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AZ CORP COMMISSION
DOCKET CONTROL

Oak Creek Utility Corporation
771 Skipjack Drive
Henderson, NV 89015
702-568-1321
oakcreekaz@gmail.com

Arizona Corporation Commission
DOCKETED

MAR 22 2010

February 23, 2010

DOCKETED BY *MM*

Mr. Brian Bozzo
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

WS-02061A-04-0835
WS-02061A-04-0836
DECISION #67986

RE: REQUEST FOR AN ADDITIONAL EXTENSION FOR OAK CREEK UTILITY CORPORATION (OCUC), TO COMPLY WITH REQUIREMENTS OF DECISION NO 67986, CONSTRUCTION OF A TEN THOUSAND GALLON DOMESTIC WATER TANK

Dear Mr. Bozzo,

Oak Creek Utility Corporation (OCUC) is requesting an extension of time for construction of a 10,000 gallon potable water tank in Twin Springs Terrace Mobile Home Park, Oak Creek Canyon, Sedona, Arizona. In October 21, 2006 when we purchased OCUC my partner and I were misled and told by owner of property Mr. Scott Gray that the lot that was scoped for construction of the 10,000 gallon tank would be sufficient for building if we would just find a professional engineer that knew how to do "Creative Construction". This lot is only 16 feet deep from the back property line to the road, and 30 feet wide. We were concerned that the prior loan for this project from Water Infrastructure Finance Authority (WIFA), for \$40,000 would not be enough to complete the project. This loan was applied for and received a rate increase to cover this project before we purchased this property for the loan of \$40,000. After talking with engineers from WIFA, ADEQ, and an engineer from Arizona Engineering Company, they conducted a site visit, we were told that the lot would not be big enough for a 10,000 gallon tank which is 12-feet in diameter, and would never pass Coconino County set-back regulations to build anything.

We applied and received a grant for \$35,000 to employ Arizona Engineering Company to give us a professional estimate. The estimate was approved by Arizona Department of Environmental Quality and was for approximately \$94,000. This did not even include the \$35,000 that we received on a grant for the Technical Assistance/Engineer.

I have cancer, very sick, on permanent disability, and cannot afford to pay these construction costs. We have tried to put OCUC up for sale, but it is hard to sell a company that does not show a profit at all, and will be ordered to put an additional \$94,000 on a 10,000 tank before April 30, 2010. OCUC has tried to get additional grants, advertising the business for sale, and have tried to give the business back to Mr. Scott

50

Gray who is making a substantial profit from what used to be OCUC's property by putting up cell towers and collecting a substantial sum monthly. This seemed a logical person because Mr. Gray is already the owner of the property that the utility is on, and was the person that assured my partner and I that this tank was already approved to be constructed on this small lot. In 1984 Mr. Gray, a lawyer, subdivided Lot 73 which was the lot the well and utility was on, and sold the majority of the lot to his wife for \$1.00, and left the 16'x30' lot for OCUC. New regulations say that OCUC must have a 10,000 domestic water storage tank and it would not fit on Lot 73b, the small portion of Lot 73 that was left for OCUC. The tank will have to be constructed on Mr. Gray's Lot 73a and would cost a considerable amount more money than what was applied for through WIFA. Mr. Gray owns Diversified Water Company, owned OCUC for many years before selling, owns a residence in the community where the 10,000 tank will be constructed, and was fully aware of the problems with the construction of this tank as well as the lot size being too small for this construction. We believed Mr. Gray after confirming that WIFA approved the \$40,000 loan for construction and ACC approved at rate increase for this construction on Lot 73b, the small 16'x30' lot. I cannot fight Mr. Gray in court over this matter because I do not have the finances, and Mr. Gray can defend himself without hiring lawyers. I am also very ill and do not plan on living the rest of my life stressing over something I cannot change that was done in 1984 with the permission of ACC.

The potable water we produce is outstanding and only lacks the funds for construction of this 10,000 tank. We at OCUC care for our customers and the environment and are trying to find the best solution for this project. I do know that we have improved this system tremendously and cannot absorb a \$94,000 loan. We have continued on with our engineer to start construction bidding and try to find some solution to this unfortunate situation. I do realize that the dividing of utility property for personal gain would not be allowed today, and I would not be here asking for an additional extension to possibly sell a company that is in dire straits over a transaction that was made in 1984, and then misled or misinformed again in October 21, 2006 when we purchased OCUC.

We at OCUC are requesting until December 31, 2010 to allow time to find a possible grant or new owner to comply with these construction orders.

I am very ill, but would appreciate to know when I may have a conference call in advance so that I may answer any questions or try and explain further. We at OCUC appreciate any consideration that may be given.

Respectfully Submitted



Dixie R. Potter, President

Encl. – Letter to Mr. Scott Gray from Dixie R. Potter, President OCUC dated 01/04/2010
Response letter from Mr. Scott Gray to Dixie R. Potter, dated 01/19/2010

Oak Creek Utility Corporation
771 Skipjack Drive
Henderson, NV 89015
702-568-1321

(1of3)

January 4, 2010

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Scott W. Gray, P.C.
4700 E. Thomas Road, Ste. 203
Phoenix, AZ 85018-7703

WS-02061A-04-0835
WS-02061A-04-0836

RE: Transfer of Triple Net Land Lease and Return of Oak Creek Utility Corporation (OCUC) With all Shares and Rights to Original Land Utility Owner, Scott Gray

Dear Mr. Gray,

Hope this letter finds you and yours enjoying 2010?

As you already know I have been fighting a battle with a rare cancer , which I am now on permanent disability, and with the advice of my doctor and partner we are turning Oak Creek Utility Corporation with all assets and shares back to the actual owner of the utility which is you.

My partner, Carla Hastings and I purchased Oak Creek Utility Corporation in hopes to be able to improve the system, move to that area, and make a positive difference to the customers, community, and the environment.

During the three years of owning OCUC, we have tried to comply with all agencies to construct a 10k tank which was originally financed and planned for Lot 73b, 1090 Julie Lane, Twin Springs Terrace (Tract C), Oak Creek Canyon, Sedona, Arizona. During this time OCUC has tried to comply in every way to accomplish this order. Because of all the different agencies involved, unforgiving time restraints, and daily increased financial obligations, the current owners, Dixie Potter, President and Carla Hastings, Vice-President cannot manage OCUC any longer.

In August 2009, OCUC sent a request to Arizona Corporation Commission (ACC) for permission to add or modify an existing \$40,000 loan through Water Infrastructure Finance Authority (WIFA) to complete this project. OCUC did not receive any reply on additional information regarding this loan modification until December 16, 2009 which was too late to send the modification application for additional funds to WIFA. The next meeting date for WIFA will be in the middle of February 2010. If OCUC's modification for the loan is approved as anticipated, that would not give OCUC enough time to meet the construction of the 10k tank by April 30, 2010 which has been ordered by ACC. OCUC was told by ACC that there would be absolutely no more extensions for construction of this project.

(2of3)

When OCUC has asked for help, we are told to get a lawyer. Because of these time delays throughout the three years, OCUC has lost contractors, money, faith in Arizona's legislature, and mostly the hard work, money, and pride put into this company which is producing an outstanding product for the community.

My health has been suffering because of all the stress, and OCUC cannot afford the construction of this project as well as any legal counsel. Mr. Dean Orem, the prior owner of OCUC applied and received a rate increase to construct this 10k tank without the guidance or technical assistance of a professional engineer. The much needed rate increase will not cover but a small fraction of the loan or what the construction costs will be.

We are sorry to unload this project on you, but know that not only are you a lawyer, familiar with ACC, WIFA, ADEQ, Coconino County, Sedona, have previously been an owner of OCUC, the owner of the property where the utility is located, have a steady income from the telephone cell towers at location coming from what was formerly OCUC's property until 1984 when you divided the utility's property, and became owner of the property which actually houses the utility. You were the logical choice, if there is any logic in this transaction. We did not want to just walk away as many small utilities have.

We have all the files and will be glad to give everything to you as soon as possible. OCUC just received a "Notice to Proceed" from ADEQ on January 4, 2010, but have still not received funds to do so. You are familiar with Karl Tobin from Arizona Engineering Company, he is great and will be happy to help with any other information you may need. As always, I am available to help or answer any questions as long as I am able.

Please forgive me if I sound bitter and curt, but I have put everything into this business the last three years and resent the criminal way we were treated. Both Carla and I are willing to legally sign any documents of paperwork you may need from us. I will be glad to turn in the Quarterly Report to Mr. Bozzo for the months of October, November, and December 2009 as soon as I receive the paperwork to do so. Thank you for your help and understanding.

Sincerely,


Dixie R. Potter, President


Carla D. Hastings, V-President

Cc:

Mr. Steve Camp
Arizona Department of Environmental Quality
1801 W. Rt. 66, Ste.117
Flagstaff, AZ 86001

Mr. Brian Bozzo
Compliance Section
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Director of Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Mr. Jon Bernreuter
Environmental Program Supervisor
Water Infrastructure Finance Authority
1110 W. Washington Street
Phoenix, AZ 85007

Mr. Karl Tobin, Engineer
Arizona Engineering Company
1501 South Yale Street, Ste.101
Flagstaff, AZ 86001

First National Management, Inc.
P.O. Box 1020
Apache Junction, AZ 85217-1020

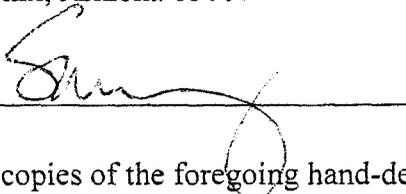
Mr. Randy Sosin
P.O. Box 1796
Sedona, AZ 86339

Ms. Peggy Ullmann, CPA
4647 North 32nd Street, Ste. 220
Phoenix, AZ 85018

1 PROOF OF AND CERTIFICATE OF MAILING

2 I hereby certify that on this 20th day of January, 2010, I caused the foregoing
3 document to be served on the Arizona Corporation Commission by delivering the original and fifteen
4 (15) copies of the above to:

5 Docket Control
6 Arizona Corporation Commission
7 1200 West Washington
8 Phoenix, Arizona 85007

9 
And copies of the foregoing hand-delivered or mailed to:

10 Ms. Dixie R. Potter
11 President
12 Oak Creek Utility Corporation
13 771 Skipjack Drive
14 Henderson, Nevada 89015

15 Mr. Steve Olea
16 Director, Utilities Division
17 Arizona Corporation Commission
18 1200 West Washington Street
19 Phoenix, Arizona 85007

20 Ms. Kimberly Battista
21 Utilities Division
22 Arizona Corporation Commission
23 1200 West Washington Street
24 Phoenix, Arizona 85007
25

SCOTT W. GRAY

4700 EAST THOMAS ROAD
SUITE 203
PHOENIX, ARIZONA 85018

PHONE: (602) 840-1140
FAX: (602) 840-6030

January 19, 2010

Dixie R. Potter, President
Oak Creek Utility Corporation
771 Skipjack Drive
Henderson, Nevada 89015

Re: Oak Creek Utility Corporation, WS-02061A-04-0835, WS-02061A-04-0836

Dear Ms. Potter,

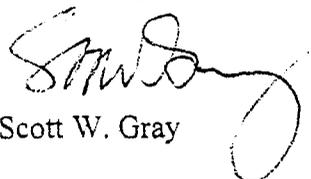
I received last week your letter dated January 4, 2010, regarding your difficulty and frustration with the operations of Oak Creek Utility Corporation ("OCUC") and your wish to transfer OCUC to me. Your letter was very much a surprise and not something we ever discussed.

As you know, you did not purchase OCUC from me and I have not owned OCUC for a long time. I sold OCUC because I could no longer be involved with the utility operations for many reasons. Also, owning the utility and having our cabin in its service area had a very detrimental and damaging impact on my families' relationship with our neighbors, despite my good intentions. The circumstances that required me to sell OCUC have not changed.

If you no longer want to own OCUC, I recommend that you discuss the transfer of the system to the seller from whom you purchased OCUC. You can, of course, sell your interests to a new buyer just as you purchased it. In any event, I strongly recommend that you work with the staff of the Arizona Corporation Commission on your difficulties.

I hope this letter addresses your inquiry. I believe you have accomplished a great deal by obtaining the engineering plans, Coconino County permits and ADEQ construction approvals for the required water tank. I am sorry to hear of your illness and hope for your quick recovery. Best wishes to you and Ms. Hastings.

Very truly yours,



Scott W. Gray

cc: Steve Camp, ADEQ
Brian Bozzo, ACC
Docket Control, ACC
First National Management
Peggy Ullmann, CPA

Jon Buernreuter, WIFA
Steve Olea, ACC
Karl Tobin, P.E.
Randy Sosin, Certified Operator