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1 Steve Wene, No. 019630
2 MOYES SELLERS & HENDRICKS
3 1850 N. Central Avenue, Suite 1100
4 Phoenix, Arizona 85004
5 (602)-604-2189
6 swene@lawms.com
7 Attorneys for Truxton Canyon Water Company

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AZ CORP COMMISSION
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10 **BEFORE THE ARIZONA CORPORATION COMMISSION**

11 **COMMISSIONERS**

12 GARY PIERCE, CHAIRMAN
13 PAUL NEWMAN
14 SANDRA D. KENNEDY
15 BOB STUMP
16 BRENDA BURNS

Arizona Corporation Commission

DOCKETED

FEB 23 2012

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17 **IN THE MATTER OF THE**
18 **COMMISSION ON ITS OWN MOTION**
19 **INVESTIGATING THE FAILURE OF**
20 **TRUXTON CANYON WATER**
21 **COMPANY TO COMPLY WITH**
22 **COMMISSION RULES AND**
23 **REGULATIONS**

Docket No. W-02168A-10-0247

**STATUS REPORT RE FINANCIAL
CONDITION OF THE COMPANY**

24 Truxton Canyon Water Company ("Company") is filing this status report to
25 provide the Arizona Corporation Commission ("Commission") with notice regarding the
26 financial constraints now confronted.

27 On January 6, 2012, the Commission entered Decision no. 72724 significantly
28 reducing the amount the Valley Vista Property Owners' Association ("VVPOA") pays
for water service to the golf course, park, and other amenities. At the open meeting, the

1 Company repeatedly requested that the Commission enter an order maintaining the status
2 quo and expressly stated that if the VVPOA fees were significantly reduced, the
3
4 Company would not have the income to pay its ongoing operating expenses.

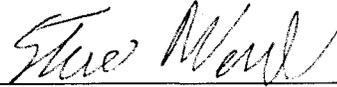
5 Unfortunately, the Company's position was rejected, yet proved mostly accurate,
6 except the Company underestimated the adverse financial impact. In fact, rather than a
7 \$10,000 to \$15,000 invoice as predicted, the Company's invoice for water charges to
8 VVPOA for January was \$3,458.78. This \$17,000 loss of monthly income is roughly a
9 50% reduction in revenue that has financially devastated the Company.
10

11 Accordingly, the Company cannot pay its obligations. In light of this fact, the
12 Company has again reduced its field staff because it cannot pay the additional salaries.
13 This means that there is only one field operator for the Company, so now one person
14 operates the entire system, reads all of the meters, and performs all routine maintenance
15 and repairs. Obviously, this is impossible for one person to do. The Company has
16 reduced the office manager's time to 16 hours a week and further reductions may prove
17 necessary.
18

19 The bottom line is that the Company's revenue is woefully insufficient to pay its
20 employees, electric bills, taxes, rent, insurance, transportation, refunds and other
21 obligations. It can no longer pay engineers, accountants and other professionals
22 necessary to perform tasks required by the state government regulators, including the
23 Commission. The Company will do all it can to maintain water service to its customers
24 under the current situation, but this financial position is untenable.
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28

1 Dated this 23rd day of February, 2012.

2 **MOYES SELLERS & HENDRICKS**

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5 Steve Wene
6 Attorneys for Truxton Canyon Water Company

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8 Original and 13 copies of the foregoing
9 filed this 23rd day of February, 2012, with:

10 Docket Control
11 Arizona Corporation Commission
12 1200 West Washington
13 Phoenix, Arizona 85007
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