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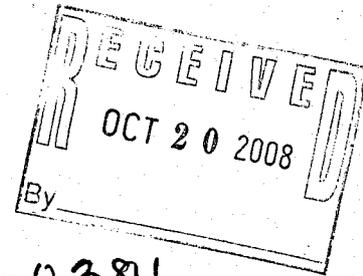


0000089392

October 16, 2008

4705

Ms. Kristin Mayes
Arizona Corporation Commission
Commissioners Wing
1200 West Washington
Phoenix, Arizona 85007-2996



Re: Docket W-01865A-07-0385

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

Dear Ms. Mayes:

This letter is to advise you that we remain strongly in favor of the project to upgrade the water delivery system in Groom Creek. We understand that the new base rate of \$50 is required to secure the necessary funding to accomplish the project in a timely manner.

The roads in Groom Creek are going to be paved. When the roads are paved, the existing pipelines which are under the roads will fail. Silver King Circle was paved in 2004. There have been three major water line breaks under that road since then. The last break was October 4, 2008. We were without water until October 8. The community is at risk.

With all due respect, we are surprised that you would allow the unsubstantiated allegations of a vocal minority to put the entire community in jeopardy. Please support this project as recommended by your staff.

Very truly yours,

Joseph & Tirota
Cynthia J. Tirota

Joseph and Cynthia Tirota
1423 Silver King Circle
Prescott, Arizona 86303

- c: Mr. William Mundell
- Mr. Mike Gleason ✓
- Mr. Jeff Hatch-Miller
- Mr. Gary Pierce

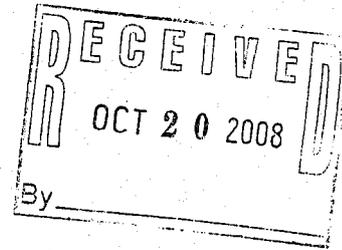
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Arizona Corporation Commission
DOCKETED
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October 17, 2008

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



Reference: Docket No. W-01865A-07-0384/0385

Dear Commissioner Gleason,

I have sat silently for the past 16 months, as I felt the Groom Creek Water Users Association Board of Directors and the Staff of the Arizona Corporation Commission were diligently working to resolve any problems in order to come to an understanding of what is needed to secure financing and produce a rate increase to obtain that financing.

You can imagine my surprise when 1.) Commissioner Hatch-Miller did not feel our case was important enough to stay and vote on the decision and 2.) that after sitting there the entire afternoon that we could not have been given the opportunity to continue with the hearing the following day. I was also very shocked and confused that the Commissioners would give any strength to the petitions to the GROOM CREEK WATER USERS ASSOCIATION, which 1.) were not sent to the Groom Creek Water Users Association and 2.) did not follow the guidelines listed in the by-laws of the company. Out of the 74 signatures listed, only 50 are considered valid. Four of the signatures were signed by husband and wives of undeveloped properties in Groom Creek and are not members of the association at this time, makes them invalid. Of the 18 pages sent to the Commission, 11 pages do not have a valid signature and date at the bottom of the page of who personally circulated the petition, so those should also be consider invalid. A valid petition should not be signed as a concerned party by the person circulating a petition. 5 pages were signed as an owner of the affected properties and also as a person doing the circulating of the petition, so those should also be ruled invalid. I am shocked that you Commissioners would allow such shoddy work to be used as evidence in the case. According to my count only 3 pages, a total of 10 signatures, should be considered valid in this case.

Ms. Berry has been harassing this Board of Directors for over a year and it is time that someone speaks up. After the Board reimbursed her the first installment on her hook-up deposit and she had cashed the check, she then turn around and made a complaint with the Commission. The pipes in Groom Creek are Mexican Transite pipes, and I am sure the pipes Ms Berry is referring to at her second residence in Phoenix may be transite, but not Mexican transite. I would also venture a guess that her Phoenix pipes are much thicker and larger in diameter than those installed in Groom Creek. Sid Webb, who built the water system in Groom Creek, used the cheapest material he could find in order to make a bigger profit when he sold the company. Over the years this failing system has been patched, sometimes with gas valves in place of the proper water valves. It is time now to get serious and replace this system before the entire system fails and 228 member of this water company have no water, no money and are forced to let the Arizona Corporation Commission take them over. This current Board is a group of highly qualified business people, who deeply care about each and every member of this community and want to ensure that they have high quality water and a new system the members can be proud of owning.

I know that you feel that this huge increase will be a hardship on some of the residence, but keep in mind that about 60% of the owners have an additional home somewhere else. I do agree that it is a large increase, but 14 years with no raise in the base rate has been a gravy train for these folks. Please keep in mind that the very few members, who rely solely on Social Security, will be getting a hefty increase in this checks this January.

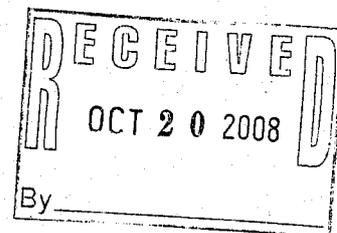
Sincerely,

Marylou Holson

Barbara S. Miller
118 West Northview Ave.
Phoenix, Arizona
October 27, 2008

Re: Groom Creek Water Users Association Hearing Decision

Docket No. W-01865A-07-0385



Dear Commissioner:

I am very upset and disappointed with the decision that was made on Oct. 15th regarding the rate increase that the Association has worked very hard for in the past year and a half in order to update the water distribution system. From all the evidence the Association has submitted along with the hearings and testimony given, even you have to admit that our system is deteriorating to the point that it needs to be replaced.

There are some points about the petition that was sent to you that I think you need to be aware of since no member of the Association attending the hearing, other than Patty Berry, knew about the petition.

- 1) Of the 228 homes connected to the water system in the Groom Creek area only about 40 % live there full time. Of that, many are families. They are not all retirees. In fact some of the interveners have jobs, and some of the petitioners own 2nd homes. Anyone that can afford a second home can certainly afford the extra cost for water. A few of the people who signed the petition have double lots with a house on both lots. In two instances these homes are sitting there empty and are only used for company or when family visit! Others rent out the home for extra income.
- 2) After down loading the petition from e-docket, I found 24 names that are suspect. There were duplicate signatures; signatures of people who were not members of the association; and there were signatures where both husband and wife signed. Since the petition was directed to the Association's Board of Directors and not to the ACC, it must follow GCWUA rules which state that one name or signature per water meter or in this case household is accepted.
- 3) If you look at the pages of the petition, not all pages were signed and dated at the bottom as required; therefore you have no idea who the person was who took around the petition to gather signatures. Consequently the commission has no idea which signatures are legal or not legal. This is getting to sound like ACORN! Why you and the other commissioners would ever accept this petition without questioning the officers of the Association in attendance, and use it in

your decision leaves one to wonder how any of you come to make your decisions in the first place.

- 4) You are concerned about "rate shock". All the members of the Association know they are going to have to start paying more for their water. When the staff report came out with their recommendation of \$ 50.00 we were immediately notified of this by the Association. Every member has had ample time to prepare for this eventual rate hike.
- 5) You are concerned about retirees (most of the interveners) who live on fixed incomes. If you pay attention to the news, in January 2009, social security payments will be increased by \$ 63.00 a month for the typical retiree. For a husband and wife that could mean up to \$ 126.00 more a month. I think they can afford a \$ 50.00 basic rate increase.

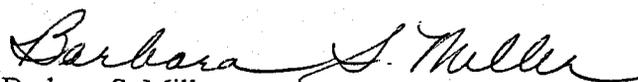
From what I have learned from the testimony from the design engineers and the ACC staff engineer, this system must be done at one time, not phased in as you would like to see it done. I am not an engineer, but even I know if you try to connect an old deteriorated system to a new system, you are going to run into trouble down the line. Our Association can not afford more expensive repairs. Our last repair which happened on Silver King Circle on October 4th is estimated to cost the Association around \$ 15,000.00 to \$ 20,000.00 to repair one small section of this road.

Besides being concerned for the retirees on fixed incomes, please be concerned that it is more important the community have a good water distribution system. If the water system becomes un-repairable, it won't matter if you are retired or not. No water is no water. In order to have that good system we need the money to replace the old one.

Up until now I had been told the ACC favored upgrading water systems and was concerned about failing systems. The rate increase is urgent to accomplish the upgrades. Your vote on Oct. 15th was not in the interest of Groom Creek and its residents. You have completely lost my confidence in the Commission's ability to work for the betterment of the residents of Arizona.

A reversal of your decision needs to be made promptly and the base rate hike to \$ 50.00 needs to be passed as quickly as possible. Any delay by the Commissioners in approving this project is going to cost us more money in the end as was stated by Chairman Gleason.

Sincerely,



Barbara S. Miller

A Groom Creek Homeowner

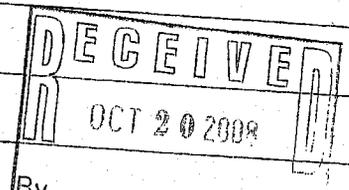
To: Arizona Corporation Commission
c/o Kustin Mayer

Date: Oct. 18, 2008

Please reconsider approving the Goan Creek Water Pipe project. As new home owners we are very concerned with the continuous leaks & need for repairs of our water system. The system needs to be updated. By delaying this project our costs will increase significantly. It is better for the entire community to fund this project now as the costs for constant repair will only go higher. This will affect our quality of life & our home values in short order!

We support the increase in base rate to \$50
& the need for a water pipe upgrade.
Thank you

Mary & Robert Hunter
1412 Silver King Circle



Betty Camargo

From: TERRY ANNA MARIE HAMMON [tamhamn@q.com]
Sent: Monday, October 20, 2008 10:09 AM
To: Mayes-WebEmail
Subject: Docket # W-01865A-07-0385 Groom Creek Water Users Association

Once again, Mrs. Hammon and myself wish to express our strongest support for the Groom Creek Water Users improvement project. It is my understanding that there is an effort to petition the Commission against the project. We have never been approached with any such petition, however, we certainly would have refused to sign it. Those who are in opposition, understandably, were not affected by the most recent water outage caused by a major break in the aging pipes which are to be replaced via the improvement project. Several families were without water for about a week in early October. The approval of this project by the Arizona Corporation Commission is becoming more urgently necessary every day. We must secure the funds for the project, and complete the project as soon as possible. The longer we wait, the more likely it is that more of our neighbors will suffer a water outage. Furthermore, the longer it takes to complete the replacement of the pipes which lie beneath our roads, the greater the risk of losing the Yavapai County funds earmarked to pave our dirt roads.

Please, please, act promptly to approve the issues contained within Docket # W-01865A-07-0385.

Respectfully, Terry Hammon
Anna Marie Hammon

1414 Friendly Pines Rd.
Groom Creek, AZ
928-777-8349