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Sheila Stoeller

Arizona Corporation Commission

From: ron smith [revolveron44@yahoo.com] 2007 AUG -1 P 12: 08
Sent: Friday, June 15, 2007 11:59 AM
To: Mayes-WebEmail
Subject: PSWID public meeting 13Jun07/Ron and Virginia Smith, Strawberry

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Dear Commissioner Mayes -

We attended the above referenced meeting and heard nothing to cause us to recant our previous opinions. The presentation was over two hours long with a very short question and answer period at the end. The meeting was adjourned because we were "way overtime".

Based on the information given at the meeting it looks like a water grab for what rightfully belongs to the citizens of Strawberry. Plain and simple.

The saturated portion of the deep "R" aquifer underlays Strawberry Valley and the CC&N of Strawberry Water Company. The "K2" drillsite is currently owned by Strawberry Water Company. It seems to us that any water discovered and produced from that site would rightfully belong to Strawberry.

The proposed deep well will be drilled and subsequently owned by Pine Water Company. The production from this well will be dedicated to Pine. The ownership of the drillsite will be transferred to Pine Water Company. (I guess that means that Strawberry will have no direct access to its own water) That is an absolutely unfair and intolerable condition and should never be permitted to take place.

As taxpayers we, in Strawberry, are expected to pay our "fair share" (Whatever that is) of the \$300,000.00 risk money to drill this well and receive nothing in return.(Except for the permanent loss of our water and our rights) That's abusive and we cannot understand how an agreement like this can go forward. Many of the folks at the meeting expressed that they felt that they and the interests of Strawberry were either not represented adequately or not represented at all by the PSWID.

I have not reviewed the agreement but in the brief summary presented at the meeting, there was no plan for the distribution and utilization of the water. The project is being sold as the solution to the water shortages in Pine - on the other hand, another group wants the moratorium lifted so they can develop, which of course means increased usage. It seems that the needs of the existing community should be addressed first and then if there is truly excess water, development can proceed in a planned and managed environment. There is no sense or benefit in repeating the mistakes made in the past. (I suspect that this is the real reason for the projected 12-15 year life of the well. Apparently within that time frame demand will again exceed supply. It seems that certain folks cannot grasp that the area simply cannot support that kind of density.)

We feel strongly that if a well is drilled in Strawberry, it should be under the ownership of Strawberry water company and that the well production can be controlled, managed and distributed to the equal benefit of both communities. WE in Strawberry would want that ironclad. There is absolutely no way that we can support the PSWID/Pine Water agreement in its present form.

Finally, there are real environmental concerns that were not mentioned in the PSWID presentation and appear to have been trivialized and "swept under the carpet". It was mentioned that the proposed K2 well would be completed in the "R" aquifer and that this same aquifer feeds Fossil Springs. Further the

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proposed well is only 5 miles from Fossil Springs. In view of all the environmental concerns in the return of Fossil Creek to its natural riparian condition, we think that there are real issues here that could end up being a permanent barrier to the K2 well ever being drilled. It certainly merits more consideration than it has received.

We respectfully suggest that this odious contract be rejected - its just not a good deal for Strawberry.

Again Thank You for allowing us to express our opinions.

Respectfully,
Ron and Virginia Smith

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