



0000094378

al

ORIGINAL

**Tonto Village
 Domestic Water Improvement District
 HC7, Box 363
 Payson, AZ 85541
 Phone: (928) 595-1111
 FAX: (928) 474-2876**

Directors and Officers:

**Daryl Kilbourne, Chairman
 Jerry Lewinson, Vice-Chairman
 Gary Martin, Treasurer
 DeWayne Stewart, Parliamentarian
 Linda Stailey, Clerk/Secretary**

Staff:

**Harry D. Jones, District Manager
 Linda Stailey, Administrative Assistant**

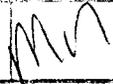
February 23, 2009

Docket Control
 Arizona Corporation Commission
 1200 W. Washington, Phoenix, AZ 85007

Brian Bozzo, Compliance and Enforcement Manager
 Utilities Division
 Arizona Corporation Commission
 1200 W. Washington
 Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

MAR - 9 2009

DOCKETED BY 

AZ CORP COMMISSION
 DOCKET CONTROL

2009 MAR - 9 A 9: 58

RECEIVED

Re: Tonto Village Water Company, Inc. ("Company") W-01580A-04-0672 Decisions 6806, 69911, and 70465

The Tonto Village Domestic Water Improvement District ("District") has received a copy of a letter drafted by John Gliege Law Offices dated December 26, 2008. Our response to this 4th request to extend the time period to bring a new water source on line, at a first glance, might be considered a late filing on our part. However, this communication from the Company counsel only came to our attention through our inquiry and a face-to-face meeting with the Compliance Section, rather than by Docket Control notification, as is normally required

As interveners in the case W-0158-08-0209 (financing application case related to the well that was ordered to be drilled under the above referenced docket and decisions), the District, the other interveners, and others on the mailing list should have known of this formal extension request much earlier. What apparently happened was that the Compliance Section received the Gliege letter on January 5, 2009, and then accidentally filed it in their "compliance" file without having it posted to Docket Control for distribution to all parties involved.

Please note that the Tonto Village Domestic Water Improvement District strenuously objects, without at least impositions of some sanctions, to the granting of the request for more time to bring the additional water source on line as required many times by the Commissioners over the last four years. The prior delays in bringing the new water resource on line (as granted to the Company in 2006, 2007, 2008 as extensions to the initial order issued four years ago) have given far more than reasonable time to the Company to complete the required task.

For example, after decision 70465 was issued August 6, 2008, the Company has again waited until the last minute to attempt to follow Commission orders. With almost five months allowed to complete the task by December 31, 2008, the well drilling (not final testing or development) was not started until 11-20-08 with drilling completed by 12-1-08 according to the Well Driller Report filed with ADWR, as attached.

Granted, the Company has reportedly drilled a hole in the ground to 600 feet per the 12-1-08 Well Driller's Report and Well Log. However, much technical information about the apparent new hole is unknown to the District, and most likely to the owners of the Company. Please see the attached evaluation and questions about the Drilling Log as prepared by the District's consultant Mike Ploughe of Highland Water Resources Consulting, Inc. Last August, the District along with the other interveners encouraged the drilling of the well, but having the Company again not able to meet requirements of the Commission, and not following reasonable suggestions as to how to appropriately construct and test the new hole are disturbing to the District and the citizens of Tonto Village. Also, like the other wells shown on the ACC Annual Reports as assets of the Company (but Mr. Gliedge has informed the District they are really owned by others – see prior letters), ownership of the new well is unclear since the Well Driller Report and Well Log indicates the owners to be Ronald and Carolyn Standage, not the Company.

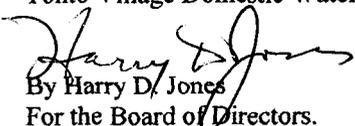
Therefore, we do encourage completion of the well effort only if it is to be completed in an appropriate and professional manner (per prior testing procedures and construction suggestions of Mr. Ploughe). As an alternative to completing the new well that is likely to take away water from the Company's best well less than 30 feet away (it did effect a neighboring well about 75 feet away during drilling), the Commission also has the option of requiring the system to be placed in the hands of another operator prior to another summer of water problems. If the Commissioners desires a removal of the CC&N to be the solution to this long standing problem, the District can promptly move forward with its plans to finance the acquisition at a reasonable price that accurately reflects the deteriorated condition of the system and the large investment (both short- and long-term) required to bring the system up to municipal water standards. District applications to WIFA for long-term financing have been in place for several months, and other interim bridge financing possibly available before WIFA has been started.

In conclusion, at a minimum we believe some sanctions (as the Commissioners started to discuss last August) should be placed on the company for missing the ordered 12-31-08 date of service, and for again pushing the time limits for having new water available for the summer of 2009.

If the Commission is short of staff, our engineering and water resource consultants are available to assist the ACC staff in determining an appropriate course of action. Commissioners, as your responsibility to the property owners of Tonto Village, please step forward and make a decision that immediately supports an end to the longstanding water issues in our community. Please call on us so that we can help solve the problem without any additional time delays.

Sincerely,

Tonto Village Domestic Water Improvement District


By Harry D. Jones

For the Board of Directors.

Copies of the foregoing mailed/delivered to:

Ronald Standage
Tonto Village Water Co., Inc.
P.O. Box 9116
Mesa, AZ 85214

John Gliege
P.O. Box 1388
Flagstaff, AZ 86002-1388
James Widger
HC7, Box 192-P
Payson, AZ 85541

Jerry Lewinson
HC7 Box 180-K
Payson, AZ 85541

Janice Alward, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Ernest Johnson
Utilities Division Director
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Gliege Law Offices, PLLC

John G. Gliege

December 26, 2008

Shannon Kanlan
Compliance Section
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

W-01580A-04-0672 #69911
W-01580A-04-0672 #68066

RECEIVED

JAN 05 2009

AL CORP COM M
Director Utilities

Re: Tonto Village Water Company, Inc. Decisions No. 68066 & 69911

Dear Ms Kanlan:

It was a pleasure to speak with you on December 23, 2008 regarding the progress my client, the Tonto Village Water Company, Inc. is making toward achieving full compliance with the above numbered Decisions of the Arizona Corporation Commission.

As the attached Well Driller Report and Well Log indicates, the well drilling was completed on December 1, 2008. The Drill Rig was removed from the site on December 5, 2008. On December 11, 2008 the well was successfully test pumped and water samples were drawn and taken to the testing lab in Tempe, Arizona. The lab indicated that it would be four to six weeks before all the tests on the water were complete.

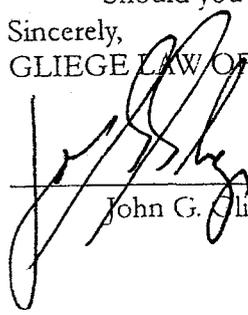
Meanwhile the Tonto Village Water Company's engineer has prepared and submitted to the Arizona Department of Environmental Quality plans for the installation of a permanent pump in the well and its connection to the water system of the Tonto Village Water Company. ADEQ has indicated that it could be up to six weeks before these plans can be reviewed and final approval given for the installation of the pump and the connection to the water system.

In light of these minor delays, my client, the Tonto Village Water Company Inc. would like to have the requirements imposed upon them delayed until the completion of the ADEQ review and then a few weeks more to allow for the installation of the pump and the connection of the well to the water system. At this time my clients anticipate that this project will be completed by May 1, 2009, in ample time to have the well connected to meet the "high demand" summer season for water within the area covered by the Certificate of Convenience and Necessity of the Company.

Should you have any questions, please contact me.

Sincerely,

GLIEGE LAW OFFICES PLLC


John G. Gliege

123 S. San Francisco Suite 9 Flagstaff, AZ 86001

Mailing: P.O. Box 1388 Flagstaff, AZ 86002

Phone: 928-226-8333; Cell: 928-606-5260; Fax: 928-226-0339

E-mail: jgliege@earthlink.net



ARIZONA DEPARTMENT OF WATER RESOURCES
 Information Management Unit
 P.O. Box 33589, Phoenix, Arizona 85067-3589
 (602) 771-8527 * (800) 352-8488
 www.water.az.gov

Well Driller Report and Well Log

This report should be prepared by the driller in detail and filed with the Department within 30 days following completion of the well.

FILE NUMBER
A(11-11.5) 24 DCB
 WELL REGISTRATION NUMBER
55-218159
 PERMIT NUMBER (IF ISSUED)

**** PLEASE PRINT CLEARLY ****

SECTION 1. DRILLING AUTHORIZATION	
Mail To:	Drilling Firm
	NAME AERO DRILLING AND PUMPS, INC.
	DWR LICENSE NUMBER 108
	ADDRESS P.O. BOX 499
	TELEPHONE NUMBER 928-474-2376
	CITY/STATE/ZIP PAYSON, AZ 85547-0499
	FAX

SECTION 2. REGISTRY INFORMATION	
Well Owner	
FULL NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL RONALD D & CAROLYN L STANDAGE	
MAILING ADDRESS P O BOX 9116	
CITY / STATE / ZIP MESA, AZ 85214	
CONTACT PERSON NAME AND TITLE	
TELEPHONE NUMBER 480-792-9187	FAX
WELL NAME (e.g. MW 1 PZ 3, Ltd 25 Well, Smith Well, etc.)	
Location of Well	
WELL LOCATION ADDRESS (IF ANY) Tonto Village	
TOWNSHIP (N/S) RANGE (E/W) SECTION 160 ACRE 40 ACRE 10 ACRE 11.5 N 11.5 E 24 SE 1/4 SW 1/4 NW 1/4	
LATITUDE LONGITUDE 34 ° 19 9.9 ° 111 ° Degrees Minutes Seconds Degrees Minutes Seconds	
METHOD OF LATITUDE / LONGITUDE (CHECK ONE) <input checked="" type="checkbox"/> *GPS: Hand-Held <input type="checkbox"/> USGS Quad Map <input type="checkbox"/> Conventional Survey <input type="checkbox"/> *GPS: Survey-Grade	
LAND SURFACE ELEVATION AT WELL 5763 Feet Above Sea Level	
METHOD OF ELEVATION (CHECK ONE) <input checked="" type="checkbox"/> *GPS: Hand-Held <input type="checkbox"/> USGS Quad Map <input type="checkbox"/> Conventional Survey <input type="checkbox"/> *GPS: Survey-Grade	
*IF GPS WAS USED, GEOGRAPHIC COORDINATE DATUM (CHECK ONE) <input checked="" type="checkbox"/> NAD-83 <input type="checkbox"/> Other (please specify):	
COUNTY Gila	ASSESSOR'S PARCEL ID NUMBER BOOK 302 MAP 62 PARCEL 096

SECTION 3. WELL CONSTRUCTION DETAILS		
Drill Method	Method of Well Development	Method of Sealing at Reduction Points
CHECK ONE <input checked="" type="checkbox"/> Air Rotary <input type="checkbox"/> Bored or Augered <input type="checkbox"/> Cable Tool <input type="checkbox"/> Dual Rotary <input type="checkbox"/> Mud Rotary <input type="checkbox"/> Reverse Circulation <input type="checkbox"/> Driven <input type="checkbox"/> Jetted <input type="checkbox"/> Air Percussion / Odex Tubing <input type="checkbox"/> Other (please specify)	CHECK ONE <input checked="" type="checkbox"/> Airlift <input type="checkbox"/> Bail <input type="checkbox"/> Surge Back <input type="checkbox"/> Surge Pump <input type="checkbox"/> Other (please specify)	CHECK ONE <input checked="" type="checkbox"/> None <input type="checkbox"/> Packed <input type="checkbox"/> Swedged <input type="checkbox"/> Welded <input type="checkbox"/> Other (please specify)
	Condition of Well	Construction Dates
	CHECK ONE <input checked="" type="checkbox"/> Capped <input type="checkbox"/> Pump Installed	DATE WELL CONSTRUCTION STARTED 11/20/08
		DATE WELL CONSTRUCTION COMPLETED 12/1/08

I state that this notice is filed in compliance with A.R.S. § 45-596 and is complete and correct to the best of my knowledge and belief.

DRILLING FIRM Aero Drilling & Pumps, Inc.	SIGNATURE OF QUALIFYING PARTY 	DATE 12/1/08
--	-----------------------------------	-----------------

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55-218159

SECTION 4. WELL CONSTRUCTION DESIGN (AS BUILT) (attach additional page if needed)

DEPTH OF BORING 600 Feet Below Land Surface	DEPTH OF COMPLETED WELL 600 Feet Below Land Surface
---	---

Water Level Information

STATIC WATER LEVEL 168 Feet Below Land Surface	DATE MEASURED 12/1/08	TIME MEASURED	IF FLOWING WELL, METHOD OF FLOW REGULATION <input type="checkbox"/> Valve <input type="checkbox"/> Other:
--	--------------------------	---------------	--

Borehole			Installed Casing													
DEPTH FROM SURFACE		BOREHOLE DIAMETER (inches)	DEPTH FROM SURFACE		OUTER DIAMETER (inches)	MATERIAL TYPE (X)				PERFORATION TYPE (X)					SLOT SIZE IF ANY (inches)	
FROM (feet)	TO (feet)		FROM (feet)	TO (feet)		STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED		IF OTHER TYPE, DESCRIBE
0	20	12	0	20	8	X				X						
20	600	6	0	240	4.5		X			X						
			240	300	4.5		X							Drilled	1/4 X 16	
			300	540	4.5		X			X						
			540	600	4.5		X							Drilled	1/4 X 16	

Installed Annular Material

DEPTH FROM SURFACE		ANNULAR MATERIAL TYPE (X)							FILTER PACK			
FROM (feet)	TO (feet)	NONE	CONCRETE	NEAT CEMENT OR CEMENT GROUT	CEMENT-BENTONITE GROUT	BENTONITE			IF OTHER TYPE OF ANNULAR MATERIAL, DESCRIBE	SAND	GRAVEL	SIZE
					GROUT	CHIPS	PELLETS					
0	20			X								

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 218159

SECTION 6. WELL SITE PLAN

NAME OF WELL OWNER

RONALD D & CAROLYN L STANDAGE

COUNTY ASSESSOR'S PARCEL ID NUMBER

BOOK

302

MAP

62

PARCEL

096

Please draw the following: (1) the boundaries of property on which the well was located; (2) the proposed well location; (3) the locations of all septic tank systems and sewer systems on the property or within 100 feet of the well location, even if on neighboring properties; and (4) any permanent structures on the property that may aid in locating the well.

Please indicate the distance between the well location and any septic tank system or sewer system.



1" = _____ ft



HIGHLAND WATER
RESOURCES CONSULTING Inc.

Water Resources Solutions

February 2nd, 2009

Harry Jones, District Manager
Tonto Village Domestic Water Improvement District
HC7 Box 180,
Payson, AZ 85541

RE: Review of ADWR well drillers report for a new well installed in Tonto Village (ADWR #55-218159) and relating correspondence from the Gliege Law Offices dated December 26th, 2008.

Harry,

As requested, HWRC has reviewed the above referenced documents and in consideration of past concerns a few questions and comments come to mind.

- 1) It appears from the well construction information on the ADWR form that nothing was done to physically isolate the lower producing zones from the already utilized shallow portion of the aquifer system (above ~300ft.) Why was this very real concern not addressed?
- 2) PVC 4.5 inch well casing was installed as apposed to 6 inch steel. This is a very poor choice of well construction material and size for a deep well application. Why was 6 inch steel casing not used?
- 3) How long was the new well pump tested?
- 4) What data was collected during testing and at what frequency?
- 5) Were the existing wells monitored during pumping and recovery?
- 6) What information has been compiled and analyzed to consider whether or not the new well is producing "new water" or a fraction thereof in consideration of pulling water from the existing sources?
- 7) What has been done to consider and minimize and/or prevent the new well's risk to septic contamination and becoming a conduit for cross-contamination to the lower aquifer? Based on the well's minimum standard surface seal construction (and concerns in item 1 and 2 above) it would appear that this very important issue may have been overlooked.

Should you have any questions please feel free to contact me at 928-468-0252 or 928-970-9055 cell.

Regards,

Michael Ploughe P.G.
HWRC Inc.