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1 FENNEMORE CRAIG, P.C.
 Jay L. Shapiro (No. 014650)
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 3 Phoenix, Arizona 85012
 Telephone (602) 916-5000
 4 Attorneys for Payson Water Company

2008 JUN 20 P 4:47

AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

7 IN THE MATTER OF THE COMPLAINT
8 OF STEVE PRAHIN,

9 Complainant,

10 v.

11 PAYSON WATER COMPANY,

12 Respondent.

DOCKET NO: W-03514A-07-0386

Arizona Corporation Commission

DOCKETED

JUN 20 2008

DOCKETED BY	
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13 IN THE MATTER OF THE COMPLAINT
14 OF REBECCA SIGETI,

15 Complainant,

16 v.

17 PAYSON WATER COMPANY,

18 Respondent.

DOCKET NO: W-03514A-08-0047

**NOTICE OF FILING STATUS
REPORT**

19 Pursuant to the Procedural Order dated May 23, 2008, Payson Water Company
20 ("Payson Water" or "Company") hereby submits this Notice of Filing Status Report in the
21 above-captioned matter.

STATUS REPORT

22
23 1. Meeting Between Payson Water and Complainants.

24 On May 23, 2008, Payson Water's Operations Superintendent, Dave Allred, and
25 Community Relations Representative, Myndi Brogdon, met with Marlin Scott of the
26 Arizona Corporation Commission's ("Commission") engineering division, Mr. and

1 Mrs. Sigeti, Jim Dunne and Steve Prahin at Geronimo Estates Lot 22 (the location of
2 Payson Water's well site). For purposes of clarity, the Geronimo Estates ("GE") water
3 system includes two wells referred to as GE Well #1 (non-producing) and GE Well #2
4 (producing). The Elusive Acres ("EA") water system includes one well referred to as the
5 EA Well and one 15,000 water storage tank, which operates for the benefit of both water
6 systems as they are physically interconnected.

7 Payson Water representatives provided an update to the other attendees regarding
8 the steps the Company has taken to evaluate system improvements, including having all
9 wells videotaped for the purpose of verifying the condition of well casings, bore depth,
10 water inflow, casing perforations, and possible obstructions. Marlin Scott asked about the
11 recommendations of the well drillers. Mr. Allred reported that the recommendation was
12 to avoid deepening GE Well #1 based on the underground cavernous fractured rock
13 systems. If a cavern was encountered during the re-drilling process, water production
14 from both wells could be lost. Mr. Allred also said that the well casings in all three wells
15 appeared to be in good condition on the videotape inspection. GE Well #2 is producing
16 8 gpm and the EA well is producing approximately 13 gpm. GE Well #1 was being
17 considered for production but only recovers draw down at approximately 1/2 gpm.
18 Company representatives indicated that Payson Water has not yet reached a final
19 conclusion concerning the reasonableness and prudence of deepening GE Well #2.

20 The Company also discussed plans to add a 10,000 gallon water storage facility to
21 the GE system. A water storage tank that Payson Water currently owns is being moved,
22 inspected and prepared for use on the GE site. The attendees were assured that this
23 upgrade would be part of the plan included with this status report. Ms. Brogdon discussed
24 the need to include time requirements for engineering, regulatory agency review and
25 approval, as well as the Gila County building permit process. Mr. Prahin asked if the
26 additional storage needed Gila County Health Department inspection.

1 Mrs. Sigeti specifically asked if this project required a public hearing or if the
2 Company was required to follow a process that included notifying neighbors.
3 Ms. Brogdon responded by stating that while Payson Water would address any questions
4 from members of the public, this permitting process would be similar to any property
5 owner building a house on private property. Mrs. Sigeti clarified that her interest was in
6 seeing this project move quickly and not get stopped or bogged down with neighbors who
7 might object.

8 Mrs. Sigeti and Mr. Prahin asked about water quality. Mr. Allred stated that the
9 Arizona Department of Environmental Quality ("ADEQ") tested the water for chlorine
10 levels and found that the water did not exceed the maximum contaminant level ("MCL").
11 The Company was asked for a copy of the ADEQ report concerning this testing, but it was
12 pointed out that unless Payson Water is cited for a violation, ADEQ does not provide a
13 written report. By contrast, if there had been a violation, the Company would be notified
14 within 24 hours and appropriate steps would be taken. Mrs. Sigeti said that she was
15 expecting to receive something in writing from ADEQ. Everyone agreed that if a report
16 was produced by ADEQ regarding the recent testing, it would be shared.

17 Next, Mr. Allred indicated that no improvements were targeted for the EA well at
18 this time based on the well driller's recommendation to leave the well as is (the column
19 pipe, wiring and pump have been recently replaced in the EA Well). Mr. Sigeti asked
20 why the tanks had not been cleaned out. Mr. Allred explained that the water storage tanks
21 are bottom fed/bottom drain tanks. As a result, sediment does not build up. ADEQ
22 inspects the tanks every 3 years and they have always passed inspection.

23 Mr. Prahin asked if water from the EA Well would be stored in the proposed GE
24 storage tank. Mr. Allred explained that the water from GE Well #2 cannot overcome the
25 pressure up hill and is not used in EA, but that at times water from the EA Well is used for
26 the GE system. He also stated that EA water would not be stored in the proposed GE

1 water storage tank. GE Well #2 was operating while the group was on the site. As GE
2 Well #2 cycled off and on periodically, Mr. Allred explained that this is the normal
3 operation of the well as it is on a pump saver timing system.

4 Ms. Brogdon discussed the reason system improvements are being investigated and
5 potentially implemented by the company. The Company is aware that these
6 improvements may bring added water storage and/or added water production to the
7 system, and controlling costs is essential to minimizing any potential rate increase.
8 Ms. Brogdon asked the Complainants and Mr. Dunne once again about asking area
9 residents who have private wells to discuss the potential of water sharing agreements with
10 the Company – the addition of even just 1 or 2 gpm from a water sharing agreement could
11 improve the GE water supply significantly. Ms. Brogdon stated that if the community
12 wanted to see a large investment and support the required rate increase, Payson Water
13 would consider that option as well. However, this would require further analysis and
14 public education as to the cost impact on rates.

15 The Sigetis indicated that they had experienced low water pressure. Mr. Allred
16 offered to check the pressure while in the area, indicating that low pressure can be an
17 indicator of a leak. Mr. Allred then provided the Sigetis with direction on how to
18 determine if there could be a leak. Company representatives then checked the EA system
19 and found that it was pumping at 60 psi, and later called Mrs. Sigeti after the meeting to
20 let her know about the current pressure reading. Ms. Brogdon then offered to have the
21 pressure checked at an outside spigot if Ms. Sigeti still felt there was a problem.

22 2. Post-Meeting Activity – Payson Water Company.

23 Since the May 23, 2008 meeting, Company representatives performed further field
24 tests and conducted internal meetings to refine the plan, including the identification of
25 estimated costs and proposed timeline, that had been previously outlined to the Sigetis,
26 Mr. Prahin and Mr. Dunne. Ms. Brogdon called both Ms. Sigeti and Mr. Prahin on

1 several occasions in order to share with them a refined plan for water system
2 improvements to the GE and EA systems, and to receive their feedback. After several
3 unsuccessful attempts, Ms. Brogdon sent Ms. Sigeti and Mr. Prahin a letter on June 12,
4 2008, requesting further communication between the parties. A copy of Ms. Brogdon's
5 letter is attached hereto as Exhibit 1. A copy of the most current Water System
6 Improvement Plan is attached hereto as Exhibit 2. According to the plan, Payson Water
7 intends to refurbish and install a 10,000 gallon storage tank (Storage Tank #1) by
8 August 8, 2008. A second storage tank (Storage Tank #2) may be installed by
9 February 13, 2009, depending on actual operating conditions with the initial
10 improvements, including the redevelopment of GE Well #1. The Company
11 conservatively estimates that an additional 2-3 gpm can be produced with a redeveloped
12 GE #1 well, which translates into production capacity of approximately 4,000 gpd.
13 Finally, as noted in the Water System Improvement Plan, the EA well has already been
14 reconditioned at a cost of \$5,700 to the Company.

15 3. Post-Meeting Activity – Ms. Sigeti.

16 On June 2, 2008, Ms. Sigeti sent a newsletter to each EA homeowner or lot owner
17 announcing the formation of a new Home Owners Association (“HOA”). One of the
18 objectives identified by Ms. Sigeti (who is the HOA President) over the next 6 to 12
19 months is to “Acquire water rights to the community well and storage tanks in order to
20 supply water to all lot owners in the Elusive Acres subdivision.” A copy of the HOA
21 newsletter is attached hereto as Exhibit 3. Before it can provide water service to its
22 members, the HOA must receive Commission approval of an application for adjudication
23 that it is not a public service corporation, pursuant to Decision No. 55568 (May 7, 1987).
24 One of the requirements for approval is that the HOA must own the water system assets.
25 The EA system is interconnected with the GE system, and it would be difficult to separate
26 the two.

1 The HOA’s objective to acquire the EA water system assets from Payson Water
2 raises a few issues that the Company must consider on behalf of all its customers. For
3 instance, to what extent should the Company make improvements to the GE water system
4 in order to address the concerns of EA system customers? If the EA system is eventually
5 disconnected and sold to the HOA within the next 6 to 12 months, then certain planned
6 improvements in the Water System Improvement Plan may not be necessary. Indeed, the
7 HOA may determine (as evidenced by Ms. Sigeti’s June 12, 2008 Status Report) that
8 improvements identified in the Water System Improvement Plan are inadequate.
9 Installing a 10,000 storage facility prior to the HOA’s acquisition of the EA water system
10 assets (if it can be physically accomplished) may unduly increase the sale price, at least
11 from the HOA’s perspective.

12 The Company has not been approached by the HOA with an offer to purchase the
13 water system assets. Ms. Sigeti and Mr. Prahin have previously requested the
14 Commission to consider arguments concerning an unlawful taking of water facilities.
15 Therefore, Payson Water cannot rule out an attempt by the HOA and/or one of its
16 members to acquire certain EA system assets through a civil complaint. Either way, the
17 Company believes that the issue of the HOA’s potential acquisition of any or all of the EA
18 water system must be addressed before a viable water system improvement plan should be
19 considered.

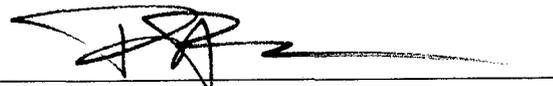
CONCLUSION

21 The Company has acted in a manner consistent with the Administrative Law
22 Judge’s May 23, 2008 order to meet and confer “to discuss possible resolution of the
23 production and storage issues raised in the complaints.” Furthermore, in response to
24 comments about the Company’s lack of action, Payson Water has developed the Water
25 System Improvement Plan for the GE and EA water systems, which contains cost
26 estimates and a procedural timeline for their completion. Although Company

1 representative Myndi Brogdon made several attempts to contact the complainants in order
2 to receive feedback and input on the plan details, Ms. Sigeti and Mr. Prahin failed to
3 respond. Perhaps this was a result of their misunderstanding of the Commission's ex-
4 parte rules, but if the complainants are not satisfied by the Water System Improvement
5 Plan submitted by the Company, they are free to present an alternative plan to Payson
6 Water and Commission Staff for consideration – including a bona fide offer to purchase
7 the EA water system assets by the HOA.

8 RESPECTFULLY SUBMITTED this 20th day of June, 2008.

9 FENNEMORE CRAIG, P.C.

10
11
12 By 

Jay L. Shapiro
Patrick J. Black
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
Attorneys for Payson Water Company

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15
16 **ORIGINAL** and thirteen (15) copies
17 of the foregoing filed this 20th day of June, 2008:

18 Docket Control
19 Arizona Corporation Commission
1200 W. Washington St.
20 Phoenix, AZ 85007

21 **Copy of the foregoing hand delivered**
22 this 20th day of June, 2008 to:

23 Dwight D. Nodes
Assistant Chief Administrative Law Judge
24 Hearing Division
Arizona Corporation Commission
25 1200 West Washington
Phoenix, Arizona 85007
26

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Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Marlin Scott, Engineer
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Bradley Morton, Consumer Services
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copy of the foregoing mailed
this 20th day of June, 2008 to:

Rebecca Sigeti
HC 7 Box 451
Payson, Arizona 85541

Steve P. Prahin
HC 7 Box 452
Payson, Arizona 85541

James E. Dunne
119 West Third Place
Mesa, Arizona 85201

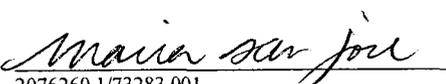

2076260.1/73283.001

Exhibit 1

Brooke Utilities, Inc.

P. O. Box 82218 • Bakersfield, California 93380-2218
Customer Call Center • (800) 270-6084

MYNDE BROGDON
HCR 01 Box 1544, Strawberry, AZ 85544
(928) 476-2500 / (928)-970-0482
Fax (928) 476-2500
myndibrogdon@msn.com

June 12, 2008

Steve Prahin
HC 7 Box 452
Payson, AZ 85541 email:

Rebecca Sigeti
HC 7 Box 451
Payson, AZ 85541 email: zigetti@hughes.net

Sent Via Email and USPS

Re: Docket #W-06574A-08-0047

Dear Mrs. Sigeti & Mr. Prahin;

I have been trying to reach both of you.

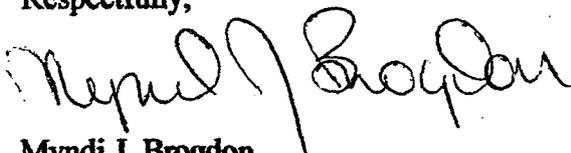
I left a phone message for Mrs. Sigeti on your home phone on Friday May 30th in the morning. I left two messages at your work phone and home phone on Monday June 9th.

On that date I also left a message for Mr. Prahin at your home phone number with a person named Diane.

I have not heard back from either of you. I was calling to keep you updated on the Geronimo Estates projects. I also was going to offer for you to review the report I had on our meeting of May 23rd, 2008 for the Arizona Corporation Commission. I was interested in your review and feedback.

I would appreciate your contacting me at your earliest convenience so I can share this information with you.

Respectfully,



Myndi J. Brogdon
Community Relations Representative
Brooke Utilities, Inc.

cc: RTH
Patrick Black
ACC Staff

Exhibit 2

ID	Task Name	Duration	Start	Finish	Predecessors	Cost
1	PYWCo GE/EA Water System Improvement Plan	46 days	August 5, 2008	October 7, 2008		\$0
2	ACC Procedural Conference	0.13 days	May 20, 2008	May 20, 2008		\$0
3	Ordered: PYWCo on-site discussion with Complainants	1 hr	May 20, 2008	May 20, 2008		\$0
4	Ordered: File Response to ACC by June 20	1 hr	May 20, 2008	May 20, 2008		\$0
5	On-site Meeting with Complainants	4 hrs	May 23, 2008	May 23, 2008		\$0
6	BUI Planning Meeting	21 days	May 27, 2008	June 24, 2008		\$2,800
7	Determine well #1 risks	17 days	June 2, 2008	June 24, 2008		\$2,500
8	Water static level sounding well #1	17 days	June 2, 2008	June 24, 2008		\$0
9	Determine new tank cost and delivery	4 days	May 27, 2008	May 30, 2008		\$0
10	Draft water system report	7 days	June 9, 2008	June 17, 2008	10,11,12	\$300
11	Attempted communication with Complainants	12 days	May 30, 2008	June 16, 2008		\$0
12	On-site second meeting with Complainants	4 hrs	June 16, 2008	June 16, 2008		\$0
13	ACC Compliance	19.5 days	June 16, 2008	July 11, 2008		\$0
14	ACC Docket Response Filing	1 day	June 20, 2008	June 20, 2008		\$0
15	Submit report to counsel for review	2 days	June 16, 2008	June 17, 2008		\$0
16	ACC Procedural Conference	4 hrs	July 11, 2008	July 11, 2008	19	\$0
17	Water System Construction and Development	197.5 days	May 14, 2008	February 13, 2009		\$40,115
18	Re-furbish storage tank #1	62 days	May 15, 2008	August 8, 2008		\$7,415
19	ADEQ ATC Engineering	25 days	May 15, 2008	June 18, 2008		\$4,615
20	Issue Gila Co. Building Permit	30 days	June 19, 2008	July 30, 2008	24	\$300
21	Install water storage tank #1	7 days	July 31, 2008	August 8, 2008	25	\$2,500
22	Refurbish storage tank #2	93 days	October 7, 2008	February 13, 2009		\$9,600
23	Evaluate operations of water storage tank #1	30 days	October 7, 2008	November 18, 2008	45	\$1,000
24	ADEQ ATC Engineering	25 days	November 18, 2008	December 23, 2008	28	\$4,600
25	Issue Gila Co. Building Permit	30 days	December 23, 2008	February 3, 2009	29	\$300
26	Install tank storage monitoring equipment	1 day	February 3, 2009	February 4, 2009	30	\$1,200
27	Install storage tank #2	7 days	February 4, 2009	February 13, 2009	31	\$2,500
28	GE Well #1 redevelopment	92 days	June 2, 2008	October 7, 2008		\$20,250
29	Determine well #1 operational capability	17 days	June 2, 2008	June 24, 2008		\$4,250
30	Pour well slab	2 days	June 25, 2008	June 26, 2008	34	\$1,000
31	Replace casing and column piping	1 day	June 4, 2008	June 4, 2008		\$2,500
32	Conduct ADEQ source testing (if required)	45 days	June 27, 2008	August 28, 2008	35	\$2,000
33	Develop required booster pump and hydro tank	14 days	August 29, 2008	September 17, 2008	37	\$4,000
34	Install security fencing around site	7 days	September 18, 2008	September 26, 2008	38	\$5,000

Project: 2008PYWCoGE-EAProjectDe
Date: June 17, 2008

Page 1

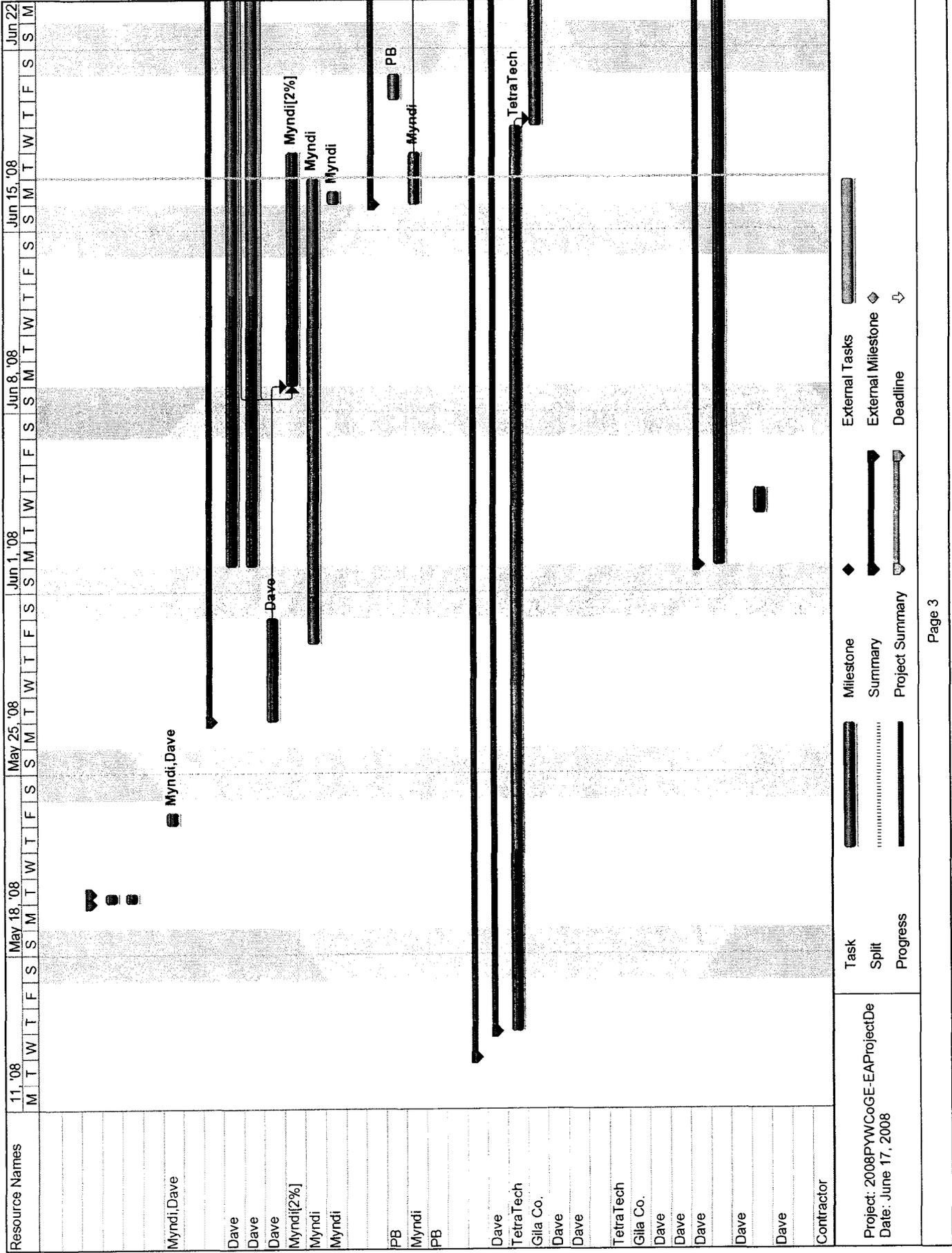
ID	Task Name	Duration	Start	Finish	Predecessors	Cost
40	Return well #1 to service	7 days	September 29, 2008	October 7, 2008	39	\$1,500
41	EA Well reconditioning	6.5 days	May 14, 2008	May 22, 2008		\$2,850
42	Replace casing and column piping	1 day	May 21, 2008	May 21, 2008		\$2,600
43	Return EA well to service	1 day	May 14, 2008	May 22, 2008	42	\$250
44						
45	Water system improvements complete	4 hrs	October 7, 2008	October 7, 2008	26	\$42,115

Task Split Progress

Milestone Summary Project Summary

External Tasks External Milestone Deadline

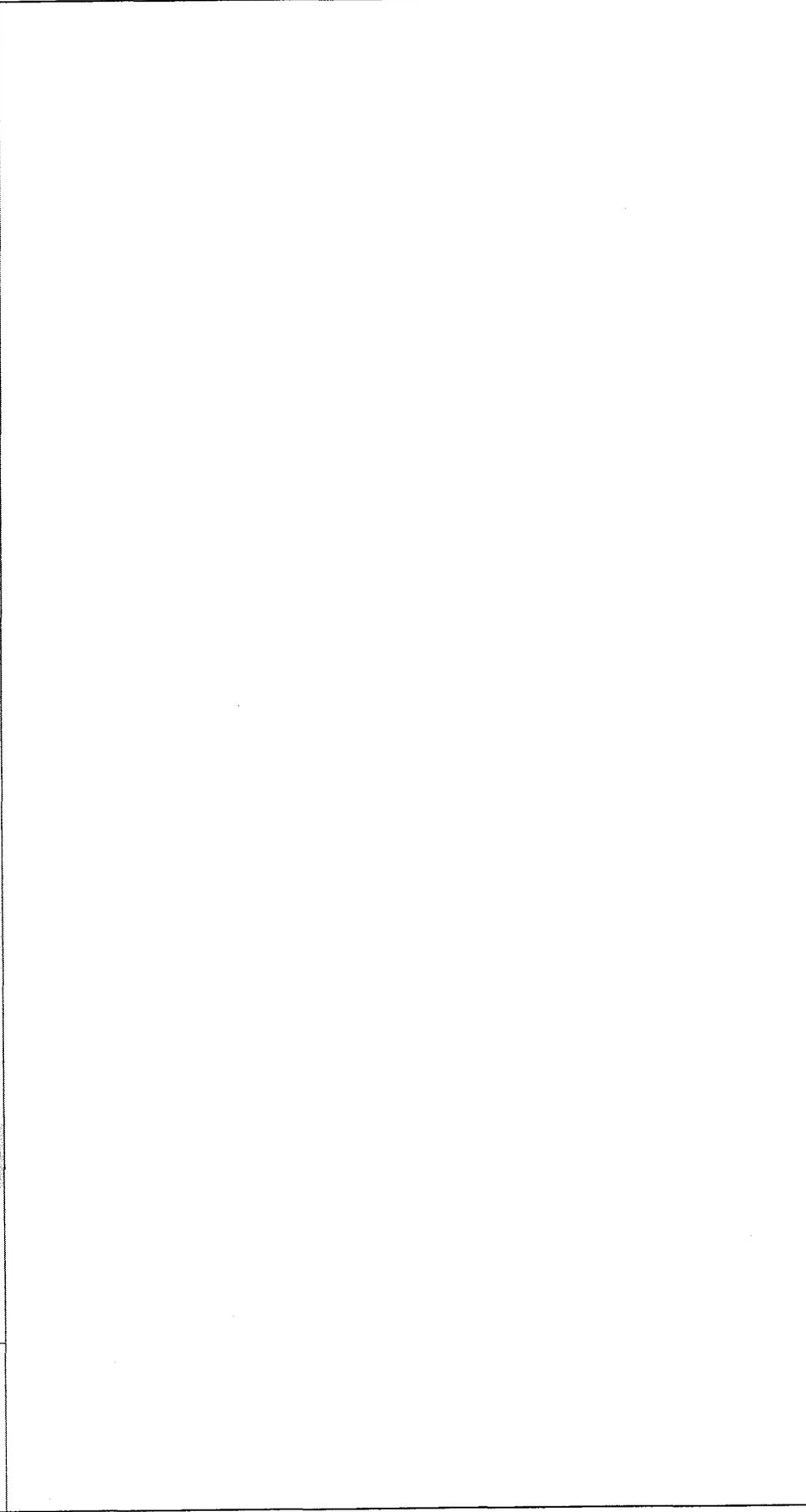
Project: 2008PYWCoGE-EAProjectDe
Date: June 17, 2008



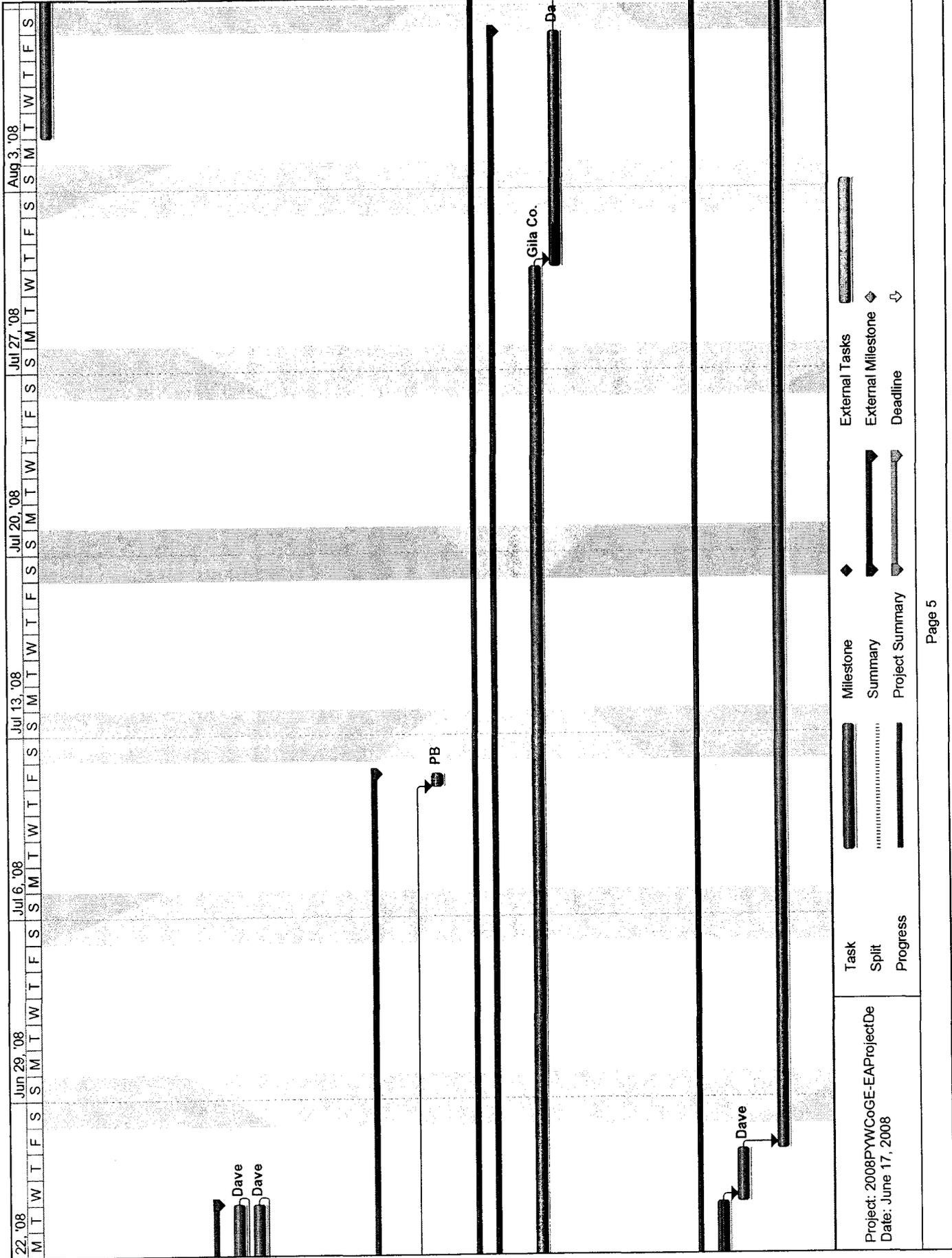
Project: 2008PYWCoGE-EAPProjectDe
 Date: June 17, 2008

- Task
- Split
- Progress
- Milestone
- Summary
- Project Summary
- External Tasks
- External Milestone
- Deadline

Resource Names	11, '08			May 18, '08			May 25, '08			Jun 1, '08			Jun 8, '08			Jun 15, '08			Jun 22					
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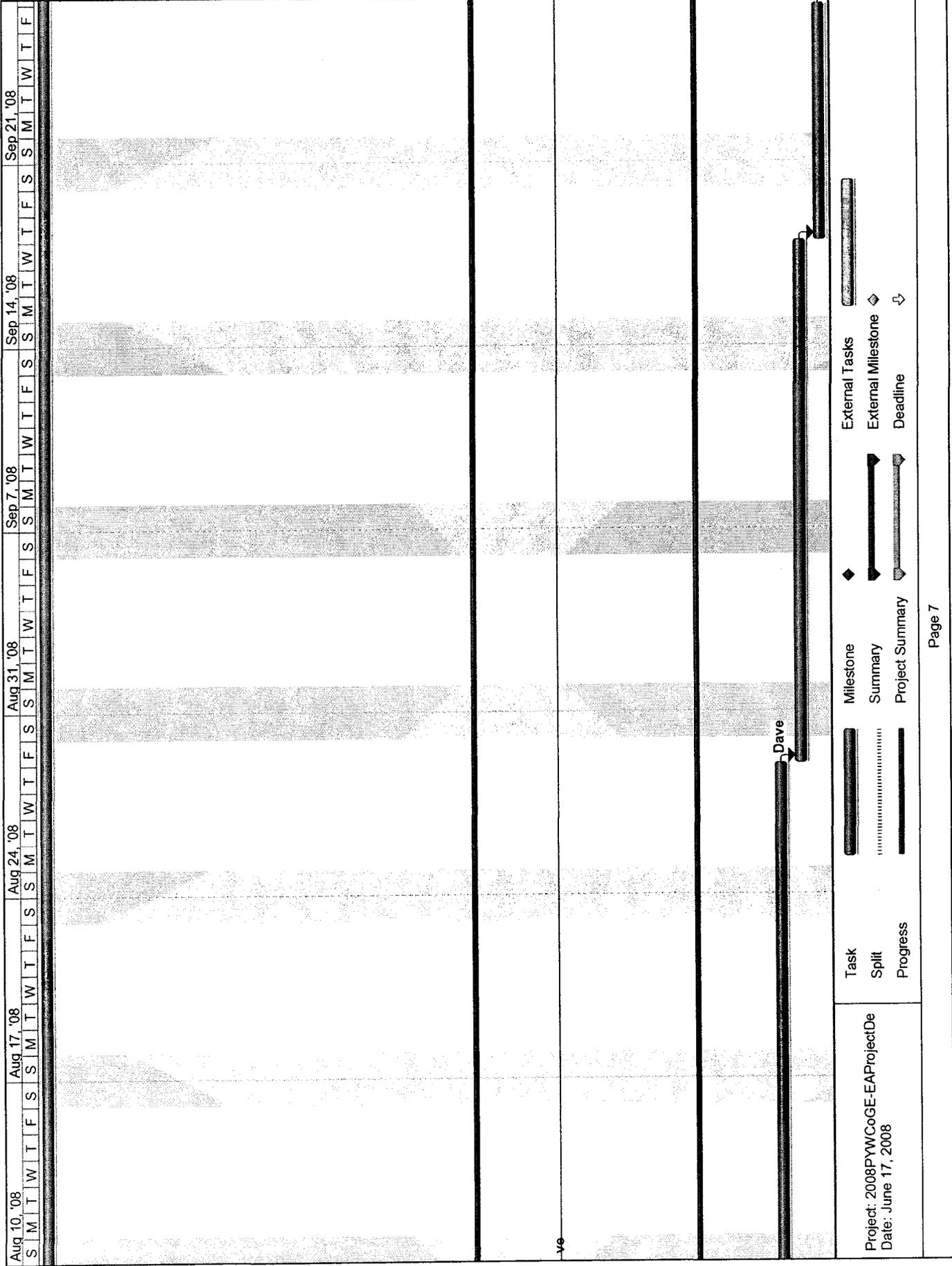
Project: 2008PYWCoGE-EAPProjectDe
Date: June 17, 2008



22 '08	Jun 29, '08							Jul 6, '08							Jul 13, '08							Jul 20, '08							Jul 27, '08							Aug 3, '08						
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Project: 2008PYWCoGE-EAProjectDe	Task	Milestone	External Tasks
Date: June 17, 2008	Split	Summary	External Milestone
	Progress	Project Summary	Deadline

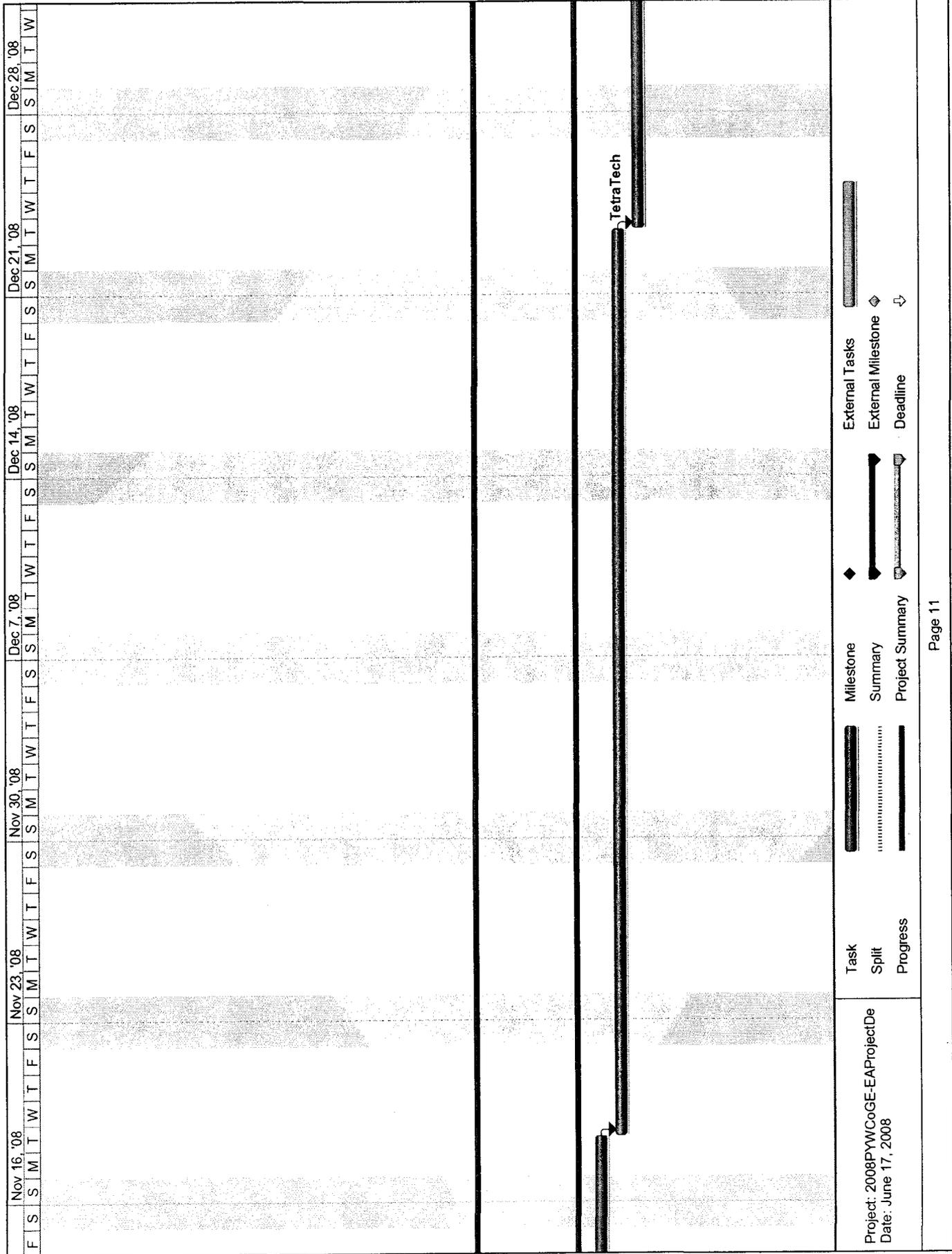


Project: 2008PYW/CoGE-EA/ProjectDe
 Date: June 17, 2008

Aug 10 '08	Aug 17 '08	Aug 24 '08	Aug 31 '08	Sep 7 '08	Sep 14 '08	Sep 21 '08															
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Project: 2008PYWCoGE-EAPProjectDe	Task	Milestone	External Tasks
Date: June 17, 2008	Split	Summary	External Milestone
	Progress	Project Summary	Deadline

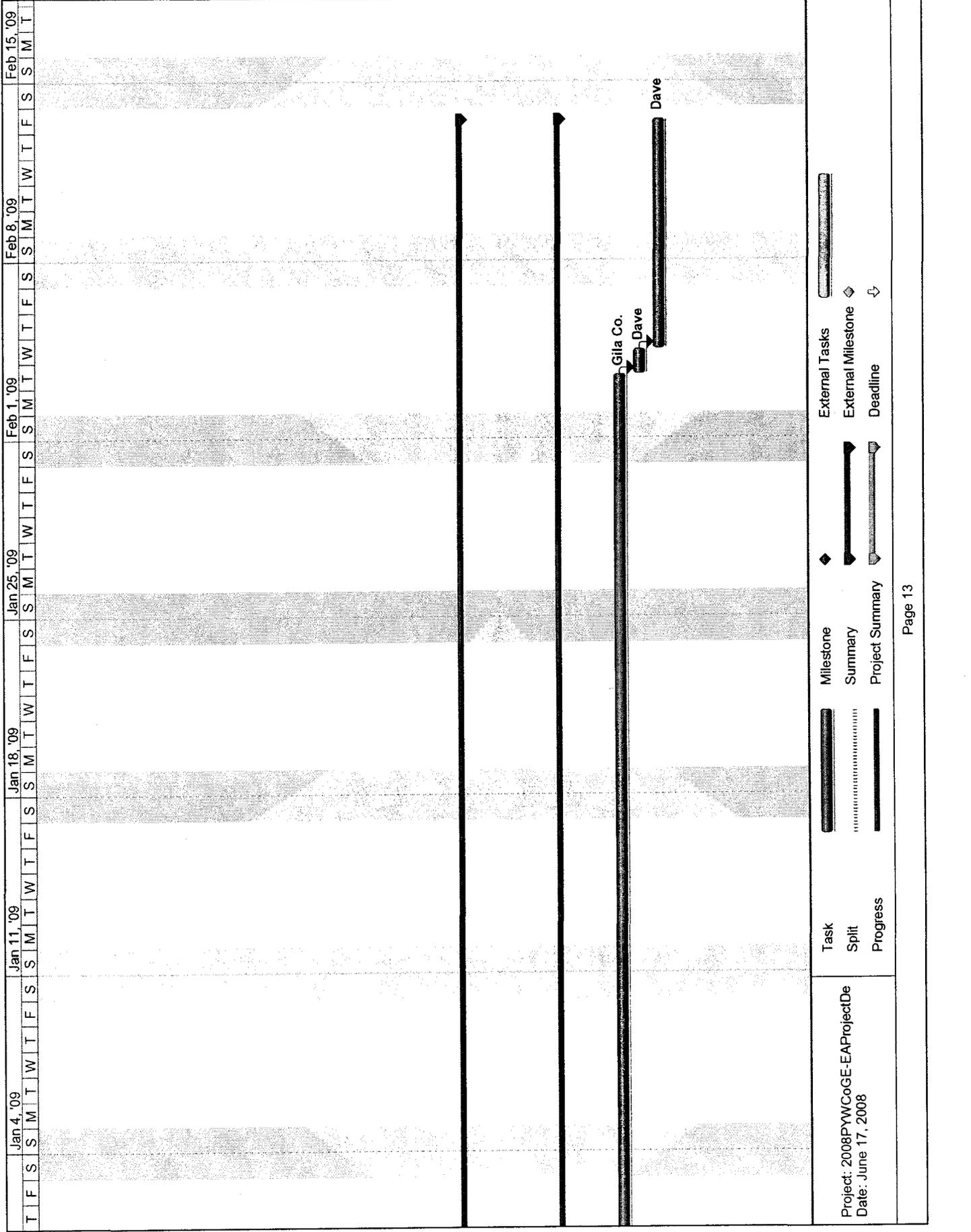
Sep 28, '08	Oct 5, '08	Oct 12, '08	Oct 19, '08	Oct 26, '08	Nov 2, '08	Nov 9, '08
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<div style="display: flex; justify-content: space-between;"> <div style="width: 20%;"> <p>Contractor</p> </div> <div style="width: 60%;"> <p>Project: 2008PYWCoGE-EAPProjectDe</p> <p>Date: June 17, 2008</p> </div> <div style="width: 15%; text-align: right;"> <p>External Tasks</p> <p>External Milestone</p> <p>Deadline</p> </div> </div>						
<div style="display: flex; justify-content: space-between;"> <div style="width: 20%;"> <p>Task</p> <p>Split</p> <p>Progress</p> </div> <div style="width: 60%;"> <p>Milestone</p> <p>Summary</p> <p>Project Summary</p> </div> <div style="width: 15%; text-align: right;"> <p>External Tasks</p> <p>External Milestone</p> <p>Deadline</p> </div> </div>						



Nov 16, '08			Nov 23, '08			Nov 30, '08			Dec 7, '08			Dec 14, '08			Dec 21, '08			Dec 28, '08					
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Project: 2008PYWCoGE-EAProjectDe Date: June 17, 2008											<div style="display: flex; justify-content: space-around;"> <div> <p>Task</p> <p>Split</p> <p>Progress</p> </div> <div> <p>Milestone</p> <p>Summary</p> <p>Project Summary</p> </div> <div> <p>External Tasks</p> <p>External Milestone</p> <p>Deadline</p> </div> </div>										
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Project: 2008FYW/CoGE-EA/ProjectDe
 Date: June 17, 2008

Jan 4, '09			Jan 11, '09			Jan 18, '09			Jan 25, '09			Feb 1, '09			Feb 8, '09			Feb 15, '09					
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Project: 2008PYWC0GE-EAP	External Tasks	Milestone	External Milestone
Date: June 17, 2008	Summary	Summary	Deadline
	Project Summary	Project Summary	

Task	External Milestone
Split	Deadline
Progress	

Exhibit 3

June 2, 2008

Dear Elusive Acres Homeowner/Lot Owner:

We are pleased to announce the formation of a Homeowners Association (HOA) for our community!

- ✓ The publication notice and approval from the Arizona Corporation Commission is enclosed.
- ✓ In addition title to Tracts A, B and C are in the process of being turned over to the new HOA from the current owner Mark Boroski--as required by our CC&Rs.
- ✓ The Elusive Acres HOA was filed as a non-profit organization and any funds not used for HOA purposes will be reconciled annually and returned to the owners accordingly.
- ✓ Initial assessment for the 2007-2008 fiscal year will be \$200 (due and payable by July 1st-- see page 2 Payment Form).

**All homeowners/lot owners of Elusive Acres are invited
to our first HOA meeting**

Saturday July 12, 2008

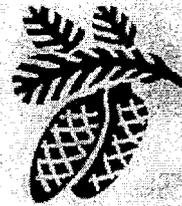
1:00 pm

Where: Sigeti Residence, Lot 1 Elusive Acres

Please RSVP by 7/1/08 (if you will or will not attend) to:

Rebecca M. Sigeti, President
Elusive Acres HOA
HC 7 Box 451
Payson, AZ 85541

Email: sigeti@hughes.net
Phone: 928-468-0511



Current status of the HOA and a review of the established by-laws for the organization will be discussion topics. We look forward to seeing you!

Minutes will be published

As the new HOA begins to gain traction, the following outlines those objectives the HOA will focus on short-term (during the next 6 – 12 months):

1. Upgrade road conditions of Elusive Acres Drive
2. Install a Private Drive/Security Gate at the entrance of Elusive Acres Drive
 - Homeowners may be able to get a discount on homeowners insurance--please check with your agent.
 - The gate will help to keep the maintained road in good condition for all homeowners, negate any liability of non-homeowners on this road and having an accident in our subdivision, and discourage vandalism.
3. Acquire water rights to the community well and storage tanks in order to supply water to all lot owners of the Elusive Acres subdivision.

Other long-term goals for consideration and action include:

1. Documenting and approving design requests, variances, and/or violations with appropriate notice.
2. Install and maintain fire hydrants on properties for fire danger prevention.
3. Supply water to fire suppression efforts when necessary.
4. Generate revenue from the water supply and be able to sell water to other communities when needed.

If you have any questions or concerns, please contact me. It is our desire to assure an amenable working partnership with everyone for the betterment of Elusive Acres. I hope you'll agree that together we can create and establish a great foundation for our neighborhood.

Respectfully,

Rebecca M. Sigeti
President and Homeowner
Elusive Acres

Enclosures 2

ELUSIVE ACRES HOA
2007- 2008 Annual Assessment Payment Form

- **Annual assessment of \$200.00 is due by July 1, 2008** and applies to all homeowners and/or lot owners of Elusive Acres.
- Your funds will be used to maintain Tracts A, B and C of the Elusive Acres subdivision (The private road, community well, and well site with storage tank).
- The annual operating budget of \$6,000 was based on expense projections outlined on page 1 (short term objectives for the next 6 - 12 months).
- Do not let your assessment become delinquent. A lien may be levied on your property in order to secure past-due payments. Please contact us if you foresee any problems or concerns.

Name of Home/Lot Owner: _____ Lot # _____

Current Mailing Address: _____
Street Address

_____ City

_____ State

_____ Zip

Email Address: _____

Telephone: _____



PLEASE RETURN THIS FORM with your payment made payable to:

Elusive Acres HOA, HC 7 Box 451, Payson AZ 85541

11548: 5/30, 5/3, 5/6/2008
ARTICLES OF INCORPORATION
OF A TAX-EXEMPT

Pursuant to A.R.S. §10-3202
(Arizona Non-Profit Corporation)
1. Name: The Name of the Corporation is: Elusive Acres HOA, Inc.
File # 14336724 2. Purpose: The purpose for which the corporation is organized is: To Maintain Public Tracts. 3. Character of Affairs: Home Owners Association 4. No

LEGAL NOTICES

part of the net earning of the corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 2. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements,) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section C of the Internal Revenue Code of 501 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section C of the Internal Revenue Code of 501 (or the corresponding provisions of any future United States Internal Revenue Laws) 5. Upon the dissolution of the corporation, the Board of Directors shall, after paying making provision for the payment of all of the liabilities of the corporation, dispose of all its assets exclusively for the purposes of the corporation in such a manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section C of the Internal Revenue Code of 501 (or the corresponding provision of any future United States Internal Revenue Laws) as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principle office of the corporation is then located, exclusively for such purpose or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purpose. 6. The power of indemnification under the Arizona Revised Statutes shall not be denied or limited by the bylaws.

7. Board of Directors: The initial board of directors shall consist of 2 director(s). The name(s) and address(es) of the person(s) who is(are) to serve as the director(s) until the first annual meeting of the members, if a member corporation, or Board of Directors, if the corporation has no members, or until his(her)(their) successor(s) is(are) elected and qualifies is(are):

Name: Rebecca M Sigell President
HC7 Box 451 Payson, AZ 85541
Bellina Nelson 9654 E Impala Ave
Mesa, AZ 85209

Secretary/Treasurer

The number of persons to serve on the board of directors thereafter shall be fixed by the Bylaws. 8. Known Place of Business: (In Arizona) The street address of the know place of business of the Corporation is: HC7 Box 451, Payson, AZ 85541