

ORIGINAL

OPEN MEETING AGENDA ITEM



0000090893

Sheila Stoeller

RECEIVED

From: Bernice Winandy [bewinan@cybertrails.com]
Sent: Tuesday, December 02, 2008 5:08 AM
To: Utilities Div - Mailbox; Pierce-Web; Hatch-WebEmail; Mundell-Web; Mayes-WebEmail; Gleason-WebEmail
Subject: W-03512A-07-0362

Arizona Corporation Commission

2008 DEC -4 A 10:01

DOCKETED

AZ CORP COMMISSION

DEC -4 2008

DOCKET CONTROL



Chairman Gleason has asked whether Pine Strawberry Water Improvement District (PSWID) has the authority to purchase and run a water system. In my opinion PSWID does not have the authority to purchase the water companies and become a water supplier for the following reasons:

1. I personally know people who were involved in obtaining signatures on the petition to form PSWID. These acquaintances have told me that PSWID was formed to look for solutions to the area's water problems and not for the purpose of purchasing Pine Water Company and Strawberry Water Company (the Water Companies). In fact, I believe that many of the signatures on the petition were obtained only after the person presenting the petition assured the signer that PSWID was not being formed for the purpose of purchasing the Water Companies.
2. I was at the Gila County Board of Supervisors meeting when the PSWID was formed. My recollection is that Ron Christianson, Gila County District One Supervisor at the time, assured the audience that PSWID was not being formed for the purpose of purchasing the Water Companies and becoming a water supplier.
3. Domestic water districts are districts that are formed with the purpose of becoming a water supplier. The other water districts in the Pine/Strawberry area which are water suppliers were all formed with the word "domestic" incorporated in their name. The word "domestic" is not included in PSWID's name nor was it on any of the formation documents.
4. A memo dated July 12, 2004 from the Gila Board of Supervisors to a citizens group states in part, "The PSWID is currently a Water Improvement District as defined in the Arizona Revised Statutes. However, it is subject to becoming a "domestic" water improvement district if property owner's approval and Board of Supervisors approval is obtained as required under A.R.S. 48.1018." The residents of Pine/Strawberry have not been asked to approve any conversion to a domestic water district and, as far as I know, the Gila County Board of Supervisors has not approved any conversion.
5. PSWID has existed in the Pine/Strawberry area for about 12 years with the residents of the area acting under the belief that PSWID was a district without the power to purchase the Water Companies and become a water supplier. In fact, there has been a running conversation in the area asking the question, "If PSWID does discover water, what does PSWID do with it? Does PSWID become a water wholesaler? How does it become a water wholesaler? After the discovery of water, is it feasible for PSWID to purchase the Water Companies? After the discovery of water should PSWID become a domestic water district?" It is only after the March, 2008 recall election that the PSWID Board suddenly declared out of the clear blue that PSWID is a domestic water district with the power to purchase the Water Companies.

Clearly, PSWID was not formed as a domestic water improvement district, it has not existed, acted or been thought of as a domestic water district, nor has it been converted to one in accordance with Arizona Revised Statutes. Therefore, the answer to Chairman Gleason's question regarding whether PSWID has the authority to purchase the Water Companies and become a water supplier is "No." If PSWID has always been a domestic water district a great many people in the Pine/Strawberry area have been have been consistently duped since the inception of PSWID some 12 years ago.

I request that the Arizona Corporation (ACC) Commissioners bear with me as a change the subject of this e-mail and express my view concerning the handling of the above referenced matter.

12/2/2008

The question initially brought before the ACC was whether Pine Water Company could afford to take on debt. Instead of coming to a legally supported decision on this matter in a timely fashion, the ACC chose to succumb to a loud group. The lack of ACC action has denied the residents of Pine/Strawberry the right to pursue a quick and economical solution to their water problems and has allowed attorneys' fees to reach astronomical figures. Sadly, the individual Pine/Strawberry resident gets to pick up the tab for the attorneys' fees irregardless of who comes out on top in this matter and whether or not the water problem is solved. Ironically, the group that the ACC has gone out of its way to support, tells attendees at its meetings that the public should not depend on the ACC to look out for the best interests of the public. One can only wonder how much the unnecessary prolonging of a simple case has cost the entire State of Arizona in these difficult financial times.

Finally, I was quite amazed at the behavior of one of the Commissioners at the last hearing in this matter as he made derogatory remarks about attorneys involved in the case and stated that he did not want to be hung in effigy by the residents of Pine/Strawberry. Is it not the ACC's duty to make decisions based on legal points and not on the decision's popularity and lack of popularity?

Thank you for your attention to the matters discussed in this e-mail, and I hope that you will give them careful consideration.

Bernice E. Winandy
P.O. Box 694
Pine, Arizona 85544
928-476-2679

November 25, 2008

Commissioner Kristin Mayes
Arizona Corporation Commission
1300 W. Washington St.
Phoenix, AZ 85007-2929

RE: Brooke Utilities
Pine Water Company
Strawberry Water Company

W-03512A-07-0362

Dear Commissioner Mayes,

I am writing to ask you to, once and for all, act in the best interests of the people of Pine and Strawberry in your December meeting.

For over 11 years, we have been at the mercy of Bob Hardcastle as we endured water outages, water use restrictions, and most recently, exorbitant hauling charges when there was water available for purchase from Solitude Trails. In 2007, the ratepayers in Pine paid water hauling charges while Brooke was sending our water through the Magnolia pipeline to sell in Strawberry.

Since we now have an entity in place to operate the water system (PSWID), I strongly urge you to revoke the CC&N's of Brooke Utilities and Pine and Strawberry Water Companies, as they have been repeatedly in violation of the requirements of those CC&N's for years.

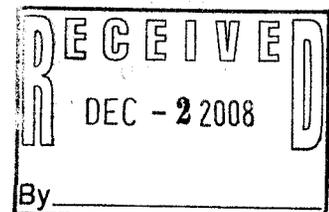
I also request that you deny the encumbrance request for the K-2 well that puts \$300,000 of taxpayer money in jeopardy. It has been proved that the K-2 well was fraudulently presented by the now recalled members of the PSWID board.

Thank you for considering the best interests of the ratepayers of Pine and Strawberry.

Sincerely,



Dale Oestmann
P.O. Box 871
Pine, AZ 85544



Don Zozman
HC6 Box 1135
Payson, AZ 85541

Kristin Mayes - Commissioner
Arizona Corporation Commission
1300 W Washington St.
Phoenix, AZ 85007-2929

W-03512A-07-0362

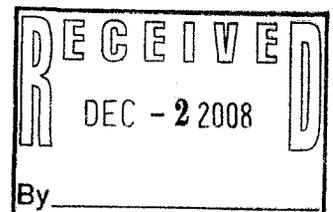
December 1, 2008

This letter is to make you aware of just how unhappy I am with Pine Water Co. I purchased my property (lot 52 in Cool Pines) eleven years ago. At the time there was no water connection but I was put on a list and assured I would be called for a meter hookup. After six years had passed, I called Brooke Utilities, paid \$550.00 and scheduled a meter to be installed at the property line. When they came, they said that they were putting it where they had selected, even though I said it was in the path of my planned driveway. Unfortunately, we determined the neighbor's meter was actually 13 feet inside my property line and rather than correct the problem, they chose to put my meter next the neighbors, right in the path of my planned driveway. At that time, I started getting billed for the basic water service even though the meter was not being used and there was no house on the property. I contacted Brooke Utilities and later Mr. Hardcastle directly and informed them of my problem. They were quite rude and uncooperative and Mr. Hardcastle was concerned mostly that I had his phone number. He finally agreed that for a fee of \$1000 he would have both meters moved. Obviously, I was not in a position to pay that kind of money to correct their error. He told me the neighbor's meter was there when he purchased the water system and he wasn't responsible. He was unwilling to correct the errors of the previous water company owner. I called someone, I think the ACC, and was told there should not be a monthly charge until the meter was actually be used. I quit paying the basic rate and at some point later, my meter was removed. I have recently called Brad Morton in the ACC Utilities Complaint Department and he said I should have some answer from Brooke Utilities within five days. (#73326 November 24, 2008) I HAVE BEEN WAITING FOR ELEVEN YEARS!

I am now building my house, have no water meter or service and because of the moratorium may be waiting forever. Brooke Utilities has had 12 years to improve the system, repair the infrastructure, find new water sources and build good relationships with the Pine customers. IT HASN'T HAPPENED!

It is my understanding that at your December open meeting a decision is to be made regarding the encumbrance of the \$300,000 taxpayer money. The recalled PSWID board hastily put the money in escrow in hopes of helping Brooke Utilities risk taxpayer money to do what they wouldn't do with their own money. The K-2 well agreement has been shady since the beginning with documents not being shared with all voting board members and apparent conflict of interest concerns. The people of Pine and Strawberry have replaced four members of that board and are taking steps to purchase the water companies! Please DENY the encumbrance and give the people of Pine the opportunity to continue on their journey toward water independence. We have been held hostage by this water monopoly for too long. It is also my hope that the progress of the current PSWID board will convince you that the CC&N of Brooke Utilities should be REVOKED and the people of Pine & Strawberry should have the freedom to fix our own water problems.

Sincerely,



Ginger Jeffers
PO Box 730
Pine, Arizona 85544

November 30, 2008

Kristin Mayes, Commissioner
Arizona Corporation Commission
1300 W Washington Street
Phoenix AZ 85007-2929

Re: Pine Strawberry Water Improvement District *W-035124-07-0362*

After all these years... and all the meetings... do you really think we need to drill for a K-2 well in Strawberry and waste another \$300,000?? Especially since there is a new well in Pine??

You sit on a very important decision-making board, and your decisions affect many lives, even more so in this economic fiasco where many residents can't pay their bills as it is and are on fixed incomes.

Please revoke the CC&N of Robert Hardcastle, aka Brook Utilities, aka Pine Water Company, aka Strawberry Water Company.

On a personal note, my income has dropped so much that if he starts charging those fraudulent "hauling charges" as he did last year, I'll end up with my water shut off, and I don't deserve that.

Please Listen!



Virginia (Ginger) Jeffers
Pine Resident since 1994

