

ORIGINAL

Portal I & II Homeowners' Association
At Pine Creek Canyon
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Pine, AZ 85544



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W-035124-03-0279

Mr. William Mundell
Chairman
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission
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Dear Mr. Mundell,

This letter is addressed to the Corporation Commission's decision at an open meeting on December 9, 2002, (Decision #65435), regarding new water meter connections and new main extensions to serve new connections in the Pine/Strawberry Area. Your order allowed 25 new water connections per month in the area after January 2003. As a result of information, meetings, and seminars it has become evident to the residents of the area that any further connections to the inadequate water supply would seriously impact the area in regard to fire danger and available water supply. It was noted at the open meeting on December 9th by one of the Commissioners that the order being handed down by the Commission was putting a band aid on the situation and the matter would be back for reconsideration, although he reluctantly voted with the Commission for the 25 connections per month. He was right! The matter must be reconsidered. The Commission asked their staff to look into the matter before the open meeting and make recommendations. Their first recommendation was that Decision #64400 be modified to **zero for both new meter connections and new main extensions to serve new connections**. The recommendation went on to say that this was primarily due to the ongoing water shortage problem experienced by Pine Water. They went on to say that, to date, no long-term reliable water source has been developed by Pine Water. At a public meeting held in Pine last summer, the Chief Hydrologist for the Arizona Department of Water Resources stated that the Pine area has been experiencing water shortage problems since the 1950s. It was the Staff's opinion, that until Pine Water develops a long-term permanent water source, adding new connections to the system would only make a critical water supply situation even worse. We are in total agreement with the Staff's assessment and recommendations. Last January the Arizona Republic ran 3 front-page Special Report articles "Can we Weather the Drought" The bottom line of the articles is that Arizona does not have enough water! Governor Napolitano has declared a state of emergency with regard to the fire danger in our forests and has asked the federal government for help. In her press conference, the Governor said "Pine and Strawberry, we hear you," with reference to our concerns for the fire danger in our area. On May 21, Channel 5 ran a special report on the drought in Arizona.

It ran for about 20 minutes and concluded that Arizona will continue to be in drought conditions for at least the next five years. In an effort to save their homes from the inevitable fire danger, homeowner associations and residents are spending thousands of dollars removing dead pine trees resulting from the bark beetle infestation caused by the lack of water. Portals II have spent \$70,000 to remove dead trees from just the common areas of the subdivision. One just has to look at the dead and dying trees in the Arizona forest to see the vast amount of fuel just waiting to burn. The residents need all the existing water to preserve their homes and their way of life. Many residents are investing in water storage tanks in an effort to assure themselves of water because they are convinced that they will run out in the summer. They are fireproofing their homes by removing trees and brush from the perimeter of their homes, all this at considerable cost. We are doing our part. We now need your help. The investments and lives of hundreds of people in the Pine/Strawberry area depend on the Corporation Commission's decisions. Reconsider your decision of December 9, 2002. We recognize the dilemma of those who bought in the area in years past in good faith and believe they should be granted water connections.

Below you find the signatures of the area residents who subscribe to the above request. We thank you for taking the time to consider this request and hope you will consider the urgency of the request.

Respectfully,
Board of Directors,

Ray Broderick
President

John Humphrey
Vice President

Jerry Ferguson
Secretary

Dennis Gayman
Treasurer

Chuck Walker
Chairman Architectural Committee

Bill Drury
Architectural Committee

Doug Reeves
Assistant to Board