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W-01303A-08-0227  
SW-01303A-08-0227

Tubac Golf Resort & Spa  
1 Otero Road  
Tubac, AZ 85646  
March 18, 2009

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ORIGINAL

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
Re: Tubac Water Rate Increase  
Docket #W/SW-01303A-08-0227

Attn: Gary Pierce

My name is Al Waters. I represent the Tubac Golf Resort & Spa and the Tubac Management LLC. We are located at One Otero Road, Tubac, AZ 85746. We are a 600-acre Golfing Resort that employees over 200 people full & part time. In addition to the resort we have developed 186 single-family home sites and over 100 homes built on all three, nine-hole golf courses that overlook our golf resort. Giving us a total of 286 homes built or in process. Our Resort has 3 restaurants, hair salon with full service health spa, two gift stores, pro shop, real estate development office, 27-hole championship golf course, banquet/meeting rooms with over 7,000 sq. ft. that hold up to 350 people, 200 seat wedding chapel and 98 sleeping rooms with swimming pool. We have also spent over 1.5 million in sewer treatment plant, with a monthly expense between \$5,000.00-\$8,000.00. I give you this information because the watering of the 27-hole golf course is re-claimed water from our own existing in-ground wells; representing 95% well water and 5% treated water

With your current proposal, you are asking us to increase our water expenses over \$100,000.00 per year. Due to today's economic downturn, this is not the time to increase our expenses. We operate with 21 meters of domestic water. We made over \$1 million improvements by providing the Garrett water well in 2003 for the new housing development. Now your asking for such a large rate increase, that we feel is higher than Arizona American Water Company's proposed rate increase.

The arsenic treatment in the water situation is way too high; you are asking for over 2.3 million dollars and we feel that it can be built much cheaper than Arizona American Water Company is proposing.

To compare these types of prices to our business take a look at our comparisons. We would have to sell the following amounts just to pay for the increase:

1. almost 700 sleeping  
or
2. 1,300 rounds of golf  
or
3. over 9000 hamburgers

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- or
4. over 13,300 drinks in our bars

or

  5. almost 3,000 hair cuts

Are you asking us to go out of business, or should we just raise the prices and pass it on to our guests for them to suffer the most. We can't afford this type of high increase.

We have a few questions that we would like to have answered.

- ❖ What other proposals or bids do you have?
- ❖ Do we have the right to look at other bids, since we have to pay for it?
- ❖ Since we are the largest cash contributor, we should have a big say in this matter.
- ❖ Is there a cap on more increases in the future, could there be an increase in 3 or 4 years?

You are asking for a tremendous burden to be placed upon all of us during these economic difficulties we are all experiencing in Tubac. We have small businesses that are closing their doors because of the lack of customers. Tourism in Tubac is down as is in the rest of the United States and we don't know when it will return, if at all.

We encourage you to re-consider your proposal and to do a more acceptable proposal that all of us can live with.

Sincerely,

Al Waters  
General Manager  
Tubac Golf Resort & Spa