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May 18, 2008

Arizona Corporation Commission Utilities Division 1200 W. Washington Street Phoenix, AZ 85007

Attention: Docket Control

Re: Motion to Intervene: Financing Application for Tonto Village Water Co., Inc. Docket No. W-01580A-08-0209 W-01580A-07-0707

As an 11 year property owner, a customer of Tonto Village Water Co. and owner of Environmental Quality Control LLC, a waste water engineering and installation contractor, I hereby request the right to intervene in the above referenced rate case that was docketed April 22, 2008.

I am gravely concerned over the quality of the water delivered to my family and neighbors and the level of resources such as tanks, wells and infrastructure available to our community. I am in the business of septic repair and engineering of new systems and have serious concerns about water quality violations. I have spent countless hours in meetings and seminars sponsored by the Arizona Department of Environmental Quality (ADEQ), and have become certified and trained in their wastewater engineering and installation practices, which includes recognizing dangerous situations arising from improper or inadequate installation of septic systems.

I have had discussions with numerous homeowners and contractors who have had hands on experience in repairing or observing breaks in the Tonto Village water distribution system over the years. The infrastructure is constructed with flimsy "Japanese Ranch Pipe"; which is 1/16" thick, brittle and considered to be an irrigation material. This pipe was purchased by the owners directly from Japan and installed in the 1950's and poses a severe liability and health threat. This pipe is not a standard size and no conventional PVC or regulation piping will glue to it. The repairs are typically made with rubber boots secured with band clamps, that cannot be screwed too tight or it will crack the pipe. Over the years the rubber and or band clamps deteriorate allowing seepage that may in many cases be undetectable at the surface. In questioning some of the Company's past employees and contracted repair personnel, as many as 5 breaks a year may be typical. Servicing leaks is very frustrating because the repairs are dubious at best. Some repairs had to be redone multiple times due to ground movement causing consequential leaks.

This piping is extremely vulnerable to abrasion and cracks due to expansion and contraction of the clay soils cause by temperature changes and seasonal saturation. One of the repair personnel of the water company said that it is not uncommon for a small rock to migrate next to the pipe and eventually etch its way through the thin wall. The leaks may be so small as to not be noticed for a

considerable amount of time, but when the system has pressure fluctuations or repairs it can siphon in the surrounding septic contaminated soil and expose residents to e-coli. How many old patches are failing over the last 50 years underground?

Tonto Village has a high profile history of septic system violations due to the small lot size and poor quality high clay soils, affecting both residents and the water resources. There is a very high probability of cross-contamination of septic saturation and potable water. I have met with all the Gila County wastewater engineers since 1995 regarding the septic failures in Tonto Village, which has historically been a problem for them. Also ADEQ has acknowledged that this area is widely known for *serious septic problems*. There have been numerous cases of system failure including surfacing, saturation and drift outside of the designated leach field areas into the areas containing the fragile water mains that have had numerous breaks over the years.

The cross-contamination issue caused by bad piping and bad repair procedures, coupled with the severe potential e-coli problems, needs to be immediately subject to discovery processes at the ACC, so corrective orders can be issued by the Commissioners to protect our citizens. A copy of this letter is being provided to appropriate ADEQ staff members to request immediate action on their part to resolve this severe health threat. ADEQ has already come to our Village once to evaluate the possibility of excessive chlorine levels being injected that may be masking the real results of cross-contamination.

For years the Standages have said that they want to sell their water company and recommended that the residents of Tonto Village set up a water improvement district (District) and a board of directors for the sole purpose of purchasing and operating the village wells and delivering water to village residents. The District was formed last year and a board of directors elected by a vote of the citizens of Tonto Village in November of 2007. The sole purpose of the Board is to purchase the Company's assets and establish priorities and a strategy that would provide adequate supply of SAFE water. Since being seated in January the Board has been actively offering to negotiate with the Company and to date has been met with only delay tactics.

If the Company is acquiring financing, then I feel that the first area of concern should be the infrastructure to eliminate the possibility of exposing the residents to e-coli bacteria and the associated liability. Quantity can then be addressed. In a conversation with Mr. Standage regarding the piping problems, he minimized any major concern and mentioned that the residents would probably and not want to incur the expense or inconvenience of replacement of the distribution lines at this time. As these health dangers come to the residents' attention, the Company will likely see a tide of concerns arising because this issue has been sidestepped by the Company owners, making a new well the main focus. It is obvious to me that this new water source should not be the main concern of our community.

In a recent letter, the Company recommended that the residents should prioritize the water related needs and decide where money goes. For this reason, the District Board requested that the ACC temporarily suspend the Company deadline regarding the new well installation for 60 days so that serious negotiations could take place regarding the purchase of the Company's assets. The ACC attorney indicated that the request for any delay in scheduled proceedings had to come from the Company and not the District. The District Board immediately notified the Company of this requirement, which to date, the Company has not responded to with either the ACC or the District.

Instead the Company continues in its correspondence to blame the ACC and complaining citizens for forcing them to acquire financing and install the new well, as well as respond to complaints, leaving them no time to address the sale of the company assets. The Company is aggressively pursuing financing for the well and having it be drilled without the benefit of a study to determine location, geology and depth. I do not consider the well to be the most critical issue, rather the cross-contamination potential caused by poor piping quality and location. Further, drilling the well in close proximity to an existing well and with no scientific study or deep well research will likely result in wasted money.

In efforts to be directive of the depth and location of a well, its peripheral equipment, as well as other essential repairs, the District Board decided that it would seek a stringent system overview by a third party company specializing in risk assessment and deep well discovery. To that end the Board has recently engaged Highland Water Resources Consulting (Michael Ploughe) to provide professional advice in these matters.

Prior to additional capital expenditures, it is in the citizen's best interest that the District concludes the purchase of the assets of the Company. Once the asset purchase is completed the District Board, with citizen input, can carefully work through the priorities under its consultant's guidance, rather than supporting a hastily installed well to satisfy overdue deadlines of the ACC and wasting money.

We citizens have done everything we have been asked regarding the purchase of the Company assets and the Stangages, in turn, should make every effort to conclude a fair sale quickly so that the tax rates for next year can be established. The Company's pursuit of the new well and ignoring taking advantage of a 60 day delay to conclude the sale is contradictory to their stated intentions.

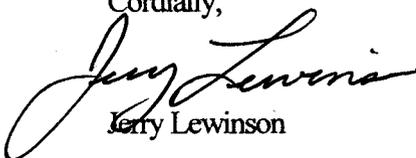
The Standages have indicated, in public meetings, that they want to sell the capital stock of the Company to the District. I believe this may carry potential liabilities if any serious illness becomes tied to the bacterial infiltration of the distribution lines. This type of liability is one of the reasons that the District should only be interested in purchasing the operating assets, not capital stock.

I, along with the District's intervention request, desire a formal evidentiary hearing on the financing application and to consider the high risks and possible violations of safe drinking water practices in exposing the residents to dangerous bacteria.

I have notified all the parties (see attached service list) including the Company of this intervention request. Please notify me at once if there are any concerns or questions related to this request and of your date of docketing the 13 copies of this letter (see attached return envelope) and of the date of granting this request.

Your assistance in allowing my intervention in this important matter will be greatly appreciated.

Cordially,



Jerry Lewinson

Service List For: Tonto Village Water Company, Inc.
Docket No.: W-01580A-08-0209

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