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PSWID meeting turns angry over many unanswered questions

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It's still February, but things are getting very hot up in Pine and Strawberry.

The subject is, of course, water, and the venue the Thursday, Feb. 21 meeting of the Pine Strawberry Water Improvement District (PSWID) board—a meeting that concluded in chaos, anger and frustration.

What upset many in attendance is that the PSWID plans to proceed with the K2 Well project despite the fact that the Arizona Corporation Commission (ACC) has not granted it final approval to do so—and the fact that the PSWID is implying it has that approval. The proposed K2 Well is a deep well project that will be funded in large part by taxpayer money, even though Brooke Utilities, the private water company serving Pine and Strawberry, will ultimately own the well.

Ray Pugel, the local real estate broker who drilled a deep well in Pine that he says could meet that community's water needs, was in attendance at the meeting. Pugel

and Brooke Utilities are slugging that issue out before the ACC.

Pugel said that PSWID board member Jim Richey implied the board has approval from the ACC, when it doesn't.

"What he said was, 'I have in my hand from the ACC the document that says our K2 agreement is constitutional. It's here.'

"And then they wouldn't allow us to speak, like they never do. I waited until the end. I got up, and I said, 'Well here's the rest of the story. Let me clarify that. That is not an approval. That is a legal brief filed (Feb. 15) by the staff that supports that it's constitutional.

"The rest of the story is that two briefs have been filed, as requested by Commissioner (Kris) Mayes, to determine the constitutionality of this agreement. Staff does not make policy. They simply file an opinion, just like the other two attorneys did.

"As Kris Mayes has made abundantly clear, staff does
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not make the decision: "We do not always follow their recommendation."

Pugel said not only has that decision not been made, but also it has not even been calendared yet.

"It is not a decision; it is merely an opinion," Pugel emphasized.

Even though the ACC has not approved the K2 project, bids will be accepted in the near future from drilling companies. The PSWID is going ahead, according to Chairman Gary Sherlock, based on the recommendation of ACC Attorney Kevin Torrey.

The PSWID believes the commissioners will follow their staff's recommendation to approve, and that's what Richey said at the meeting, according to Sherlock. Richey was unavailable for comment.

One item noted in the recommendation is that if the test well does not produce the 150 gallons per minute expected, then Brooke is not obligated to purchase the well or spend the additional \$1 million to finish the project. So potentially if the water pressure isn't there, PSWID could wind up with an under-producing well on Brooke property that Brooke owns the water rights to.

In addition, before the PSWID can start receiving payment for its initial loan, the well must be online and approved by the ACC, which means it could take up to two years before any payments are received

from Brooke.

Early on, PSWID Chairman Gary Sherlock noted that on Feb. 7 he transmitted escrow instructions along with \$300,000 to Pioneer Funding Services in Scottsdale. This is the funding for drilling a well on the K2 site in Strawberry.

"It's what the money is for—to find water," Sherlock told the *Gazette*. "The taxpayers have put this money out to the district to find water for the community, and that's what we're using it for."

"The good thing is, they'll get their money back if we find water—and we fully expect to."

Next, Hydrosystems Inc., a firm hired by the PSWID to structure the timeline for the K-2 well, issued a status report. The timeline includes getting permits and preparing the site for equipment and drilling, which includes the construction of an in-ground water storage area capable of holding 90,000 gallons. Water that is not potable, Hydrosystems reported, will be pumped over private property into an adjacent creek bed.

Although the representative from Hydrosystems said he knew of no issues in pumping over private land, several in the audience said permission had not yet been granted to do so. It was an issue that would resurface later in the meeting.

Hydrosystems also reported the need to order steel pipe, lest rising worldwide

Ballots to recall four members of the PSWID were mailed to Pine and Strawberry residents beginning Feb. 18. They can be returned by mail or dropped off at the Isabelle Hunt Memorial Library, 6124 N. Randall Place in Pine. All ballots must be received in the mail or at the library by March 11 at 7 p.m.

demand and cost lead to a delay in starting the project. Hydrosystems also noted it would be using an 8-inch pipe vs. the 6-inch pipe talked about previously because the test well will become a production well if all goes as expected. The plan is to drill to a depth of 1,700 feet, then start pumping and testing the water quality.

Hydrosystems expects the drilling to start as early as April, with the project set for completion by July of this year. The firm stated it would have water in the pipeline by July of 2008 for both communities.

Several in attendance were upset by the timeline, noting that by July residents will already be well into paying water-hauling charges for yet another summer. Pine residents have had hefty water bills and severe usage restrictions in recent summers because Brooke Utilities has been unable to keep up with demand without hauling water from elsewhere.

The next order of business was the proposed phase 2 of the survey to determine future drilling sites by Zonge Engineering. Because the \$26,000 necessary to start phase II is not in this year's budget,

the survey will be postponed until the 2008/2009 budget is complete to see if funding will be available to move forward.

The next and final item on the agenda was a much-awaited presentation concerning improvements to and the present condition of the Pine and Strawberry water companies' infrastructure by a representative of Brooke Utilities. Unfortunately, the representative was a no-show, with the company claiming it didn't have enough time to study the questions submitted.

This, of course, did not set well with the 50-plus in attendance.

During the question and answer period that followed, Ned Greenleaf, a resident who owns property adjacent to the K-2 site, said he had been served condemnation papers. When board members professed to have no knowledge of the condemnation procedure, the audience became even more riled.

"I've been telling them from the start, 'That land you have is not big enough to drill a well,' Pugel said. "They've been telling us we're all full of (it). Now Hardcastle has threatened condemnation on an adjacent property owner's land. Nobody will listen to us."

While many had questions, only a few were answered, with some referred to the PSWID's attorney for review. As the exchanges became increasingly heated between the community and the board, it became apparent the audience would not be satisfied.

Sherlock tried to restore order several times, but was finally forced to adjourn the meeting instead.