

WS-04235A-06-0303



**ORIGINAL**  
**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

4700

**Investigator:** Trish Meeter

**Phone:** [REDACTED]

**Fax:** [REDACTED]

**Priority:** Respond Within Five Days

**Inquiry**

**No.** 2007 - 59479

**Date:** 4/2/2007

**Complaint Description:** 08D Rate Case Items - Hearing/PC Meeting  
N/A - Not Applicable

**Complaint By:** **First:** Sheila **Last:** Wheeling

**Account Name:** [REDACTED]

**Home:** [REDACTED]

**Street:** [REDACTED]

**Work:**

**City:** [REDACTED]

**CBR:**

**State:** [REDACTED] **Zip:** [REDACTED]

**is:**

**Utility Company:** Utility Source LLC

**Division:** Water/Sewer

**Contact Name:** Mary Ann Perry

**Contact Phone:** [REDACTED]

RECEIVED  
001 APR - 5 A 8:30  
ARIZONA CORPORATION COMMISSION  
DOCUMENT CONTROL

**Nature of Complaint:**

04/02/07 MESSAGE RECEIVED FROM THE OFFICE OF COMMISSIONER MAYES PHONE MESSAGE DATED 3/23/07 AT 2:11 PM.

Caller has contacted the Commission with information that a water truck was being filled from a fire hydrant. The information was given after a request from the Commissioners at the recent Public Comment Meeting to provide the license number and vehicle description. The license number on this vehicle was 4TR825. No visible identification on truck was noticed by the caller. The truck was filling at the hydrant located at exit 185 off of Hwy 40 at the area of the torn down truck stop and current place for mail pickup. Customer has concerns about the hydrant having been left running and has questions about who is monitoring this usage.

Questions to the company:

- Do any of the water company trucks have reason to fill from any hydrant?
- Do you have contractual agreements with companies allowing them to fill trucks from hydrants?
- If so, how many companies are under contract and what is the water being used for?
- What type of metering is done for hydrant usage?
- Who is being billed for this usage?
- \*End of Complaint\*

**Utilities' Response:**

04/3/07

1. Yes, Larry Wright Water Hauling and Pilot Travel Center
2. No, we have a monthly billing and verbal agreement
3. 2, Pilot hauling water during construction phase of Truck Stop; Larry Wright for primarily residential
4. Water meter attached to hydrant
5. Larry Wright Water Hauling and Pilot Travel

Arizona Corporation Commission  
**DOCKETED**

APR - 5 2007

DOCKETED BY [REDACTED] NR

ARIZONA CORPORATION COMMISSION  
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Investigator's Comments and Disposition:

Date Completed:  
\*End of Response\*

**Investigator's Comments and Disposition:**

04/03/07

Received response to Inquiry from Company. Inquiry filed in Utility Source LLC rate case docket No. WS-04235A-06-0303.

\*End of Comments\*

**Date Completed:** 4/3/2007

**Inquiry No.** 2007 - 59479

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ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2007 - 59502

Date: 4/3/2007

Complaint Description: 08D Rate Case Items - Hearing/PC Meeting  
N/A Not Applicable

Complaint By: First: Dennis O. Last: Jones

Account Name: Dennis O. Jones Home: (000) 000-0000

Street: [REDACTED]

Work:

City: Bellemont

CBR:

State: AZ Zip: 86015

is:

Utility Company: Utility Source LLC

Division: Water/Sewer

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

\*\*\*\* WS-04235A-06-0303 \*\*\*\*

Customer sent the following correspondence to the Commission -

Lonnie McCleave is the primary owner of Greenfield Development. He is also the principal officer of Utility Source LLC.

Gary Bulicheck is one of the developers of Flagstaff Meadows. He is a CPA.

Mason Lundell is the husband of Lonnie McCleave's stepdaughter, and has a BS in Civil Engineering.

Tim Cambell, who is Lonnie McCleave's stepson, was president of TG&C builders, sales and operations. It is my understanding that TG&C was sold to Empire builders.

Justin Sicori is a general partner with the Bellemont Water Company. He also had a hand in the development of Flagstaff Meadows.

Jeremy McCaleb is the waste treatment plant operator for Utility Source. According a person I spoke too at the ADEQ, he is inexperienced, but is "learning on the job". it is rumored that for his services he receives a salary of \$40,000 per year and has been given a house.

The same person from ADEQ also informed me that Utility Source was illegally using green dye to make the waste treatment effluent appear in compliance with ADEQ standards. The "treated" effluent is discharged into a lake that is part of a public park. A spokesperson for Utility Source stated in an article written by Cindy Cole of the Arizona Daily Sun (date ??) that this was not true. Who do I believe, ADEQ or Gary?

Utility Source LLC has a monopoly, effectively forcing the homeowners to pay the utility rates or do without life sustaining commodities, i.e. water.

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Utility Source was fined in 2005 by the Arizona Corporation Commission for not following procedures when applying to become a utility or in setting rates.

TG&C and Greenfield Development through Utility Source have been accused of initially setting utility rates below economic standards to facilitate home sales.

This was an out and out fraud to sell houses.

Gary Bulicheck has at least twice in the paper blamed the Arizona Corporation Commission for increasing the water and sewer rate.

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

Customer comments entered for the record and with the Docket in this matter.

Responded to customer with the following -

Dear Mr. Jones:

Your letter regarding the Utility Source LLC ("Company") rate case will be placed on file with the Docket Control Center 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 Company application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me at [REDACTED]

Sincerely,

Deborah Reagan  
Public Utilities Consumer Analyst  
Utilities Division  
\*End of Comments\*

**Date Completed: 4/3/2007**

**Opinion No. 2007 - 59502**

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**ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM**

**Investigator:** Carmen Madrid**Phone:** [REDACTED]**Fax:** [REDACTED]**Priority:** Respond Within Five Days**Inquiry No.** 2007 - 59579**Date:** 4/5/2007**Complaint Description:** 19D Other - ACC Admin. Questions  
N/A Not Applicable**Complaint By:** **First:** Sheila **Last:** Wheeling**Account Name:** Sheila Wheeling**Home:** [REDACTED]**Street:** n/a**Work:** (000) 000-0000**City:** [REDACTED]**CBR:****State:** AZ **Zip:** 000000**is:****Utility Company:** Utility Source LLC**Division:** Water/Sewer**Contact Name:** n/a**Contact Phone:** n/a**Nature of Complaint:**

\*\*\*\*\*Call went to Commissioner Mayes Office and message was delivered to Consumer Services\*\*\*\*\*

Customer had attended the public meeting held in Flagstaff, AZ on March 19, 2007. She stated that the Commissioners had suggested that if a water truck was tapped into the fire hydrant taking water to take the license plat number down and inform the ACC. She had seen a Larry Wright Water Hauling truck taking water at the hydrant with the license plate number of 4TR-825. She wanted to know who is being charged for this water? She wanted to know what rates the trucking company was paying? She also states that they tried to connect to the ACC website to listen to the scheduled hearing and they could not get anything.

\*End of Complaint\*

**Utilities' Response:****Investigator's Comments and Disposition:**

I contacted the customer and informed her that this information had already been reported to the ACC. I explained to her that according to the response from the company the water companies that have contracts to haul water are

Pilot and Larry Wright Water Hauling. The company has 33 fire hydrants in the service area and only 1 hydrant is metered. The hauling companies should be using the hydrant with the meter.

I informed customer that the pre-hearing conference has been rescheduled for April 13, 2007 @ 2:00 p.m. The evidentiary hearing is scheduled for May 1, 2007 @ 10:00 a.m. in Phoenix. All intervenors and parties involved were mailed a copy of the Procedual order.

The customer appreciated the call back. Closed

\*End of Comments\*

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

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Date Completed: 4/5/2007

Inquiry No. 2007 - 59579

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ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone: [REDACTED]

Fax: ([REDACTED])

Priority: Respond Within Five Days

Inquiry

No. 2007 - 59364

Date: 3/28/2007

Complaint Description:

08D Rate Case Items - Hearing/PC Meeting  
N/A Not Applicable

Complaint By:

First:

Greg

Last:

Snyder

Account Name:

Greg Snyder

Home: (000) 000-0000

Street:

n/a

Work: [REDACTED]

City:

[REDACTED]

CBR: [REDACTED]

State:

AZ Zip: 00000

is: Cellular

Utility Company:

Utility Source LLC

Division:

Sewer/Water

Contact Name:

Mary Ann Perry

Contact Phone: [REDACTED]

Nature of Complaint:

3/28/07

On Monday, March 19, 2007 the Arizona Corporation Commission "ACC" held a Public Comment Meeting in Flagstaff, AZ for Utility Source LLC, Docket No. WS-04235A-06-0303. During the meeting the Commissioners were informed that there were water trucks pulling up to fire hydrants and filling up with water. There are no meters on the fire hydrants and questioned, "who is paying for this water?"

The consumers that attended the meeting were told that if they saw any vehicle at the hydrants filling up and there was no indication that they were the water company to call the ACC with the description of the vehicle and the license plate number.

Today I received a voicemail from Greg Snyder who attended the public comment session and is a customer of Utility Source, LLC. He said that there was a water truck filling up at a fire hydrant with license plate number 4TR E25 with the logo of Larry Wright Water. He also stated that there was a lot of water wasted due to leakage from the hose when the water truck was being filled up.

- How many fire hydrants are there in your service area?
- Do they have meters on the hydrants?
- How many hydrants are metered?
- How many hydrants are not metered?
- Do you have contracts with water haulers or construction companies for water being used from hydrants?
- How many companies have authority to pull up to the hydrants and fill up?
- How do you monitor the water being taken?
- Who gets billed for the water being taken?
- How many of the water trucks are the company's?
- Is this water being taken for construction purposes?
- What other purposes is this water being used?

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Do you have a flat rate that you charge the trucking companies taking the water?  
What is the names of the companies that are allowed to take water from the hydrants?  
Do you have designated fire hydrants where water can be taken from?  
\*End of Complaint\*

**Utilities' Response:**

4/2/07 Following response received.

How many fire hydrants are there in your service area?  
We have 33 water hydrants.

Do they have meters on the hydrants?  
Only 1 hydrant has a meter at a time; normally the one by the hotel in the commercial section. However, this meter has been moved to another hydrant when that hydrant is unavailable.

How many hydrants are metered?  
Only one hydrant is metered in the commercial section by the hotel.

How many hydrants are not metered?  
There are 32 water hydrants not metered.

Do you have contracts with water haulers or construction companies for water being used from hydrants?  
Yes, we have an account with and bill monthly the water haulers.

How many companies have authority to pull up to the hydrants and fill up?  
Two companies; Pilot during their construction phase of the Truck Stop and Larry Wright Water Hauling.

How do you monitor the water being taken?  
Water taken is monitored thru a water meter.

Who gets billed for the water being taken?  
Pilot and Larry Wright Water Hauling are billed when water is taken.

How many of the water trucks are the company's?  
None of the water trucks belong to Utility Source. Larry Wright owns two water trucks and Pilot currently has 1 rental truck for the construction phase. When construction is complete, they will be tapped in, and metered off our main line.

Is this water being taken for construction purposes?  
Pilot is currently hauling water for it's construction phase of the Truck Stop.

What other purposes is this water being used?  
Larry Wright provides residential water hauling but is billed monthly for all water he takes.

Do you have a flat rate that you charge the trucking companies taking the water?  
Yes we have a flat rate that we charge water haulers.

What is the names of the companies that are allowed to take water from the hydrants?  
Larry Wright Water Hauling and Pilot.

Do you have designated fire hydrants where water can be taken from?  
Yes, we have designated the water hydrant in the commercial section by the hotel as the hydrant that water should be hauled from.

**ARIZONA CORPORATION COMMISSION**  
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\*End of Response\*

**Investigator's Comments and Disposition:**

3/29/07 e-mailed to Utility Source LLC

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4/2/07 Response received from company. Copy of complaint filed in Utility Source LLC rate case docket no.  
WS-04235A-06-0303

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4/3/07 inquiry - closed

\*End of Comments\*

**Date Completed: 4/3/2007**

**Inquiry No. 2007 - 59364**

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