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July 20, 2007

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**Mr. Mike Gleason, Chairman
Arizona Corporation Commission
Commissioners Wing
1200 West Washington Street
Phoenix, AZ 85007-2996**

**AZ CORP COMMISSION
DOCKET CONTROL**

Dear Mr. Gleason:

I am writing you with regard to the application for a CC&N to operate a water company in Golden Valley, Arizona, made by Mr. Jim Rhodes and Perkins Mountain Water Company. (SW-20379A-05-0489).

I am not a politician, nor do I aspire to become one; I am not a member of the Sierra Club; I am not a real estate developer nor do I have an ownership interest in any property in Golden Valley, Arizona.

I am a fifth-generation Arizonian, my great-great grandfather being Samuel Crozier, founder of Hackberry and Crozier, Arizona. I grew up in northern Arizona and recently returned after living in northern Nevada for a number of years. We have always maintained a vacation home here and we returned permanently in 2003 to spend our "after 50" years in the beauty of this great State.

Because my husband and I operate a business in Golden Valley and due to other employment that I hold, I have had occasion to become aware of the above-mentioned water application and the other issues surrounding it. I have listened to a good portion of the hearings conducted regarding the application.

Economics is a wonderful thing and every community would be foolish not to want to grow and prosper. Many changes have taken place in Mohave County since I last resided full-time here in the 1970s. However, common sense has seemed to have lost its place with regard to growth.

Since my family began ranching in Arizona in the 1800s it has been a well-known fact that Arizona is an arid state and its growth would always be dependent upon water, or lack thereof. Mohave County seems to have forgotten this issue. The arrival of unscrupulous developers from Las Vegas and the dollar signs that have loomed on the horizon have turned our county into a "free-for-all for making a quick buck". The number of housing units

that Mohave County has already approved is ridiculous, and a number which the natural resources simply will not support.

Why not take this issue up with Mohave County you ask? I believe that the Arizona Corporation Commission is the only body who has the power and the common sense to put a stop to this madness. Our water resources will not, and will never, support more golf courses, water parks, and a projected one million people residing in this area. Someone has to take a common sense stand and I believe that someone is you.

The first step I challenge you to take is to deny the water application of Jim Rhodes and Perkins Mountain Water Company; not only because Mr. Rhodes and/or his employees are not a "fit and proper candidate" to operate a utility but also because the possibility of 75 wells going dry due to his water usage and because there is not a complete study that shows the impact of this projected growth would have on the area water supply. The state of Arizona needs to get serious about water issues, and the first step needs to be taken here and now.

One only needs to look 80 miles west at Las Vegas, Nevada to see what kind of predicament we will end up in. Las Vegas will have a severe water shortage in five years or less. Have you been watching the maneuvering of Harry Reid to obtain water for Las Vegas? They will stop at nothing it seems. Our former community, Yerington, Nevada, (some 470 miles away from Las Vegas), is the latest to fall prey to the Las Vegas water search. Harry Reid is pushing a Walker River compact supposedly to save Walker Lake; however most feel it is yet another ploy to get water for Las Vegas. One only needs to take a look at Lake Mead (which by the way is one of my most favorite places to visit in Mohave County) to wonder what's next after a 70-foot drop in the water level. Where will Arizona get its water from; once what little we have, has been given away to unscrupulous Las Vegas developers to support growth that is not feasible for this state?

And do not think you should not be worried because this activity is only taking place in this state's "stepchild county", Mohave County. You should be very, very concerned that Mr. Rhodes now plans to develop in the Phoenix area. Do not think for a minute that his political and bribery machine has not already started work in your area.

The bottom line here is not Jim Rhodes; however, your action on his water application is. It can be the beginning of a common sense approach to growth in the state as well as the beginning of a long-needed serious discussion about water.

I am not "Henny-Penny" and the sky is not falling. However, the water is drying up and someone needs to take a more common sense approach before it really is too late! We don't need to go to extremes but we do need to be realistic about water and about growth. I shudder to think what our way of life might look like in as little as 10 years from now if we don't!

We, unlike the out-of-state developers, who have no personal stake in this state, love the beauty of this state and the lifestyle it affords. Sometimes doing the right thing is a difficult task, but I ask you to do the right thing for our state and our people.

Sincerely,

A handwritten signature in cursive script that reads "Kathy L. Smith".

Kathy L. Smith
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Kingman, AZ 86401
928.753.2069