

Docket No 4



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Portal I & II Homeowners' Association
At Pine Creek Canyon
P.O. Box 1535
Pine, AZ 85544

Phone: (928) 468-0858 ** Fax: (928) 468-0858

E-Mail: portalshoa@earthlink.net

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W-03512A-03-0279

CORP COMMISSION
DOCUMENT CONTROL

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

Arizona Corporation Commission
DOCKETED

AUG 07 2003

DOCKETED BY *CM*

June 6, 2003

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

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JEFF HATCH-MILLER
MIKE GLEASON



JAMES G. JAYNE
Interim Executive Secretary

ARIZONA CORPORATION COMMISSION

August 6, 2003

Portal Homeowners Association
Post Office Box 1535
Pine, Arizona 85544

Dear Board of Directors:

Thank you for taking the time to write and voice your concerns on issues that will be addressed in the pending rate application for Pine Water Company. Your letter of June 6, 2003 has been placed in the official file with the Docket Control Center, (Docket No. W-03512A-03-0279) of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the Pine Water Company application.

Customer issues such as rates, water supply, meter connections, significant plant additions and operating expenses are factors that will be reviewed during the processing of the rate application. An inventory of plant facilities is conducted to assure the facilities ability to provide adequate service at reasonable rates.

Based on the information reflected on the pending matters report, a hearing is scheduled for December 15, 2003 at 10:00 a.m. at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken prior to the start of the hearing. Also, customers have the opportunity to intervene in the rate case, or if they wish, they can request a public comment meeting to be held in their community. Hopefully customers will take this opportunity and make their comments known on record.

If you should have any further questions or need additional information on the pending rate case, please do not hesitate to contact me. You can call the Commission's toll free number at 1-800-222-7000 and ask for my extension 0847.

Sincerely,

A handwritten signature in cursive script that reads "Joan Ruf".

Joan Ruf
Consumer Analyst
Utilities Division

JAR:hml
Cc: Docket File, W-03512A-03-0279
Harold C. anf Lucille A. White

Lanny,

PORTAL HOMEOWNERS' ASSOCIATION
P.O. BOX 1535
PINE, AZ 85544
TELEPHONE: (928) 468-0858
FAX: (928) 468-0858

*Please see
me.
Steve*

FAX COVER SHEET

SEND TO: NAME: Hercules Tallas

COMPANY: Arizona Cop Commission

FAX: (602) 542-0752

FROM: NAME: Portal 111 Homeowners Assoc.
Donna Gallon

A total of 3 pages will be transmitted, including this cover letter.

If you do not receive all the pages, or copy is not legible, please call us.

Thank you

Date: Aug 4 2003

Items transmitted: I just received a p/c from
a property owner of the Portal, Harold
White. Mr White said you indicated
that you never received this letter
mailed June 6, 2003.

From: Harold & Lucile White <hcwlaw@imap4.asu.edu>
 To: ACC_DOMAIN.ADMIN_PO(WMundell),CC.SMTP("portalshoa@earthlink.net")
 Date: Tue, Jul 22, 2003 4:59 PM
 Subject: Water at Pine, AZ

1 not ch anymore
 2 Just back from vacation

From Harold C. and Lucile A. White
 2020 E. Alameda Dr.
 Tempe, AZ 85282-4002
 480-968-0026

To Mr. William Mundell, Chairman
 Arizona Corporation Commission

We are writing at the request of the Portal Homeowners Association concerning the water situation in the Pine, AZ area. We welcome the opportunity

We have been Tempe, AZ residents for thirty-seven years. The reason for our writing: We have owned a vacation home in the Portals in Pine Arizona for over ten years. Prior to that, for six years, we rented space in Pine for a mobile home.

Over the sixteen years we have been associated with Pine, there has been a water problem. There have been inefficient, if not dishonest, managements in a series of water companies. There have been not occasions when water had to trucked to Pine so that residents could take their containers to be filled - for washing, flushing their toilets, etc.

We wish we had kept a paper trail, but, assuming there were those in elected and appointed positions who took their jobs seriously and would keep their word, we now depend on our rather reliable memories.

The community has made appeals to the Gila County Commission without success. Again, one wonders of the incompetency or dishonesty of some or all of the Commissioners. Approximately eight years ago, one of the Commissioner came to a town meeting in Pine to respond to a complaint that a new subdivision had been approved and a road was being built. When it was suggested that the Commissioner should look at the property which was only a mile from the meeting, he refused stating that a road could not be possible because the Commission had not given approval. The primary developer of that development was the owner of one of the water companies serving Pine which went out of business prior to this situation. Subsequently, for this development, he was removed by the other investors. However, that development continues.

Several years ago, representatives of the State concerning water use meet at another town meeting and they explained how the geological formation of the area on the slope below the Rim could not sustain large quantities of water over an extended period. Rain and snow run off did not create ground water, but, because of the uprising of the earth to the Rim, the result was of underground "rivers" rather than permanent "lakes." There is little if any permanent underground water.

The current water company, in our estimation, appears to being doing the most professional job since we have been involved. There are repairing

water lines which seemed to be a low priority of those who came before.
We are disappointed that they are not doing anything about which we are aware to provide storage for the underground "rivers" as they flow through the area.

Frequently, and daily during Summer, the water company provides an e-mail update of the available water capacity. They also report delays in service if a line is being repaired.

They also provide, rather frequently, an announcement of interrupted service for the installation of new lines. Somewhere out there is a requirement that only a set amount of new lines are to be installed per month. However, the building and hook ups go on unabated. Obviously the water company increases its revenue with each hook up.



There might be a question of whether some Phoenix area permanent resident is being deprived of "Constitutional Rights" in not having a vacation home in the mountains. While new structures are continually being build around Pine, there are existing structures that are available for sale. One realitor informed us that, at any given time, one-third of the properties are available for sale.

There also should be a question if permanent residents in Pine and surrounding areas have a "Constational Right" right to claim they were there first and have a right to the water that was adequate when they arrived. Some of the residents had ancestors who settled in the area well over a hundred years ago. We have determined that we will not use our Pine property when the water level is low - we must have some rights here and our property has been developed for over eighteen years.

Among its various good faith activities to alleviate the Pine area water problem, the Portal Homeowners' Association has moved its traditional Annual Membership Meeting from Labor Day to mid-October.

The State has the data, the Gila Commissioners have demonstrated a lack of support for the concern of the area, the problem continues to grow.

The Portal Homeowners' Association has notified us on July 14 that you had not responded to their June correspondence to the Commission. As an elected representative, we are disappointed.

Ya' gotta' do something - and now.

Respectively,

Hal and Lucy

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This message and any attachments have been scanned for viruses and other malicious content by the Arizona Corporation Commission. The message may have been altered by the removal of malicious content.

If you have any questions, please contact