

WS-20794A-11-0140

WS 20794A-11-0279

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ARIZONA CORPORATION COMMISS

UTILITY COMPLAINT FORM

Investigator: Brad Morton

Phone: (602) 542-0836

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Priority: Respond Within Five Days

Opinion No. 2011 - 100746

Date: 11/18/2011

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

Complaint By: First: Luis Last: Corral

Account Name: Luis Corral

Home:

Street: I

Work:

City: Ehrenberg

CBR:

State: AZ Zip: 85334

is:

Utility Company: DII-Emerald Springs, LLC

Division: Sewer/Water

Contact Name: n/a

Contact Phone: (000) 000-0000

Nature of Complaint:

From: Luis Corral
Sent: Wednesday, November 16, 2011 12:15 PM
To: Utilities Div - Mailbox
Subject: ws-20794A-11-0140

Arizona Corporation Commission
DOCKETED

NOV 21 2011

DOCKETED BY [Signature]

RECEIVED
2011 NOV 21 P 1:18
AZ CORP COMMISSION
DOCKET CONTROL

Name: Luis Corral
Address: i
Phone:
Email: I

Re:
Application of DII Emerald Springs for CC&N and Rate increas
Docket Number: WS-20794A-11-0140
Position on Docket: Con

As a customer, full-time resident and property owner in Emerald Springs I want to express my strong objections to Mr. Henry Melendez request for a CC&N to provide sewer service and Rate increase.

These are my concerns and objections:

1. Mr. Melendez offered to let us join his sewer system he told all the existing residents of Emerald Springs development that he had approval for operating his sewer system from La Paz County, ADEQ, and ACC. I learned years later that neither ADEQ nor ACC were aware that he was operating a sewer system.
2. Mr. Melendez became a board member of Emerald Springs HOA and became the declarant. As the declarant with the majority of votes he was able to get a contract approved to provide sewer service to not only the people that were going to buy his homes but o existing homeowners. Homeowners were not aware of the terms of

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neither the contract nor the amount of fees that were paid to Mr. Melendez on their behalf by the HOA. The terms agreed to on the contract were not adhered to by the applicant. Higher connection fees were charged and the responsibility for maintaining costs for the lift station were transferred to the HOA when equipment had to be replaced even though the contract specified that Mr. Melendez was responsible for maintaining it. This was clearly a conflict of interest and an abuse of his office.

3. We have learned Mr. Melendez was not only operating his plant without the knowledge of ADEQ but that he was also not in compliance with the operating requirements. He cited his bankruptcy as a reason for not being able to comply with ADEQ requirements. Mr. Melendez has since lost his property which reverted back to the lender. It is very likely that the applicant will face further financial problems and will not be able to operate his sewer system to meet all environmental, health, and safety requirements.

4. Emerald Springs voted to terminate the sewer contract with the applicant and approved the HOA contracting with Mr. Doyle Thompson, who ADEQ had originally insisted process the sewerage from Emerald Springs to ensure efficient processing of effluents. Mr. Thompson provided Emerald Springs with full sewer service. He maintained the lines and the lift station for no additional cost. The problem cited by the applicant and supporters was precipitated by a resident refusing to pay Mr. Doyle Thompson after the applicant promised to provide the service for less.

Conclusion:

Sewer customers have been very supportive of Mr. Melendez but it is time for us, as consumers, to exercise our right to contract with a provider of our own choice that is willing to provide the service for less than the applicant is charging us now.

In summary, I ask that you reject the applicant's request for a CC&N and approval of a rate increase

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed

End of Comments

Date Completed: 11/18/2011

Opinion No. 2011 - 100746
