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ARIZONA CORPORATION COMMIS
UTILITY COMPLAINT FORM

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Investigator: Carmen Madrid Phone: 2008 JUN 24 P 4: 27 Fax:

Priority: Respond Within Five Days AZ CORP COMMISSION DOCKET CONTROL

Opinion No. 2008 69331 Date: 6/17/2008

Complaint Description: 19D Other - ACC Admin. Questions
N/A Not Applicable

Complaint By: First: Chris C. Last: Stoner

Account Name: Chris C. Stoner Home: ()
Street: Work: (000) 000-0000
City: Prescott CBR: c
State: AZ Zip: 8 is: E-Mail

Utility Company: ICR Water Users Association

Division: Water

Contact Name: Contact Phone: ()

Nature of Complaint:

From: Chris Stoner [mailto:]
Sent: Sunday, June 08, 2008 8:00 PM
To: Mayes-WebEmail; Mundell-Web; Hatch-WebEmail; Pierce-Web; Gleason-WebEmail
Subject: ICR Water Users Docket No. W-02824A-07-0388

Arizona Corporation Commission
DOCKETED

JUN 24 2008

Re: ICR Water Users Association, Inc.
Docket No. W-02824A-07-0388

DOCKETED BY [Signature]

Chairman Gleason & Commissioners Hatch-Miller, Mayes, Mundell, and Pierce:

The Inscription Canyon Water Users Association Board of Directors, (BOD), was instructed by Judge Stern, to hold a general membership meeting of all the member/owners, only after the BOD, Mr. Dayne Taylor, and Talking Rock Ranch Golf Club had come to an agreement and resolved all the current issues with the rate case including those issues involving noncompliance to Decision 64360. A meeting was held on June 3, 2008. What was presented was an LOU, not a final agreement and in my opinion, it was more like an I.O.U. from ICRWUA to Harvard LLC and TRGC.

The statement at the close of the meeting by the President of the ICRWUA , speaking for the board said, " We believe the Well Agreement controls the relationship between ICR and TRGC". This was astonishing to me and many other members at the meeting. ACC Decision 64360 was not mentioned. Numerous written questions submitted to the BOD asked about the ACC and Decision 64360 and why ICRWUA was not in compliance and those questions were never answered.

One of the main reasons the BOD and the Business Manager gave for wanting this relationship with TRR & GC and the LOU to go forward was money and "We need the money". The fact is, due to Mr. Taylor's intervention, many of us learned what was actually going on with ICRWUA's BOD and TRR & GC. This intervention and

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other member/owners involvement, is now being used by the BOD to blame us, as to why we may go bankrupt. I realize many of the existing agreements may have been executed prior to the election of some of the Board members, but not trying to correct the current situation and possibly adding to the mistakes of others is inexcusable.

My question is, why would the members of the ICRWUA want to enter into any agreements with TRR & TRGC? In my opinion, if the BOD of ICRWUA and TRR & GC will not follow and abide by existing public policy rulings put forth by the ACC, why on earth would the membership want to compound the problem and be part of another questionable agreement between these two groups. In addition, TRGC is consistently behind on its monthly financial agreements to a non profit water company. The ICRWUA BOD is advising the member/owners, if they do not comply with the demands of TRR & GC that TRR & GC will sue. It is my opinion, the threat of litigation is not a valid reason to enter into another relationship that could have far reaching consequences.

One last point regarding the ICRWUA Membership meeting. Many questions were asked about the use of effluent water vs well water on the golf course. Questions were asked about how much effluent is used (about 35,000 gallons per day is available) and when would the golf course stop using well water. Not one member of the panel fully answered the questions. Members were told how sprinkler heads were going to be removed from some landscaped areas and that would save some water. It has been reported, even at full build out, there will not be enough effluent produced to completely water the entire golf course. Full build out has now been estimated at 20 years. I found it very interesting that some members were shocked to learn that the TRGC is using about 91% fresh water on the golf course, especially since water restrictions are about to go into effect in the city of Prescott.

>From the April 16 testimony:

Commissioner Mayes mentioned that it might be possible for all the Commissioners to travel to Prescott to have a public comment session. Judge Stern said "... with respect to public comment in the Prescott area by the Commission, that can be arranged with proper notice and scheduled up there so the Commission has a good feeling for what the member/residents feel with respect to the operation of the utility by its board".

I believe this meeting is imperative.. The member/owner meeting set up by the BOD was primarily, to Sell the LOU, not to have an interactive dialogue between the member/owners and the Board. All questions had to be written and submitted just prior to the answer session and were sorted by Board members. Most questions went unanswered and we were told they would be answered in a letter at a later date.

Thank you for your efforts on behalf of the members/residents and rate payers and for providing us an opportunity to be heard in this case.

Chris C. Stoner

Prescott, Arizona 86305

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

June 24, 2008 (e-mailed the following response to consumer & filed in docket no. W-02824A-08-0388)

Prescott, AZ 86305

ARIZONA CORPORATION COMMISSION
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RE: ICR Water Users Association
DOCKET NO. W-02824A-07-0388

Dear Mr. Stoner;

Your letter regarding the ICR Water Users Association ("ICR") rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the ICR application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me toll free at (800) 222-7000.

Sincerely,

Carmen Madrid
Public Utility Consumer Analyst
Utilities Division
End of Comments

Date Completed: 6/24/2008

Opinion No. 2008 - 69331
