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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

Arizona Corporation Commission

DOCKETED

NOV 30 2006

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2006 NOV 30 A 11: 25

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
THE WHISPERING PINES FIRE DISTRICT FOR
A VARIANCE TO THE MORATORIUM ON NEW
SERVICE CONNECTIONS FOR PAYSON
WATER COMPANY'S GERONIMO SYSTEM.

DOCKET NO. W-03514A-05-0729

PROCEDURAL ORDER

BY THE COMMISSION:

On May 5, 2005, the Arizona Corporation Commission ("Commission") issued Decision No. 68696. That Decision granted a variance to the existing moratorium on new water service connections for Payson Water Company's Geronimo System ("Payson Water" or "Company") to the Whispering Pines Fire District ("WPF") and eight additional customers in the Geronimo Estates and Elusive Acres subdivisions, subject to certain conditions recommended by the Commission's Utilities Division Staff ("Staff").

On October 26, 2006, Steven Prahin (one of the eight customers who received a meter under the prior Order) filed a letter requesting that the Commission amend the existing moratorium in order to allow three new connections per month. Although the letter was filed with the Commission's Docket Control department, it does not appear that the letter was served on Payson Water or other persons on the service list.

On November 14, 2006, Harry Jones, a consultant to Gila County, filed a letter requesting that the Commission require the Company to send a registered letter to customers when they receive a new meter in a moratorium situation, in order to allow the customer sufficient time to comply with the 90-day building permit requirement. Although the letter was filed with the Commission's Docket Control department, it does not appear that the letter was served on Payson Water or other persons on the service list.

IT IS THEREFORE ORDERED that Payson Water and Staff shall file responses, by January 2, 2007, to the letters referenced above. Because the letters were not served on the

1 Company or other persons on the service list, copies of the letters are attached to this Procedural
2 Order.

3 IT IS FURTHER ORDERED that any future correspondence filed in this docket shall be
4 served on all persons on the service list attached to this Procedural Order, in addition to the required
5 original and copies submitted to Docket Control.

6 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
7 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
8 hearing.

9 Dated this 30th day of November, 2006

11 

12 DWIGHT D. NODES
13 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed/delivered
this 30th day of November, 2006 to:

15 Robert Hardcastle
16 Payson Water Company
17 c/o Brooke Utilities, Inc.
18 P.O. Box 82218
19 Bakersfield, CA 93380-2218

Steven P. Prahin
2777 E. 13th Ave.
Apache Junction, AZ 85219

18 Harry D. Jones
19 Whispering Pines Fire District
20 HC8 Box 701A
21 Payson, AZ 85541

Jerry and Marda Larson
P.O. Box 3289
Gilbert, AZ 85299-3289

21 Joe Brown, President
22 Geronimo Properties Homeowners
23 Association
24 HC-8 Box 422
25 Payson, AZ 85541

Randy Bonds
BRIC International, LLC
10150 E. Cortez Dr.
Scottsdale, AZ 85260

24 Daniel and Jody Welsch
25 10805 W Alvarado Rd
26 Avondale, AZ 85323

John Swanson
4841 W. Mercer Lane
Glendale, AZ 85304-4333

26 Jim Dunne
27 119 West 3rd Place
28 Mesa, AZ 85201

Randall L. Kincaid
8548 E. Camino de los Ranchos
Scottsdale, AZ 85254

1 James Dye
2 HC-8 Box 449
3 Payson, AZ 85541

4 Mark and Judy Boroski
5 4884 W. River Road
6 Wakeman, OH 44889

7 Cliff Potts
8 Prudential Arrowhead Realty
9 609 S. Beeline Hwy.
10 Payson, AZ 85541-5302

11 Christopher Kempsey, Chief Counsel
12 Legal Division
13 ARIZONA CORPORATION COMMISSION
14 1200 West Washington Street
15 Phoenix, AZ 85007

16 Ernest G. Johnson, Director
17 Utilities Division
18 ARIZONA CORPORATION COMMISSION
19 1200 West Washington
20 Phoenix, AZ 85007

21
22
23
24
25
26
27
28
By: 
Debbi Person
Secretary to Dwight D. Nodes

HEARING

Steven Prahin
HC 7, Box 452
Payson, AZ 85541

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2006 OCT 26 A 10:48

Jeff Hatch-Miller, Chairman
Kristin K. Mayes, Commissioner
Barry Wong, Commissioner
William Mundell, Commissioner
Mike Gleason, Commissioner

Cc: Dwight Nodes, Admin. Law Judge
Steve Olea, Assistant Director, Utilities
Marlin Scott, Jr., Utilities Staff Engineer
Docket Control Staff
Bradley Morton, Consumer Analyst

Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

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OCT 27 2006

RE: Payson Water Co. Geronimo Estate/Elusive Acre System
Docket 05-0729
W-03514A -05-0729

ARIZONA CORP. COMM.
HEARING DIVISION

Dear Commissioners and Staff:

As one of the eight property owners on the Geronimo/Elusive system that received a new water meter during the last month, I am still very concerned about the apparent under-utilization of readily available water resources by Payson Water Co. (hereinafter PWC), and the effect this has on my neighbors.

During the last hearing on the 25 year-old moratorium in our community, Harry Jones of Gila County pointed out that the Elusive Acres well was being operated only about 2.8 hours per day. Since that hearing and his suggestion that PWC should operate the well more hours of the day, PAWCo has apparently started to run the well 7 to 13 hours per day, a very reasonable operating schedule. This operational change has allowed our community to access significantly more water and to avoid any water outages or restrictions over this summer, which has been characterized as the most severe months of the current drought.

Now that the summer is over and PWC has submitted the required reports as you ordered in Decision 68696, important conclusions can be drawn from the data collected:

- From May 2005 to April 2006, the 12 month period immediately prior to Mr. Jones' suggestion, the Geronimo well (reportedly 6 gpm) provided 41K-174K gallons per month, and averaged 78% of all water resources to the distribution system. The Company reported static water levels (distance to water from the surface) that ranged from 20.8 feet to 32 feet, ending at only 20.8 feet at the end of August.
- From May 2006 through August 2006 (the first four months after Mr. Jones' suggestion to run the well more hours), the Geronimo well was rested and the well only needed to provide 9K-32K gallons per month, an average of only 10% of the total water required (versus 78% the prior year). The static level during the four months ranged from 21.0 feet to 22.2 feet, an insignificant difference

indicating the well was not being pumped dry because of increased activity in the Elusive well or other neighboring wells.

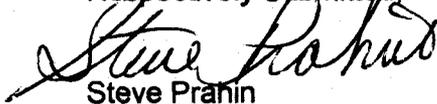
- From May 2005 to April 2006, the 12 month period prior to Mr. Jones' suggestions, the Elusive Acres well (reportedly 10 gpm) provided 16K-78K gallons per month, and average 22% of the water resources provided to the residents (excludes one month reported at 165K gallons, a probable error since the water produced that month, in excess of sales of water, could not possibly have been stored in the limited capacity 15K gallon tank). The static level of water in this well ranged from 15 feet to 57 feet, ending at 50.4 feet, and a loss of only 35 feet of water over 12 months in a well 300 feet deep (leaving about 250 feet of water in the well).
- From May 2006 through September 2006 (the last four months since Mr. Jones' suggestions), the reports indicate the Elusive well provided 141K-250K gallons per month, or 90% of all water sold to the residents. The static level of water in this well ranged from 48 feet to 75 feet, ending at 48 feet and gaining two feet of water over the summer. Assuming 10 gpm from this well (Marlin Scott had roughly measured it at 16 gpm last spring), this well has been operated about 7 to 13 hours per day, rather than the 2.8 hours per day during the preceding 12 month period. This has all been done without affecting the Geronimo well (about 500 feet away), and without significantly affecting the recovery or static levels of the Elusive well.

The recent period of increased use of the Elusive well (3 to 9 times the use of the prior year), with no significant drop in water levels or harm to neighboring wells, seems to indicate a severe under-utilization of available resources. This under-utilization appears to have occurred over many years, and has apparently been the justification for keeping the unfair zero meter moratoriums in place for the last 25 years. PWC's not looking for new water, let alone not knowing what water really existed, is inexcusable and has placed many property owners and residents in horrible positions over the years.

In addition to the misuse of resources, it is interesting to note that the day Mr. Hardcastle heard Mr. Jones' suggestion to pump the Elusive well more, he told Jimmy Dunn (another Geronimo property owner) and me in the parking lot of the ACC that he didn't care if 50 new meters were added to the system. Is this a possible indication of an awareness on his part that the Elusive well was being under-utilized? Is this situation similar to the situation in Pine where the claims of "no more water is under Pine" have been thoroughly disproved over the last few months?

Based on this information, I request the ACC order elimination of the existing zero moratorium on the Geronimo/Elusive system and replace the restrictions by adding three (3) new connections per month over the next year, and extending the monitoring and reporting period by 12 more months. If the system continues to provide adequate water over the next year and no major draw-downs of static levels occur, the moratorium should be lifted entirely.

Respectively Submitted,


Steve Pratin

HDJ Management

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2006 NOV 14 P 12:01

AZ CORP COMMISSION
DOCUMENT CONTROL

HC7 Box 363
Payson, AZ 85541
(928) 474-2876
Cell (928) 595-1111
FAX (928) 474-2876

November 10, 2006

Jeff Hatch-Miller, Chairman
Kristin K. Mayes, Commissioner
Barry Wong, Commissioner
William Mundell, Commissioner
Mike Gleason, Commissioner

Cc: Dwight Nodes, Admin. Law Judge
Steve Olea, Assistant Director, Utilities
Marlin Scott, Jr., Utilities Staff Engineer
Docket Control Staff
Bradley Morton, Consumer Analyst

Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

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NOV 14 2006

RE: Payson Water Company-Geronimo System Docket 05-0729
W03514A-
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ARIZONA CORP. COMM.
HEARING DIVISION

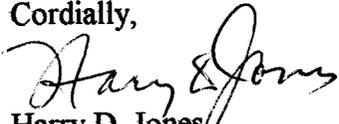
Honorable Commissioners and Staff:

Bob Gould and Joe Mendoza of the Gila County Community Development Department have indicated they and the counter staff are continuing to have building permit applicants coming to the County offices claiming they were not notified of meters that were installed (under the moratorium in Geronimo Estates/Elusive Acres area) until they receive a letter several weeks after the installation occurred. Unless they are at their property, they do not know their 90 day (hopefully 270 days or more) time clock to obtain a building permit has started. Thus, they start off several weeks behind in the building permit process.

To be fair to the consumer and help all parties concerned, we suggest that whenever Brooke issues a meter in any type moratorium situation (and in this situation when someone falls off the allocation list because of not timely completing the requirements, and a new meter is given to the next applicant on the list), you require them to send a registered letter, return receipt requested, and that the time limit clock does not start until Brooke knows the day the applicant signed for the letter.

Please let me know if there is anything we can do on our end to make this notice procedure by Brooke work more effectively for the customer, Brooke, the ACC, and Gila County.

Cordially,


Harry D. Jones
Consultant to Gila County

Cc: Joe Mendoza
Bob Gould
John Nelson