

W-01004B-08-0508



0000097080

ORIGINAL

ARIZONA CORPORATION COMMIS

UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 79019

Date: 5/18/2009

Complaint Description: 08A Rate Case Items - Opposed  
N/A Not Applicable

Complaint By: First: Earl M. Last: Hasbrouck

Account Name: Earl M. Hasbrouck

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Ash Fork

CBR:

State: AZ Zip: 86320

is:

Utility Company: Ash Fork Water Service(dba Ash Fork Development Assoc., I

Division: Water

Contact Name: Lewis Hume

Contact Phone: [REDACTED]

Nature of Complaint:

\*\*\*\*\* REFERRED FROM CHAIRMAN MAYES' OFFICE \*\*\*\*\*

\*\*\* W-1004B-08-0508 \*\*\*

Arizona Corporation Commission

DOCKETED

MAY 18 2009

Customer sent the following e-mail to all Commissioners -

From: MEL DONNA HASBROUCK [mailto:[REDACTED]]  
Sent: Monday, May 18, 2009 1:49 PM  
To: Utilities Div - Mailbox; Newman-Web; Pierce-Web; Mayes-WebEmail; Kennedy-Web; Stump-Web  
Cc: MEL DONNA  
Subject: Protest - W01004B-08-0508, Ash Fork Water Service increase

DOCKETED BY [Signature]

Monday, May 18, 2009

Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 86320

Re: Protest - W-01004B-08-0508, Ash Fork Water Service increase.

RECEIVED  
2009 MAY 19 P 4:41  
AZ CORP COMMISSION  
DOCKET CONTROL

Complainant Earl M. Hasbrouck, a resident/property owner of Ash Fork, Arizona whose property is served by Ash Fork Development Association d/b/a Ash Fork Water Service, hereby protests any form of rate increase for Ash Fork Water Service (the utility) as unneeded and unnecessary.

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On Tuesday, May 19th, the commission will hold a public hearing in Phoenix, Arizona to discuss the merits of the application by Ash Fork Water for increased revenue. If ACC Consumer Analyst Staff did their job properly, the investigative report will show that Ash Fork's rate hike request is simply a coverup to conceal the fact that the utility got caught with a straw man payroll in 2001 after a local citizen exposed the fact that a \$95,000 (prox.) annual salary expense for an entity requiring only one part-time employee was considered exorbitant and extortionate.

Average water plant operator industry standards in Arizona today show that the annual salary for a full time worker should be less than \$38,000 (prox.) annually to perform the work. In 2001 the average salary for the job classification was almost half that.

During the adjudication of the earlier three-part comedy of errors that became prominently known as the Ash Fork Water Predetermined Farce (ACC Dockets W01004B-02-0768; 03-0510 and 03-0722), this Complainant was a party to the action as an Intervenor. Compounded by what then was believed to be malfeasance and misfeasance of massive proportions, Intervenor's Supplemental Findings, Final Memorandum of Opinion filed for the record by Docket Control on 24 February 03 explained the basis for corruption and impropriety uncovered in what was alleged to be collusion and conspiracy by and between the local utility and the local school board, county government, state government, the federal government and the Arizona Corporation Commission. In the end, Ash Fork Water was permitted to continue what were viewed as nefarious improprieties with the aid and assistance of a very manipulative bureaucracy bent on providing free utilities to select, special interests at consumer expense. Little has changed since that time with the exception of the fact that someone in power finally apparently saw the wisdom of returning the gift of land by John F. Long to the ownership of the people of Ash Fork to whom it was originally donated.

By virtue of the fact that bureaucratic impropriety was never dealt with by the regulatory body, most protested Farce issues remain unresolved with Ash Fork Water consumers left holding the bag for a utility construction nightmare that never should have been allowed to proceed once deception was exposed. Cui bono? Who really benefited? Did the current ACC staff report investigation deal with those issues? Even consider them? We will never know because the Arizona Corporation Commission corruptly cut off citizen input as of 4:00 p.m. on March 26, 2009, which renders the purpose of today's hearing simply a continuation of the previous Farce.

Currently, Ash Fork Water Service claims it needs additional money from consumers to pay for the exorbitant lifestyle of officers and staff who cannot live within a budget. ACC staff investigated the utility's current application filed as Docket #W01004B-08-0508 and filed a Memorandum Staff Report for the record on 17 March 2009. To their credit, ACC staff uncovered a vast number of errors on the part of the utility requiring adjustment. However, because consumer comment has been barred since March 26th, the public's right to speak and be heard is once again corrupted by the very bureaucracy intended to protect consumers.

Just a few obvious holdover questions we suspect ACC staff did not deal with when investigating Ash Fork Water Service:

1. How much annual salary does the Chief Executive Officer of Ash Fork Development Association d/b/a Ash Fork Water Service draw and why?
2. Are any other so-called "executive" salaries or benefits or perks being paid that the consumer public is not aware of?
3. How much annual salary does Lewis Hume, the manager of Ash Fork Water Service draw and what are his official duties?
4. Ash Fork is a little, dinky, ten-block-long community of 457 population. The utility has historically been able to operate with one technical employee/manager on a more or less part-time basis before the last rate hike was allowed. But, since that time with access to the multi-\$million USDA loan, staff and payroll have ballooned. The MANTA web site for Ash Fork Water shows six (6) employees, executive offices and an irrigation division function that is totally inappropriate to the purpose of the utility. What are the duties of EACH of the six employees and what is their function? Their salaries? Why wasn't the water office function combined with so-called "executive" facilities in the new City Hall?

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What are the duties of the two male employees seen garnering windshield time riding around town in water department pickup trucks and what are their salaries?

Is the manager of the water facility engaged in any way, form or manner in any other extracurricular activity not related to Ash Fork Water Service - like promoting a sewer system on water department company time?

What is the "irrigation" function of Ash Fork Water Service, who does it serve and how much revenue is derived from it?

Why does the utility need a \$5000 copier when a simple multi-function scanner/copier/fax/printer is available for any computer system for an average of \$150.00?

Why is Lewis Hume billing the utility for backhoe services when he is the manager and chief employee of the utility?

Considering there are only 200+ residences in a town of 457 population, why are there over 500 water meters serving the town and what buildings do they serve?

Why are there still no CPA prepared financial statements available for consumer review?

More importantly, were the financial documents audited by ACC staff prepared by the utility's CPA?

Was the construction project for the three dockets dubbed The Ash Fork Water Predetermined Farce done to spec and all main extensions comprised of 6" pipe or larger?

Why has the pipe bore requirement under Interstate 40 been reduced to 8" rather than the 12" main size clearly necessary to service future growth and why wasn't the work done already as originally scheduled?

Has anything at all been done to protect the rate payers of the town of Ash Fork from the separatism of residents of Kaibab West Estates who, if allowed to construct their own water system, will impose a huge financial burden on the residents of the town of Ash Fork because gallonage use for that area was part of the original computations utilized in determining the USDA loan repayment schedule covered by the three-phase Ash Fork Water Predetermined Farce?

Why does the system water loss continue to be such a large amount? How much does that loss compute to in quarters?

What fidelity escort control is in place to ascertain that pilfering does not occur when coin boxes are emptied and who counts the money from the coin boxes under whose supervision?

What has been done to protect Ash Fork Well #1 from the effects of aquifer contamination by medical waste disposal from the clinic on Park Drive and the planned wastewater treatment ponds upstream?

Considering the land gift from John F. Long has apparently been returned to the people of Ash Fork, why is there no revenue being generated from the public's use of that facility to offset the revenue shortfall claimed for the utility?

Is any form of coverup impropriety involved in the hiring of excess employees over the part-time requirement of the one employee necessary to manage Ash Fork Water Service?

Nepotism in the makeup of Ash Fork Development Association and Ash Fork Water Service seems to play a huge part in every complaint heard in the community. That factor was clearly made visible in 2001 when what were viewed as salary improprieties were exposed. What has the regulatory authority done to eliminate that practice?

During adjudication of the three prior dockets which made up The Ash Fork Water Predetermined Farce, one of the major gripes presented by the Intervenor was the fact that public hearings concerning Ash Fork utility matters were not conducted in the area affected. What earthly purpose does a public hearing on the current rate increase request by Ash Fork Water Service serve with the forum to be conducted 200 miles away in Phoenix, creating a travel hardship on consumer customers of the utility who may wish to speak and be heard in a forum where they reside?

The master docket shows a 01 Dec 2008 court transcript for an ACC proceeding by (presumed) Sarah Harping, Administrative Law Judge. Neither the proceeding nor the transcript are a part of the public record. What did that proceeding cover and why is the transcript not available for review by the consumer public?

In closing, please note that contrary to the commission's current posted claim that no objections were presented to the current Ash Fork Water rate increase request, in truth many objections were raised by this Complainant via direct correspondence with ACC staff, including a few regarding the unfriendly computer program utilized by the regulatory authority that seems to require instruction from those familiar with it's operation before necessary data and information can be accessed as well as misleading explanations. Not only that, but neither Marvin Milsap, Jian Liu nor Deb Reagan ever availed themselves of the opportunity to become informed of this

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Complainant's consumer objections during the investigative activities of this docket.

Until such time as Ash Fork Water Service shows that the rate increase request docketed as ACC Docket #W-10004B-08-0508 is not subterfuge, the request should be denied with firm instruction by the presiding judge to live within budget restraints and eliminate the fluff.

Earl M. Hasbrouck

s/Earl M. Hasbrouck  
[REDACTED]

Ash Fork, AZ 86320-1034  
[REDACTED]

e-mail: [REDACTED]

Copy to: mailmaster@azcc.gov  
Newman-web@azcc.gov  
Pierce-web@azcc.gov  
Mayes-web@azcc.gov  
Kennedy-web@azcc.gov  
Stump-web@azcc.gov

Lewis Hume, Manager  
Ash Fork Water Service  
P. O. Box 293  
Ash Fork, AZ 86320-0293  
\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

Customer comments entered for the record and filed with Docket Control.  
\*End of Comments\*

**Date Completed: 5/18/2009**

**Opinion No. 2009 - 79019**

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