKET NO. W-03039A-I7-0295

**ADMINISTRATIVE SUBPOENA**

TO: **Emory Layton**  
**1490 S. Price Road**  
**Chandler, Arizona 85286**

YOU ARE HEREBY COMMANDED, pursuant to A.R.S. §§ 40-241, 40-244, A.A.C. R14-3-109 and Ariz. R. Civ. P. 30 and 45, to appear and testify under oath in connection with the administrative hearing in the above-captioned action.

BEFORE WHOM APPEARANCE TO BE MADE: Arizona Corporation Commission

DATE AND TIME OF APPEARANCE: June 15, 2018 at 9:00 am

PLACE OF APPEARANCE: The Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

YOU ARE COMMANDED to appear and give testimony concerning:

- Your findings enumerated in the Brooke Water LLC Engineer Site Assessment dated June 16, 2017, EWL Project No. 2017-0201

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 Kacie Cannon, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

1 YOU HAVE BEEN SUBPOENAED BY: Utilities Division Staff  
2 c/o Legal Division  
3 1200 West Washington Street  
4 Phoenix, Arizona 85007  
5 Telephone: (602) 542-3402  
6 e-mail: rgeake@azcc.gov  
7 mscott@azcc.gov

8 DISOBEDIENCE OF THIS SUBPOENA constitutes contempt of the Arizona Corporation  
9 Commission and may subject you to further proceedings and penalties under law, pursuant to  
10 A.R.S. § 40-424.

11 Given under by hand the seal of the Arizona Corporation Commission this 1<sup>ST</sup> day of  
12 JUNE, 2018.

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14 \_\_\_\_\_  
15 Ted Vogt, Executive Director  
16 Arizona Corporation Commission

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accommodation.



5.22

Formal/Informal  
Complaint

## 5.22 Exhibit C

Complaint No. 1

### **Nature of Complaint**

In the first week of November 2017 my water meter box was and still is underwater. so I called brookes water Inc. they sent a tech. out and said it was my side to repair valve. I contacted a plumber who said it was their valve that needs repair or replace. now two months later as water runs down street like a small creek and huge water bills. I have not gotten a solution to water meter issues. Michael Trumble.

Please advise, has the Company checked Mr. Trumble's meter box to determine where his leak is coming from? If on the customer side where is the leak exactly coming from?  
Please contact the customer.

### **Company Response**

No response from Brooke Water LLC or Mr. Bob Hardcastle.

Consumer Service received the following: 2/22/18 A v/m from Mr. Trumble. He stated that Brooke came right out and fix his meter box.

Complaint No. 2

### **Nature of Complaint**

Re: Brooke Water, LLC application for increased water rates

To Whom It May Concern,

May 21, 2018

This letter is in opposition of Brooke Water, LLC's application for increased water rates. I have only been a customer of Brooke Water for six months and I am extremely dissatisfied with their service. I am also shocked that the ACC has seemingly allowed this level of substandard service from a public utility. Have experienced construction delays, service discrepancies and overbilling.

I have been following the history of Brooke Water's poor service history through news outlets in Parker, AZ. The complaints detailed gross overbilling, poor water quality, water shut-offs and the customers' inability to contact a live person on the telephone. Knowing this, I prepared myself for these issues so I decided to start my construction project early.

I purchased a dirt lot in Parker, AZ in May, 2016. I began to establish my infrastructure by having a water meter installed. I called customer service to set up an installation and spoke to Alex in Costa Rica. I asked to speak to someone in Parker but he informed me that I could not talk with anyone in Parker.

Therefore, I began my correspondence with Alex via email in July, 2017.

CONSTRUCTION DELAYS: Alex was not able to answer any of my technical questions so he had to call the technician in Parker. When Alex finally responded back to me, I quickly understood that Alex

did not understand construction. I repeatedly asked him if I may talk with the technician directly but Alex stated that he could not allow that. This added to my construction delays and my frustration. Finally, I received a return telephone call from Dale on 9-27-2018. Dale is a Brooke Water employee in Parker. We spoke at length about my project and he informed me that I needed a "relocation" of a water meter, not an "installation." Dale informed me that a nearby, now defunct, 2" water meter belonged to me. This 2" water meter was not on my property and I learned that it used to provide water to a trailer park. Dale informed me that Brooke Water would have to charge me to 'relocate' this 2" water meter, even though I was having a new 1" meter installed on my property. When asked, Dale told me that the relocation fee would be approximately \$500.00.

Dale told me that there is a difference between a 'relocation' and an 'installation.' A meter relocation is simply moving an existing meter from one part of the property to another and the customer is charged a fee. A meter installation is simply installing a new meter where there is no meter for the property and the new customer is not charged. He also told me that my next-door neighbor(s) were not charged because their lots did not have a meter for their respective properties.

**SERVICE DISCREPANCIES:** Alex at Brooke Water told me that I needed to set up a Brooke Water account in order to move forward with the installation. Additionally, he told me that the estimate for the installation was \$1,488.00 and I needed to submit a deposit in this amount in order to start the work.

Dale told me the estimate would be one-third that price. I felt as if I my hands were tied and I had no option. To prevent my project from being delayed any further, I gave in by submitting my deposit and creating a new-customer Brooke Water account.

I lost confidence in Brooke Water so I asked Alex if I may be present during the 'relocation' of my new 1" water meter. Alex told me that he would have to talk to Dale in Parker. Again, this delayed my project while I waited for a return telephone call. Dale finally returned my call and he agreed to set up the appointment. My new 1" water meter was installed on January 15, 2018. I was present and watched them remove the defunct 2" meter from the trailer park next door and install my new 1" meter.

In March, 2018 I received two letters from Brooke Water related to State Water System ID# 15-027. I was informed that the TTHMs exceeded an acceptable maximum contaminant level (MCL). I was also informed that the reason future water test results were not received in a timely manner was because the samples were lost in the mail. All of this is unacceptable.

**OVERBILLING:** I received my first bill and noticed that I was charged twice for an "establishment fee." I was also charged fees for a 2" meter, not a 1" meter. On my second bill I noticed that I was charged for a 2" meter AND a 1" meter. I called Alex and he stated he would correct the bills and send me a new one. On my third bill Alex corrected the fee for the second bill but I was not credited enough for the first bill.

I tried to contest the 'relocation' fees [\$1,488.00] but Brooke Water does not have a system in place for these complaints. Alex informed me that I could submit my complaint to him but he did not have the authority to reverse the charges, nor could he direct me to someone who could. I will continue to work on this problem.

I have spoken to several Brooke Water customers in the Parker area. I have yet to find anyone who is satisfied with the service that Brooke Water provides. I was also informed that if I complain about Brooke Water, I may experience a level of service considerably worse than I have already received. I feel that the potential of retaliation is deeply concerning, especially for a public utility.

In the event that this letter becomes public record, I am not attaching my name, telephone number or account information. However, if anyone from the Arizona Corporation Commission would like to contact me, I will include a confidential contact letter with this letter.

Respectfully submitted,  
Unhappy Brooke Water customer

**Nature of Complaint**

Pending investigation

## 5.23 Exhibit D

### Job Summary

This job exists to provide expert customer service to Arizona consumers who are unable to resolve disputes with regulated utilities. Other duties are to provide research and analytical support to other sections of the Commission, requiring a broad knowledge of regulation relating to gas, electric, water, wastewater and telephone utilities.

### Major Responsibilities/Essential Functions

Function
Responds to complex, technical telephone calls, consumer letters, emails and faxes. Meets with consumers in person on an individual basis. Investigates and provides a written response to Commissioners and other Wing referrals.
Reviews, analyzes and researches applications made by utilities for rate case filings and commission matters. Attends meetings relating to filings, such as Sufficiency, Progress & Recommendations, Hearings, Open Meetings, Public Comment Meetings and tariff reviews.
Mediates and arbitrates complex issues and disputes between consumers and regulated utilities, schedules location and all parties involved either in office or teleconference.
Develops training material and determines best practices as office and tariff requirements change. Assists in training and mentoring newer analysts.
Prepares written correspondence, reports and memorandums for the Commission. Researches, evaluates and interprets evidence to produce recommendations for compliance with Arizona Revised Statutes, Commission Orders, Arizona Administrative Code, and approved utility company tariffs. Testifies under oath before an administrative law judge at public hearings to defend and support recommendations.
Conducts on-site field investigations into issues associated with water, wastewater, gas, electric and telephone services.
Other duties as assigned as related to the position (typically 5% - 10%)

### Decision Making Authority

Select One  Interprets policies and procedures

### Knowledge, Skills, and Abilities (KSAs)

Knowledge	Skill	Ability
<ul style="list-style-type: none"> <li>- Thorough understanding of Arizona Constitution, Arizona Revised Statutes, Commission Orders, Arizona Administrative Code and utility company tariffs</li> <li>- Research techniques related to highly complex assignments associated with curtailments and moratoriums</li> <li>- Knowledge of principles and practices of work leadership in training that includes managing multiple projects, meeting deadlines and achieving objectives.</li> <li>- Knowledge of techniques and methods of preliminary investigative practices as they apply to interviewing and gathering information.</li> <li>- Knowledgeable in receiving and implementing constructive criticism for resolution of consumer disputes.</li> <li>- Knowledgeable in arranging and conducting town hall meetings conducive to specific utility company issues.</li> </ul>	<ul style="list-style-type: none"> <li>- Skills in performing analysis and investigations of water, wastewater, electric, gas and telecommunication complaints and resolving such complaints.</li> <li>- Skills in developing creative solutions to controversial regulatory issues.</li> <li>- Skills in conducting mediations for consumer complaints.</li> <li>- Skills in clearly and concisely explaining and supporting the Utilities Division's findings and recommendations, both verbally and in writing, to non-technical persons</li> <li>- Skills in thoroughly documenting all work in Consumer Services Database.</li> <li>- Skills in properly prioritizing assigned projects in a manner that will allow those projects to be adequately and thoroughly investigated/analyzed, while still meeting required timelines</li> <li>- Skills in reviewing tariff filings by the utility companies to assure compliance with Commission rules, regulations and decisions</li> <li>- Skills in public speaking and effective oral/written communications.</li> <li>- Skills in evaluating utility companies' claims, determining the need for and nature of additional data to complete complaints</li> <li>- Intermediate PC software skills in MicroSoft Office and Windows applications</li> </ul>	<ul style="list-style-type: none"> <li>- Ability to multi task in a fast paced regulatory and non-regulatory work environment</li> <li>- Ability to work in a team environment with most cases having an assigned Engineer, Consumer Services Analyst, Attorney and Accounting/Financial subject matter expert</li> <li>- Ability to attend and/or conduct public comment meetings.</li> <li>- Problem solving abilities in variable situations requiring analytical, interpretive, evaluative, and/or constructive thinking within broadly defined policies and objectives</li> </ul>

**BW-18**

## **Data Request Summary**

### **W-03039A-17-0295**

*In the matter of the application of Brooke Water, LLC, an Arizona limited liability company, for a determination of the fair value of its utility plants and property and for increases in its water rates and charges for utility service based thereon.*

As of June 1, 2018, Brooke Water, LLC has provided a response to approximately 272 questions, or 482 questions including subparts, which have been asked by Staff via its 22 data requests.

#### **Staff's DRs:**

##### **No. 1—**

- **Total Number of Questions: 40**
- **Rate-making Questions (7): 1.1; 1.2; 1.3; 1.4; 1.5. 1.27; 1.40.**
- **Brooke/Affiliates Organization/Ownership Interest/Structure/Staffing (3): 1.6; 1.7; 1.8.**
- **Lightstorm/Call Center Questions (11): 1.9; 1.10; 1.11; 1.12; 1.13; 1.14; 1.15; 1.16; 1.18; 1.20; 1.22.**
- **Customer Complaints (3): 1.19; 1.28; 1.30.**
- **Emergency Operations Plan/System (6): 1.17; 1.21; 1.29; 1.31; 1.32; 1.33.**
- **Disconnection notice (3): 1.34; 1.35; 1.36.**
- **Payment Processing (4): 1.23; 1.24; 1.25; 1.26.**
- **Other Questions (3): 1.37; 1.38; 1.39.**

##### **No. 2—**

- **Total Number of Questions: 1 (3 with subparts)**
- **Rate-making Questions (1): 2.1.**

##### **No. 3—**

- **Total Number of Questions: 2**
- **Lightstorm/Call Center Questions (2): 3.1; 3.2.**

##### **No. 4—**

- **Total Number of Questions: 1**
- **Contract/Formal Agreement (1): 4.1.**

**No. 5—**

- **Total Number of Questions:** 40 (75 with subparts)
- **Ratemaking Questions (15):** 5.19; 5.20; 5.21; 5.22; 5.23; 5.24; 5.25; 5.26; 5.27; 5.28; 5.29; 5.30; 5.31; 5.32; 5.33.
- **Contract/Formal Agreement (2):** 5.1; 5.2.
- **Lightstorm/Call Center Questions (9):** 5.3; 5.4; 5.5; 5.6; 5.7; 5.8; 5.9; 5.10; 5.14.
- **Staffing/Employee (2):** 5.34; 5.35.
- **Diners Club Charges (7):** 5.11; 5.12; 5.13; 5.15; 5.16; 5.17; 5.18.
- **Tax (5):** 5.36; 5.37; 5.38; 5.39; 5.40.

**No. 6—**

- **Total Number of Questions:** 9 (17 with subparts)
- **Lightstorm/Call Center Questions (6):** 6.1; 6.2; 6.4; 6.5; 6.8; 6.9.
- **Tax (2):** 6.3; 6.6.
- **Jaco Oil Charges (1):** 6.7.

**No. 7—**

- **Total Number of Questions:** 2
- **Lightstorm/Call Center Questions (2):** 7.1; 7.2.

**No. 8—**

- **Total Number of Questions:** 14 (30 with subparts)
- **Lightstorm/Call Center Questions (12):** 8.1; 8.2; 8.3; 8.4; 8.5; 8.6; 8.7; 8.8; 8.9; 8.10; 8.11; 8.12.
- **Jaco Oil (2):** 8.13; 8.14.

**No. 9—**

- **Total Number of Questions:** 10 (27 with subparts)
- **Ratemaking Questions (2):** 9.9; 9.10.
- **Lightstorm/Call Center Questions (5):** 9.1; 9.2; 9.6; 9.7; 9.8.
- **Tax (2):** 9.3; 9.4.



- **Jaco Oil Charges (1):** 9.5.

**No. 10—**

- **Total Number of Questions:** 4 (6 with subparts)
- **Ratemaking/Certificated Service Area Questions (4):** 10.1; 10.2; 10.3; and 10.4.

**No. 11—**

- **Total Number of Questions:** 11 (44 with subparts)
- **Ratemaking Questions (4):** 11.1; 11.2; 11.6, 11.11.
- **Lightstorm/Call Center Questions (1):** 11.3.
- **Jaco Oil Charges (2):** 11.4; 11.5.
- **Diners Club Charges (3):** 11.7; 11.8; 11.9.
- **Other (1):** 11.10.

**No. 12—**

- **Total Number of Questions:** 4 (16 with subparts)
- **Ratemaking Questions (4):** 12.1; 12.2; 12.3; 12.4.

**No. 13—**

- **Total Number of Questions:** 5 (7 with subparts)
- **Ratemaking Questions (1):** 13.5.
- **Lightstorm/Call Center Questions (4):** 13.1; 13.2; 13.3; 13.4.

**No. 14—**

- **Total Number of Questions:** 4 (24 with subparts)
- **Ratemaking Questions (3):** 14.1; 14.2; 14.3.
- **Bob Hardcastle Employment (1):** 14.4

**No. 15—**

- **Total Number of Questions:** 5 (19 with subparts)
- **Accounting Questions (2):** 15.1; 15.2.
- **Tax Questions (3):** 15.3; 15.4; 15.5.

**No. 16—**

- **Total Number of Questions: 35**
- **Brooke/Affiliates Organization/Ownership Interest Questions (12):** 16.1; 16.2; 16.3; 16.4; 16.8; 16.14; 16.19; 16.31; 16.32; 16.33; 16.34; 16.35.
- **Robert Hardcastle Scope of Employment/Ownership Questions (13):** 16.6; 16.7; 16.9; 16.10; 16.11; 16.12; 16.13; 16.15; 16.16; 16.17; 16.20; 16.21; 16.30.
- **Lightstorm/Call Center Questions (7):** 16.5; 16.18; 16.22; 16.23; 16.24; 16.25; 16.26.
- **Credit Card/Cash Payment Facilities (3):** 16.27; 16.28; 16.29.

**No. 17—**

- **Total Number of Questions: 2 (14 with subparts)**
- **Rate-making Questions (6):** 17.1(a, b, c, d, e, h).
- **Brooke/Affiliates Organization Questions (2):** 17.1(f, g).
- **Robert Hardcastle Scope of Employment/Ownership Questions (6):** 17.2.

**No. 18—**

- **Total Number of Questions: 27 (46 with subparts)**
- **Brooke/Affiliates Organization Questions (10):** 18.1; 18.2; 18.3; 18.4; 18.5(a-c); 18.7; 18.16; 18.20.
- **Robert Hardcastle Scope of Employment/Ownership Questions (20):** 18.6; 18.11(b); 18.15(a-c); 18.17; 18.19; 18.21(a-e); 18.22(a, b); 18.23(a-f).
- **Lightstorm/Call Center Questions (11):** 18.10; 18.11(a, c, d, e); 18.12; 18.13; 18.14; 18.25; 18.26; 18.27.
- **Credit Card/Cash Payment Facilities (3):** 18.8; 18.9; 18.24.
- **Basis for attorney-client privilege(1):** 18.18.

**No. 19—**

- **Total Number of Questions: 10 (22 with subparts)**
- **Jaco Oil Company Financials (9):** 19.1(a-d); 19.3((a)(i), (b)(i), and (c)).
- **Lightstorm costs/ allocation (5):** 19.2(a, b); 19.4; 19.7; 19.8.
- **Market Builder Inc. costs (1):** 19.6.
- **Outage Report Compliance/Monthly Update Reports (6):** 19.9(a-c); 19.10 (a-c).

- **Other (1):** 19.5.

**No. 20—**

- **Total Number of Questions:** 7
- **Plant Additions/Adequacy Infrastructure Investments (2):** 20.1; 20.2.
- **Ownership of Brooke/Affiliates in The MarketBuilder, Inc. (5):** 20.3; 20.4; 20.5; 20.6; 20.7.

**No. 21—**

- **Total Number of Questions:** 29 (32 with subparts)
- **Plant Additions/Construction Budgets (2):** 21.1; 21.3.
- **Operations Manager Contract/Technical and Managerial Qualifications of Owners and Operators (5):** 21.2; 21.7; 21.8; 21.9; 21.18.
- **Jaco Oil Co. Employee identification/affiliation with Bob Hardcastle (3):** 21.4; 21.5; 21.16.
- **Robert Hardcastle salary/Brooke owners annual dividends (2):** 21.17; 21.29.
- **Robert Hardcastle Linked-In Profile (5):** 21.20 a & b; 21.21; 21.22; 21.23.
- **Lightstorm Employee identification/affiliation with Bob Hardcastle/Brooke (10):** 21.6; 21.10; 21.11; 21.12; 21.13; 21.14; 21.15; 21.24; 21.25; 21.26.
- **Layton Report Engineering Deficiencies (3):** 21.19; 21.27; 21.28.

**No. 22—**

- **Total Number of Questions:** 10 (13 with subparts)
- **Scope of Patrick Giles Employment for Brooke (14):** 22.1 through 22.10.