06 Docket No. WS-02156A-00-0321
Docket No. WS-02156A-00-0323

Arizona Corporation Commission
DOCKETED
FEB 01 2001
DOCKETED BY

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19025 C. Al
Rio Verde, Ariz. 85263-17225

Jan. 29, 2001

ORIGINAL

RECEIVED
2001 FEB -1 A 9:58
ARIZONA CORPORATION COMMISSION
AZ CORP COMMISSION
DOCUMENT CONTROL
RECEIVED
JAN 31 2001
Director of Utilities

Dear Ms. Roy

Re: Rio Verde Utilities Inc.
Rate Increase 80% water
" " 37% sewer rent

When a developer of land for residential purposes, undertakes this procedure, the usual process involves incorporating the costs, of sewer, water, roads and engineering into the price structure of the lots. As per exhibit regarding the sales price of the developer lots, these prices indicate this was done.

When we purchased our lot in Rio Verde in 1994, we were not told by Rio Verde Development that we would be burdened, with costs involved in future development of the area. Since the purchase of our lot and construction of our home in 1995, Rio Verde Development Inc. has developed Tonto Verde, and currently on the board is Vista Verde.

Prior to the purchase of our lot, we made inquiry regarding the supply and quality of the water. We were assured that seven wells would amply supply water for Rio Verde.

Dusky

II

They did not mention Tanta Verde, Vista Verde or any other development. Rio Verde development has in mind to burden us further.

The expansion and development of all this land broadens and enhances the revenue base, thereby off-setting the need for monetary relief.

I've enclosed several exhibits relating to the activities taking place in Rio Verde, and Tanta Verde.

We plan on attending the rate hearing in Feb. 2001, please keep me apprised, as to the exact date.

Sincerely

Joey Dusky

Dolores Dusky

480-471-2512

Jan. 29, 2001

Dear Joan

How timely for the rate increase request.

Ian. We are starting our plans to get water & sewer to the site.

Docket No. WS-02156A-00-0323

Docket No. WS-02156A-00-0323

19025 C. Glandra Way
Rio Verde, Ariz. 85263-7225
Jan. 29, 2001

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RIO VERDE & TONTO VERDE

2001 looks like year of continued growth

The year 2000 was a year of growth for Verde area and that is expected to continue into 2001, according to Rio Verde Services representatives.

"2000 was a busy exciting year for our area," sales manager and broker Dwight Futrelle said. "Resale sales, new home sales new home construction and lot sales continued at a brisk pace and in line with expectations."

Tonto Verde continued to sell at an accelerated pace leaving the developer looking closely at plans for the new Vista Verde development.

Vista Verde would be the third community developed in the area and would be located on the north side of Rio Verde Drive west of Forest Road.

Rio Verde Development President Dave Ritchie said he expects the Vista Verde master plan to go to the County Board of Supervisors for approval within the first two or three months of 2001.

"We hope to be moving dirt around up there a little bit by late summer or early fall," Ritchie said.

The developer has applied for its drainage and disturbance permit from the U.S. Army Corps of Engineers and that is expected to go into the publishing stage by February, Ritchie said.

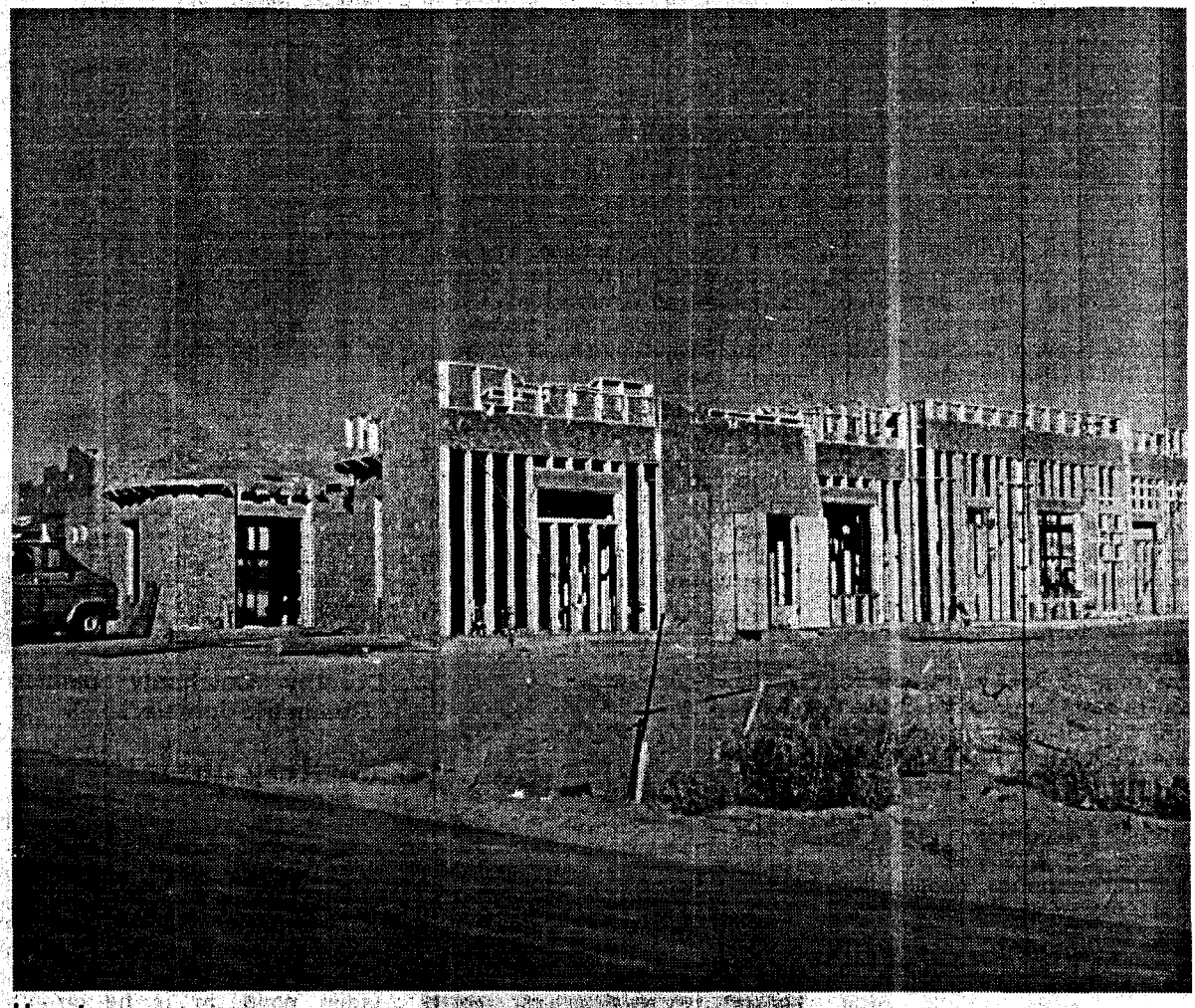
"We are starting on our plans to get water and sewer to the site," he said.

Once the main entitlement approvals are received the developer will begin design on the initial plats and the golf course.

Futrelle said the new Rio Verde Estates at Forest and McDowell Mountain Roads had seven residents move in during 2000. Construction at that site included three custom homes and six townhouses.

Verde Village at Rio Verde has four townhouse units completed with one resident.

"Plans for completion of the additional units as well as other improvements for the development are underway," Futrelle said.



Housing construction at the Verde communities continues at its boom pace into 2001.

Several new homes were completed in Rio Verde during the past year, and there was also a good year in the resale market, according to Futrelle.

"Sales and home construction continued in Tonto Verde at a very fast pace."

Of 63 townhouses that will be built in Unit VII at Tonto Verde, 24 have been sold and there are 18 spec units available for quick move-in.

New townhouse plans and county approval for Unit XI, the last in Tonto Verde, is expected within the first 90 days of 2001, Futrelle said. Construction is planned to begin by mid-year.

In Tonto Verde at this time there are seven resale homes available, five spec houses and one model for sale.

"We expect 2001 to be another excellent overall year for our Verde communities," Futrelle said.

In order to meet the needs in a growing community, Rio Verde Services has applied for a rate increase for its utility operations.

Ritchie said the developer has received the report prepared the Rio Verde Community Association, which is intervening the rate case on behalf of residents.

The developer will be replying to that in the next couple weeks.

The utility has also received the reports from the Corporation Commission staff and RUCO the Residential Utility Consumer's Office.

Ritchie said he believes the commission will set a hearing the rate request for February 2001.

Tonto Verde

RESALE LOTS		Sq. Ft. Size	Finished Floor Elevation	List Price	Est. Lot Prep.	On/Off Golf Course
370		22,500		$ 125,000		off
122		17,966	1662.0	$ 135,000		on
381	S/P	16,788	1601.0	$ 165,000		on
218		16,913	1639.0	$ 169,000		on
130		19,808	1667.0	$ 179,000		on
380		21,008		$ 190,000		on
320		21,092	1677.5	$ 207,000	$ 5,900	off
236	S/P	18,000	1628.5	$ 227,500	$ 9,452	on
529		16,675		$ 245,000		on
250		16,924	1635.5	$ 272,000	$ 13,000	on
408	S/P	18,900		$ 280,000		on
402		18,220		$ 289,000		on
248		22,733		$ 325,000		on
396		16,980	1601.5	$ 325,000	$ 3,500	on
247		22,734	1629.5	$ 395,000		on

DEVELOPER LOTS				Cash Price	Est. Lot Prep	
413	S/P	20,664	1598.0	$ 105,000	$ 10,332	Off
414	MODEL	26,518	1600.0	$ 125,000	$ 8,604	On
415	MODEL	23,176	1601.0	$ 130,000	$ 4,944	On
416	MODEL	19,434	1598.0	$ 110,000	$ 9,960	Off
430		16,546	1550.0	$ 300,000	$ 4,000	Off
431		16,515	1554.5	$ 300,000	$ 4,000	Off
433	S/P	21,215	1557.0	$ 275,000	$ 10,384	On
434		17,274	1556.5	$ 185,000	$ 9,000	On
435		16,627	1556.5	$ 165,000	$ 5,000	On
447	S/P	17,325	1577.0	$ 165,000	$ 4,000	Off
454		21,025	1579.0	$ 145,000	$ 6,500	On
456	S/P	19,810	1577.5	$ 150,000	$ 4,000	Off
457		16,227	1574.5	$ 140,000	$ 5,000	Off
458		17,089	1573.0	$ 155,000	$ 5,000	Off
462		17,650	1576.5	$ 160,000	$ 4,000	Off
463	S/P	17,154	1573.5	$ 160,000	$ 4,000	Off
468		17,606	1575.0	$ 150,000	$ 4,000	Off
469		16,727	1572.0	$ 150,000	$ 4,000	Off
470		16,675	1570.0	$ 150,000	$ 4,000	Off
486		16,675	1572.5	$ 160,000	$ 5,000	On
487		17,242	1569.0	$ 155,000	$ 5,000	On
488	S/P	17,919	1569.0	$ 115,000	$ 6,000	Off
489		17,250	1566.5	$ 115,000	$ 5,000	Off
490	S/P	17,250	1563.5	$ 115,000	$ 6,000	Off
495		18,975	1557.0	$ 200,000	$ 9,800	On
496		24,808	1557.0	$ 210,000		On
499		21,146	1550.0	$ 350,000	$ 4,000	Off
500		29,455	1555.0	$ 350,000	$ 4,000	Off

501		31,764	1555.0	$ 360,000	$ 4,000	Off
502		22,388	1553.5	$ 175,000	$ 4,000	Off
503		36,251	1551.0	$ 365,000	$ 4,000	Off
504	S/P	32,821	1550.0	N/A	$ 4,000	On
506		24,114	1553.0	$ 195,000	$ 4,000	Off
509	S/P	23,349	1574.5	$ 180,000	$ 4,000	On
510	R	16,847	1571.0	$ 115,000	$ 4,000	Off
511		17,250	1567.5	$ 115,000	$ 4,000	Off
512		17,250	1565.5	$ 115,000	$ 5,000	Off
513		17,250	1563.5	$ 115,000	$ 5,000	Off
514	S/P	17,202	1561.5	$ 115,000	$ 5,000	Off
524		18,424	1578.0	$ 160,000	$ 5,000	On
530		16,675	1564.5	$ 180,000	$ 4,000	On
535		21,412	1555.0	$ 200,000	$ 4,000	On
536		18,760	1555.0	$ 195,000	$ 4,000	On
537		17,250	1555.0	$ 190,000	$ 4,000	On
538		18,117	1554.5	$ 195,000	$ 4,000	On
539		21,026	1555.0	$ 160,000	$ 4,000	On
541		16,675	1559.0	$ 145,000	$ 5,000	On
543		16,675	1563.0	$ 160,000	$ 4,000	On
544		16,675	1565.0	$ 160,000	$ 4,000	On
545		16,675	1568.0	$ 160,000	$ 4,000	On
551		21,593	1554.0	$ 375,000	$ 4,000	On
552		19,879	1555.0	$ 365,000	$ 4,000	On
553		19,924	1554.0	$ 365,000	$ 4,000	On
554		19,969	1554.5	$ 365,000	$ 4,000	On
555		21,013	1554.5	$ 365,000	$ 4,000	On
556		20,258	1556.5	$ 365,000	$ 4,000	On
557		21,103	1558.0	$ 365,000	$ 4,000	On
558		20,148	1559.0	$ 365,000	$ 4,000	On
559		20,193	1558.5	$ 365,000	$ 4,000	On
560		20,237	1558.0	$ 350,000	$ 4,000	On
561		20,282	1558.0	$ 350,000	$ 4,000	On
562		20,437	1558.0	$ 335,000	$ 4,000	On
563		20,499	1558.5	$ 325,000	$ 4,000	On
564		17,237	1583.0	$ 125,000	$ 9,892	On
565		16,671	1582.5	$ 125,000	$ 5,000	On
568		16,662	1583.0	$ 125,000	$ 4,000	On
570		16,675	1581.0	$ 140,000	$ 4,000	On

S/P Sale Pending

All items believed to be correct, but not guaranteed. Prices subject to change without notice.

*** Requires Compaction Report (See EDF)**

Rio Verde Country Club

Quail Run Re-Turfing Progress Recap

Work Schedule:

Event:	Bermuda Kill	Acid Teatment	Soil Preparation	Hydro Sprigging	Sod & Rework	Completion
Date:	9/30/96	5/7/97	5/12/97	5/20/97 – 6/9/97 – 6/25/97	8/1/97	11/1/97
Actual:						

Expenditures:

Actual: $344,363

Target: $375,000

New wells supplement irrigation water supply

Work is nearing completion on a new water well to supply Rio Verde Utilities and the growing needs for the community.

The well, being drilled near the utility's tank site off Tonto Trail, is the second of two water well projects the company completed this spring.

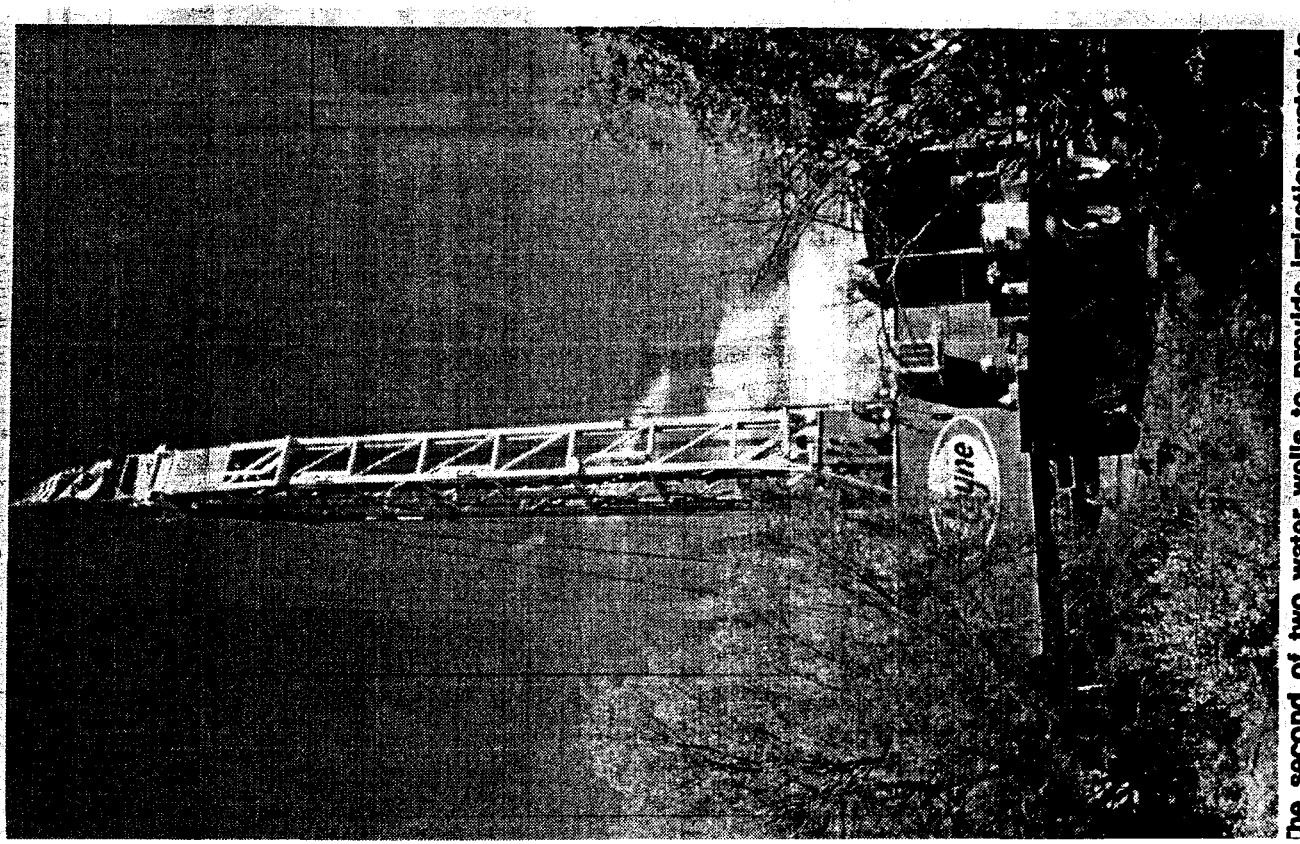
The first project was the renovation of an existing well near the Verde River.

The deep wells, about 1,070 feet, will supply non-potable water for golf course irrigation.

Rio Verde Utilities Vice President Jim Thomson said the need for water is increasing with the construction of a fourth golf course slated for this next winter.

The new course, plus a two-year project to replace the turf on the Rio Verde golf courses, will create a high demand for irrigation water, Thomson said. The well work was done to meet that demand.

The second well is expected to be completed in a few weeks.



The second of two water wells to provide irrigation water to Rio Verde Utilities is nearing completion near Rio Verde.

6/11/97

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

BRIAN C. McNEIL
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

February 1, 2001

Ms. Dolores Dusky
19025 East Alondra Way
Rio Verde, Arizona 85263-7225

Dear Ms. Dusky:

Thank you for taking the time to write and voice your concerns on the pending rate application for Rio Verde Utilities, Inc. Your letter will be placed in the official file, Docket No. WS-02156A-00-0321 and WS-02156A-00-0323, and will be made a part of the record.

The Commissioners and Utilities Division Staff understands the customer concern about the price of utility service, and share your hope that such costs do not escalate. However, the Commission is mandated by the state constitution to represent the interests of all utility customers and is required to set rates that provide a fair rate of return for the utility's investment.

Based on the information in the Procedural Order, a hearing is scheduled for February 13, 2001, 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. Hopefully, customers will take this opportunity and make their comments known on record.

Staff appreciates your comments and interest taken in the proposed rate increase. If you have any questions, please do not hesitate to call me toll free at 1-800-222-7000 or (602) 542-0847.

Sincerely,

Joan Ruf
Consumer Service Specialist
Utilities Division

JAR:
cc: Docket Control