

W-01865A-07-0384  
W-01865A-07-0385

ORIGINAL



0000084882

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 68517

Date: 5/13/2008 DOCKETED

Complaint Description: 08A Rate Case Items - Opposed  
N/A Not Applicable

MAY 14 2008

Complaint By: First: Sheri

Last: Moran

DOCKETED BY

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Account Name: Sheri Moran

Home: [REDACTED]

Street: [REDACTED]

Work: (000) 000-0000

City: [REDACTED]

CBR: [REDACTED]

State: AZ

Zip: [REDACTED]

is: [REDACTED]

Utility Company: Groom Creek Water Users Association

Division: Water

Contact Name: n/a

Contact Phone: n/a

Nature of Complaint:

While I agree that we have an aging pipe system within the Groom Creek community and that we need to create a plan for replacement, I am opposed to the requested rate increase, the timeline and financial plan that the current Board of Director's is requesting for several reasons.

1. Both the timeline and the request are being driven erroneously.

a. Yavapai County requested to pave the dirt streets within the community over the course of 4 years. The community expressed their opposition to the pavement project and the County rescinded their request for the indefinite future, yet the Board continues to use the County project as the main driver for the replacement project and the escalated time schedule.

b. This project is being driven in a reactionary manner to a cause that no longer exists.

2. The Board only wants to fund this enormous capital improvement for 10 years. While I agree, we would be paying more in interest if we decided to extend the re-payment, the financial health of the utility would not be jeopardized by doing so.

a. The Board has not provided any financial information on this project to the Association other than a \$500K which is not backed by a bid. In fact the real cost, once they go to bid could be substantially more or less.

b. Committing to a 10 year payback period puts the Association at financial risk. A 10 year line of credit would create a minimum of a \$6K per month with a flexible interest rate. A 20 year fixed loan would be \$4K per month with no risk of increase due to a locked interest rate. Two-thousand per month is material to this Association.

c. The Board has not provided any additional opportunities to the Association for funding this project i.e., giving residents the opportunity to pay up front for their portion in lieu of an increase their personal water bill, etc.

3. The Board has not been publicly forthcoming on the overall plan and timeline of this project.

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- a. The Board has not provided a plan and timeline for a reconstruction plan to the Association for review and comment.
- b. The Board has not provided the RFP or any results of an RFP for the Association to review and comment.
- c. This Board is using fear tactics and the County pavement project to push their agenda and it just shouldn't be tolerated.

I do not recommend any increase at this time. This Board owes these Commissioners and their Association much more diligence before moving forward with this level of a financial request.

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

5/13/08 I left a voicemail for consumer letting her know that the e-mail has been received and filed.

Opinion noted and filed in docket no. W-01865A-07-0385 & W-01865A-07-0384 closed

\*End of Comments\*

**Date Completed:** 5/13/2008

**Opinion No.** 2008 - 68517

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