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Sheila Stoeller

From: c srnka [seesrnka@yahoo.com]
 Sent: Tuesday, March 09, 2010 11:30 AM
 To: Utilities Div - Mailbox
 Cc: Newman-Web; Pierce-Web; Mayes-WebEmail; Kennedy-Web; Stump-Web
 Subject: Docket No. WS-02676A-09-0275. Comments on Proposed Water Rate Increase by Rio Rico Utilities
WS-02676A-09-0257

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I write to urge you to reject Rio Rico Utilities' proposed rate hike. The proposal aims to increase our water rates exorbitantly, far out of proportion to any benefit the current residents will receive.

Rio Rico Utilities in part justifies its rate increase in hard economic times by noting its plans to assist low income residents. But for the many retirees here, an increase in water rates instead may force us to accelerate withdrawals from retirement savings including 401k plans and IRAs, while we do not qualify for any financial assistance program. Such an increase, in tandem with sharp rises in the past 5 years in medical insurance and medical costs, and the sharp reduction in value of our savings and homes, may be one more factor in forcing us to move, be foreclosed on, or declare bankruptcy. Until two years ago, I never knew anyone who had had their home foreclosed or had declared bankruptcy. Now I know several, most of whom were not financial fools nor did they take on risky loans or investments. They are simply out of work or quite unexpectedly running out of savings.

Myself, I calculate how many years I can continue here before I must sell my house, and take a huge financial loss if the current market persists. The thermostat stays at 60 in winter, I do not have cable TV, and I carry a prepaid cell phone that is seldom used. When folks have already cut basic living costs as much as possible to stay afloat, and in their homes, a doubling of water rates is not just an inconsequential financial pinch. It accelerates when we will have to move, by foreclosure, bankruptcy, or other financial necessity.

Furthermore, I cannot help but wonder if the infrastructure improvement and replacement that Rio Rico Utilities made and for which it requests the rate increase was designed to accommodate a fully developed Rio Rico community. Until 2007, housing construction boomed in this area for about five years, and perhaps a few thousand homes were built. But there are still (by my estimate only) tens of thousands of lots left with water lines to them in place. And now there are many vacant houses here as well, either foreclosed, or for rent, or for sale by investors or by owners who had to transfer elsewhere. I cannot help but feel that those of us actually living here are now unfairly targeted to pay for a water infrastructure retooled to support a very large community now far off in the future. Such an infrastructure primarily advantages developers and the construction industry and future residents, not the current residents.

Please do not approve Rio Rico Utilities' proposed rate increase.

Sincerely,

Cheryl A. Srnka
 Rio Rico, AZ 85648

Arizona Corporation Commission
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