

WS. 20794A. 11.0140
WS. 20794A. 11.0279



0000135427

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

ORIGINAL

Investigator: Guadalupe Ortiz

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2012 - 102944 Date: 3/27/2012

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

First:

Last:

Complaint By: Harold & Darlene Higley, Homeowner

Account Name: Emerald Springs Home Owners Association Home:

Street: Work:

City: Blythe CBR:

State: CA Zip: 92225 is:

Utility Company: DII-Emerald Springs, LLC

Division: Sewer/Water

Contact Name: Contact Phone: (

Nature of Complaint:

Correspondence Received - Opinion Opposed:

RE: Docket No's WS-20794A-11-0140
WS-20794A-11-0279

Emerald Springs Home Owners Association
120 W. Washington St.
e-mail (

December 7, 2011

Emerald Springs Home Owners Association

Blythe, CA

Arizona Corporate Commission
Consumer Services Section
1200 W. Washington St.
Phoenix, AZ 85007

Dear Commissioners:

Please allow the Emerald Springs Home Owners Association to state their concerns regarding DII Emerald Springs LLC (Henry Melendez) application for Certificate of Convenience and Necessity ("CC & N") and rate increase for sewer service in Ehrenberg, AZ 85334.

First and foremost Emerald Springs Home Owners Association is in direct opposition of DII Emerald Springs

Arizona Corporation Commission
DOCKETED

MAR 27 2012

DOCKETED BY
MIA

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL
2012 MAR 27 PM 3 24

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

LLC (Henry Melendez) being granted a certificate of Convenience and Necessity ("CC & N") and rate increase for sewer services in Ehrenberg, AZ 85334, and Emerald Springs Subdivision in particular.

DII Emerald Springs LLC (Henry Melendez) did not set up his temporary waste water sewer plant as an emergency service in 2004. Emerald Springs Subdivision was being provided sewer service by another plant. Mr. Melendez created his sewer plant for one reason, to make money.

The actual truth is that DII Emerald Springs LLC (Henry Melendez) waste water sewage plant, sewer pipe and lift station are currently on several small pieces of land within the 244 acres that have been foreclosed upon and repossessed from DII Emerald Springs LLC (Henry Melendez) by Waltco / Rob Hannah investors. DII Emerald Springs, to our knowledge has neither a lease for any of the property from Waltco or an easement for the sewer pipe on Waltco's property. For the Arizona Corporate Commission to grant a Certificate of Convenience and Necessity ("CC & N") and rate increase may be a mute point. Waltco the owners of the property could force DII Emerald Springs (Henry Melendez) to vacate their property with a 15 day notice.

Mr. Melendez is going to try and make a case that the Emerald Springs Homeowners Association owns and operates the lift station and possibly the sewer pipe that is approximately 2000 feet long connecting the Emerald Springs Subdivision to Mr. Melendez temporary sewer plant. Nothing could be farther from the truth. The Emerald Springs Home Owners Association has never had ownership of any of the land, pipe or mechanical apparatus (Lift Station) which are all outside of the Emerald Springs Subdivision.

The lack of credibility Mr. Melendez has developed within the Emerald Springs Subdivision and the community of Ehrenberg was exposed when Mr. Melendez tried to rezone a residential area to commercial usage. He was met with overwhelming rejection at a community meeting in Ehrenberg. His rezoning application was soundly voted down by the La Paz County Supervisors.

There is currently an executed contract between Emerald Springs Home Owners Association and Mr. Melendez for sewer service at a rate agreed to by all parties. It appears that Mr. Melendez is making a profit from his sewer venture. If Mr. Melendez wants a rate increase let him negotiate in good faith with the Emerald Springs Home Owners Association. Provide all parties with documentation that his budget to operate his sewer plant is more than he makes from the operation. He supplies sewer service to no one but Emerald Springs Subdivision.

The Emerald Springs Home Owner Association sites the events described in this letter to indicate that Mr. Melendez appears to not normally hold up his end of contracts and agreements.

The Emerald Springs Home Owners Association has an opportunity to reconnect our sewer to the original sewer service provider. The Emerald Springs Home Owners Association may exercise that opportunity.

Please consider all of the facts from this letter and the others you may receive from concerned homeowners and do not grant DII Emerald Springs LLC (Henry Melendez) a Certificate of Convenience and Necessity ("CC & N") and rate increase at this time.

Very truly yours,

John Salazar, Bruce Reyner, Charles Bigler
Emerald Springs Home Owners Association
Board of Directors

ATTACHED - Letter on behalf of Homeowner:

Harold ° Darlene Higley

Ehrenberg, Az 85334

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Arizona Corporation Commission
Docket No. WS-20794A-11-0140

We want no dealing with Henry Melendez (DII-Emerald Springs LLC). We feel that he cannot be trusted.

Sincerely,

Harold & Darlene Higley
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Commission to be made part of the record. CLOSED
End of Comments

Date Completed: 3/27/2012

Opinion No. 2012 - 102944

WS. 20794A. 11. 0140

WS. 20794A. 11. 0279

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2012 - 102943

Date: 3/27/2012

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

First:

Last:

Complaint By: Robert D.

Hassig, Homeowner

Account Name: Emerald Springs Home Owners Association

Home: (000) 000-0000

Street:

Work:

City: Blythe

CBR:

State: CA Zip: 92225

is:

Utility Company: DII-Emerald Springs, LLC

Division: Sewer/Water

Contact Name:

Contact Phone:

Nature of Complaint:

Correspondence Received - Opinion Opposed:

RE: Docket No's WS-20794A-11-0140
WS-20794A-11-0279

Emerald Springs Home Owners Association
128 N. Spring Street Blythe, CA 92225
e-mail estreasure@yahoo.com

December 7, 2011

Emerald Springs Home Owners Association

Blythe, CA

Arizona Corporate Commission
Consumer Services Section
1200 W. Washington St.
Phoenix, AZ 85007

Dear Commissioners:

Please allow the Emerald Springs Home Owners Association to state their concerns regarding DII Emerald Springs LLC (Henry Melendez) application for Certificate of Convenience and Necessity ("CC & N") and rate increase for sewer service in Ehrenberg, AZ 85334.

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ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

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Mr. Melendez is going to try and make a case that the Emerald Springs Homeowners Association owns and operates the lift station and possibly the sewer pipe that is approximately 2000 feet long connecting the Emerald Springs Subdivision to Mr. Melendez temporary sewer plant. Nothing could be farther from the truth. The Emerald Springs Home Owners Association has never had ownership of any of the land, pipe or mechanical apparatus (Lift Station) which are all outside of the Emerald Springs Subdivision.

The lack of credibility Mr. Melendez has developed within the Emerald Springs Subdivision and the community of Ehrenberg was exposed when Mr. Melendez tried to rezone a residential area to commercial usage. He was met with overwhelming rejection at a community meeting in Ehrenberg. His rezoning application was soundly voted down by the La Paz County Supervisors.

There is currently an executed contract between Emerald Springs Home Owners Association and Mr. Melendez for sewer service at a rate agreed to by all parties. It appears that Mr. Melendez is making a profit from his sewer venture. If Mr. Melendez wants a rate increase let him negotiate in good faith with the Emerald Springs Home Owners Association. Provide all parties with documentation that his budget to operate his sewer plant is more than he makes from the operation. He supplies sewer service to no one but Emerald Springs Subdivision.

The Emerald Springs Home Owner Association sites the events described in this letter to indicate that Mr. Melendez appears to not normally hold up his end of contracts and agreements.

The Emerald Springs Home Owners Association has an opportunity to reconnect our sewer to the original sewer service provider. The Emerald Springs Home Owners Association may exercise that opportunity.

Please consider all of the facts from this letter and the others you may receive from concerned homeowners and do not grant DII Emerald Springs LLC (Henry Melendez) a Certificate of Convenience and Necessity ("CC & N") and rate increase at this time.

Very truly yours,

John Salazar, Bruce Reyner, Charles Bigler
Emerald Springs Home Owners Association
Board of Directors

ATTACHED - Letter on behalf of Homeowner:

Arizona Corp. Commission
Doc # WS-20794A-I I-0140 et al.

Dear Commission

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

As a long time home owner, of two homes, in Emerald Springs I respectfully request that Mr. Melendez request be denied.

Over the years, Mr. Melendez as failed to fulfill his many promises to the Emerald Springs Community. For example: build a road leading into Emerald Springs (the HOA paid for the road), build a gate for a gated community (the HOA paid for a gate), top coat Rivera Place. In addition, for the homes Mr. Melendez built, some sold for more than a million dollars, he has never fixed the many defects in the homes. Such as windows in upside down, air conditioners wired backwards, dishwashers never wired or connected to water.

Further more, the ownership of the land, his sewer treatment facility sits on, is in question. All the land, surrounding the facility, Mr. Melendez once owned has been repossess.

It's time to let Emerald Springs connect their sewer to a longtime and well establish provider in the community. Again I ask that Mr. Melendez request be denied.

Sincerely,

Robert D. Hassig
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Commission to be made part of the record. CLOSED
End of Comments

Date Completed: 3/27/2012

Opinion No. 2012 - 102943

WS. 20794A-11-0140
WS. 20794A-11-0279

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2012 - 102941

Date: 3/27/2012

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

First:

Last:

Complaint By: Tom and Melody Buksa, Homeowner

Account Name: Emerald Springs Home Owners Association Home: (000) 000-0000

Street: Work:

City: Blythe CBR:

State: CA Zip: 92225 is:

Utility Company: DII-Emerald Springs, LLC

Division: Sewer/Water

Contact Name: Contact Phone

Nature of Complaint:

Correspondence Received - Opinion Opposed:

RE: Docket No's WS-20794A-11-0140
WS-20794A-11-0279

Emerald Springs Home Owners Association
e-mail

December 7, 2011

Emerald Springs Home Owners Association
Blythe, CA 92225

Arizona Corporate Commission
Consumer Services Section
1200 W. Washington St.
Phoenix, AZ 85007

Dear Commissioners:

Please allow the Emerald Springs Home Owners Association to state their concerns regarding DII Emerald Springs LLC (Henry Melendez) application for Certificate of Convenience and Necessity ("CC & N") and rate increase for sewer service in Ehrenberg, AZ 85334.

First and foremost Emerald Springs Home Owners Association is in direct opposition of DII Emerald Springs

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

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The actual truth is that DII Emerald Springs LLC (Henry Melendez) waste water sewage plant, sewer pipe and lift station are currently on several small pieces of land within the 244 acres that have been foreclosed upon and repossessed from DII Emerald Springs LLC (Henry Melendez) by Waltco / Rob Hannah investors. DII Emerald Springs, to our knowledge has neither a lease for any of the property from Waltco or an easement for the sewer pipe on Waltco's property. For the Arizona Corporate Commission to grant a Certificate of Convenience and Necessity ("CC & N") and rate increase may be a mute point. Waltco the owners of the property could force DII Emerald Springs (Henry Melendez) to vacate their property with a 15 day notice.

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The lack of credibility Mr. Melendez has developed within the Emerald Springs Subdivision and the community of Ehrenberg was exposed when Mr. Melendez tried to rezone a residential area to commercial usage. He was met with overwhelming rejection at a community meeting in Ehrenberg. His rezoning application was soundly voted down by the La Paz County Supervisors.

There is currently an executed contract between Emerald Springs Home Owners Association and Mr. Melendez for sewer service at a rate agreed to by all parties. It appears that Mr. Melendez is making a profit from his sewer venture. If Mr. Melendez wants a rate increase let him negotiate in good faith with the Emerald Springs Home Owners Association. Provide all parties with documentation that his budget to operate his sewer plant is more than he makes from the operation. He supplies sewer service to no one but Emerald Springs Subdivision.

The Emerald Springs Home Owner Association sites the events described in this letter to indicate that Mr. Melendez appears to not normally hold up his end of contracts and agreements.

The Emerald Springs Home Owners Association has an opportunity to reconnect our sewer to the original sewer service provider. The Emerald Springs Home Owners Association may exercise that opportunity.

Please consider all of the facts from this letter and the others you may receive from concerned homeowners and do not grant DII Emerald Springs LLC (Henry Melendez) a Certificate of Convenience and Necessity ("CC & N") and rate increase at this time.

Very truly yours,

John Salazar, Bruce Reyner, Charles Bigler
Emerald Springs Home Owners Association
Board of Directors

ATTACHED - Letter on behalf of Homeowner:

Tom and Melody Buksa

Ehrenberg, Az. 85334

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Arizona Corporation Commission
Docket Nos. WS-20794A-1 1-0 140 et al.
1200 West Washington Street
Phoenix, AZ. 85007

Attn. Commissioners,

We have concerns with the commission granting the requested ("CC&N") to DII Emerald Springs LLC (Henry Melendez)

Mr. Melendez did not set up this temporary waste water service as an Emergency in 2004. Emerald Springs had service up to the time he disconnected the existing provider for his own profit.

Mr. Melendez states in this application that the "HOA owns, operates, and maintains the entire collection system, including the lift station and the pipes from the lift station to the sewer treatment plant." This is not correct. The HOA was never given ownership of these items. Furthermore, neither the HOA or Mr. Melendez own any of the property that they are on. In early 2010 the HOA was "forced" to buy a new 82,200.00 lift station pump as Mr. Melendez refused to pay for what was his contractual responsibility. Shortly after this Mr. Melendez sent a letter to the Board of the HOA indicating that he was no longer going to maintain the "lift station" as of March 1, 2010.

We cite some of the many examples to show how Mr. Melendez doesn't hold up his end of contracts There are many more examples. Mr. Melendez has also promised many items to the home owners of Emerald Springs that have never been attended to even though money for these amenities was collected during the selling the houses he built.

The lack of credibility that Mr. Melendez has developed within our community, Ehrenberg, and the surrounding areas was exposed when Mr. Melendez tried to rezone a residential area to commercial. He was met with overwhelming rejection at a community meeting in Ehrenberg and was voted down by the La Paz County Board of Supervisors.

It appears that we have an opportunity to reconnect to our original provider for this service. We would be in favor of this.

We urge you not to issue the permit requested.

Sincerely,

Tom & Melody Buksa
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Commission to be made part of the record. CLOSED
End of Comments

Date Completed: 3/27/2012

Opinion No. 2012 - 102941

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM



WS. 20794A. 11.0140

WS. 20794A. 11.0279

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2012 - 102937

Date: 3/27/2012

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

First:

Last:

Complaint By: Dennis

Price, Homeowner

Account Name: Emerald Springs Home Owners Association

Home: (000) 000-0000

Street:

Work:

City: Blythe

CBR:

State: CA Zip

is:

Utility Company: DII-Emerald Springs, LLC

Division: Sewer/Water

Contact Name:

Contact Phone:

Nature of Complaint:

Correspondence Received - Opinion Opposed:

RE: Docket No's WS-20794A-11-0140
WS-20794A-11-0279

Emerald Springs Home Owners Association

e-mail

December 7, 2011

Emerald Springs Home Owners Association

Blythe, CA 92225

Arizona Corporate Commission
Consumer Services Section
1200 W. Washington St.
Phoenix, AZ 85007

Dear Commissioners:

Please allow the Emerald Springs Home Owners Association to state their concerns regarding DII Emerald Springs LLC (Henry Melendez) application for Certificate of Convenience and Necessity ("CC & N") and rate increase for sewer service in Ehrenberg, AZ 85334.

First and foremost Emerald Springs Home Owners Association is in direct opposition of DII Emerald Springs

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

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Mr. Melendez is going to try and make a case that the Emerald Springs Homeowners Association owns and operates the lift station and possibly the sewer pipe that is approximately 2000 feet long connecting the Emerald Springs Subdivision to Mr. Melendez temporary sewer plant. Nothing could be farther from the truth. The Emerald Springs Home Owners Association has never had ownership of any of the land, pipe or mechanical apparatus (Lift Station) which are all outside of the Emerald Springs Subdivision.

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There is currently an executed contract between Emerald Springs Home Owners Association and Mr. Melendez for sewer service at a rate agreed to by all parties. It appears that Mr. Melendez is making a profit from his sewer venture. If Mr. Melendez wants a rate increase let him negotiate in good faith with the Emerald Springs Home Owners Association. Provide all parties with documentation that his budget to operate his sewer plant is more than he makes from the operation. He supplies sewer service to no one but Emerald Springs Subdivision.

The Emerald Springs Home Owner Association sites the events described in this letter to indicate that Mr. Melendez appears to not normally hold up his end of contracts and agreements.

The Emerald Springs Home Owners Association has an opportunity to reconnect our sewer to the original sewer service provider. The Emerald Springs Home Owners Association may exercise that opportunity.

Please consider all of the facts from this letter and the others you may receive from concerned homeowners and do not grant DII Emerald Springs LLC (Henry Melendez) a Certificate of Convenience and Necessity ("CC & N") and rate increase at this time.

Very truly yours,

John Salazar, Bruce Reyner, Charles Bigler
Emerald Springs Home Owners Association
Board of Directors

ATTACHED - Letter on behalf of Homeowner:

Dennis W. Price

Ehrenberg, AZ 85334

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

November 14, 2011

Arizona Corporation Commission
Consumer Services Section
1200 W. Washington St.
Phoenix, AZ 85007

Dear Commissioners:

I wish to express my concerns regarding the Commission granting DII Emerald Springs LLC (Henry Melendez) a Certificate of Need and Necessity.

The basis of my concerns include:

1. Mr. Melendez has been illegally operating the sewer plant since placing it on line in 2005. He has not obtained the necessary licenses from ADEQ or the required CC&N from the Commission. Neither has he filed the required reports with ADEQ or the Commission.
2. Mr. Melendez has refused to abide by the terms of the sewer contract as evidenced by documentation in possession of the Commission. In my opinion, it is safe to conclude that he will not abide by the orders of the Commission as well.
3. Mr. Melendez has, on numerous occasions, lied to the HOA and its individual members. He has misrepresented facts before the La Paz County Planning and Zoning Commission and the La Paz County Board of Supervisors. In fact, Mr. Melendez has already given false statements to the Commission as evidenced by the Public Notice of Hearing document that was required to be sent to homeowners. In the notice, it states:
 - a. 'DII stated that it has been operating at a loss...' when, in fact, DII made a profit of \$21,201 .39 in 2010 Test Year.
 - b. "... the HOA owns, operates and maintains the entire collection system, including the lift station and the pipes from the lift station to the sewer treatment plant." In fact, the HOA does not own any of the above. Neither the lift station nor the pipe to the sewer plant is on property the HOA controls. Neither did Mr. Melendez acquire an easement for either the lift station or the approximately 2,000 feet of pipe from Emerald Springs to the sewer treatment plant.
4. The land on which the sewer plant is located was repossessed and is not owned by Mr. Melendez or DII-Emerald Spring& He has no agreement with the landowner, WALTCO Corporation, to operate the plant on their property. They could file a writ with the Superior Court which would require Mr. Melendez to remove the plant from the property in 15 days. We cannot be assured that the plant will continue to operate.
5. The HOA has an alternate sewer provider and no longer wishes to do business with Mr. Melendez and/or DII-Emerald Springs for the reasons including but not limited to those stated above.

I appreciate the Commissions consideration in this matter of importance. In the best interests of the community, I strongly urge you not to grant the CC&N.

Sincerely,

Dennis W. Price
End of Complaint

Utilities' Response:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Commission to be made part of the record. CLOSED
End of Comments

Date Completed: 3/27/2012

Opinion No. 2012 - 102937

WS. 20794A. 11. 0140
WS. 20794A. 11. 0279

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone:

Fax:

Priority: Respond Within Five Days

Opinion

No. 2012 - 102935

Date: 3/27/2012

Complaint Description:

08A Rate Case Items - Opposed

N/A Not Applicable

First:

Last:

Complaint By:

Bruce

Meyer, Board Member

Account Name:

Emerald Springs Home Owners Association

Home: (000) 000-0000

Street:

Work:

City:

Blythe

CBR:

State:

CA

Zip: 92225

is:

Utility Company:

DII-Emerald Springs, LLC

Division:

Sewer/Water

Contact Name:

M. Melendez

Contact Phone:

Nature of Complaint:

Correspondence Received - Opinion Opposed:

RE: Docket No's WS-20794A-11-0140
WS-20794A-11-0279

Emerald Springs Home Owners Association
128 N. Spring Street Blythe, CA 92225
e-mail

December 7, 2011

Emerald Springs Home Owners Association

Blythe, CA 92225

Arizona Corporate Commission
Consumer Services Section
1200 W. Washington St.
Phoenix, AZ 85007

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UTILITY COMPLAINT FORM

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Very truly yours,

John Salazar, Bruce Reyner, Charles Bigler
Emerald Springs Home Owners Association
Board of Directors

ATTACHED - Letter on behalf of Homeowner/Board Member:

Bruce Reyner

Coto de Caza, CA

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Homeowner of

December 6, 2011

Arizona Corporation Commission
Consumer Services Section
1200 W. Washington St.
Phoenix, AZ 85007

Re: HENRY MELENDEZ - APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY
EMERAL SPRINGS DII

Dear Commissioners,

I am a homeowner and a board member in the community of Emerald Springs and I am writing to convey my concern regarding the Commission granting a Certificate of Need and Necessity to Emerald Springs LLS (Henry Melendez). To the best of my knowledge, Mr. Melendez has been operating the Emerald Springs sewer plant on an illegal and temporary basis by not obtaining the necessary license of the ADEQ or the required CC&N from the Commission. Any time there has been a problem with the sewer plant, Mr. Melendez has repeatedly refused to put one dime out of his pocket for maintenance or repairs, thus, putting the burden of such costs on the homeowners of Emerald Springs who entrusted him to supply and maintain a sewer service for the community. Not too long ago, while the lift station was under Mr. Melendez's operation, the backup pump failed, resulting in a \$2,400.00 pump charge. Mr. Melendez immediately placed the burden of the repair onto the HOA, when in fact, he was the one who was contractually bound to make the repair. This particular instance prompted the signing of the lift station over to the Emerald Springs HOA and Mr. Melendez washed his hands of any responsibility to the lift station.

The HOA would like to reconnect to Mr. Doyle's sewer station. Mr. Doyle was the original provider for Emerald Springs until Mr. Melendez felt he could make a profit from the community by taking over. Mr. Melendez has proven to the HOA that, without a doubt, he is a person who will only take and give nothing back to the community of Emerald Springs. When Mr. Melendez became the developer of Emerald Springs, he borrowed a very large sum of money and to date, has not made one payment on the loan. In addition, Mr. Melendez has been named as the person removing all the appliances from the empty homes and putting them in his garage. We strongly feel that granting Mr. Melendez any of his requests would only be catering to a crook and would doom the residences of Emerald Springs.

Mr. Melendez has never shown members of the HOA receipts or bills for the maintenance of the sewer plant, even though we have requested to see these items on numerous occasions. It is our belief that the numbers Mr. Melendez has presented to you as the operating costs of the plant are numbers that were simply created by him. We would ask that you request to see actual receipts from Mr. Melendez, as we are certain that he will not provide them to you. In my eyes, Mr. Melendez is the worst kind of crook; a man who acts only in his own benefit and never for that of others.

Below is a partial list of just a few of Mr. Melendez's actions that exemplify his fraudulent behavior and lack of character:

1. Took out a large loan from Waltco and never repaid one penny.
2. Failed to finish highways to access the community of Emerald Springs.
3. Failed to finish the road between the homes on Riviera Place.
4. Installed a temporary sewer plant for personal gain.
5. Sewer sits on foreclosed property with no current lease or intent to provide lease.
6. Inflated prices of homes and provided kickbacks to buyers, per home buyer.
7. Has been banned from all escrow actions in the state of California by the California Corporations Pm/Piissioner (see attached).

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

In closing, I would like to say that we do not believe a temporary sewer plant is a permanent solution for a permanent community. We would like to request that Doyle be the new permanent provider/the Emerald Springs sewer plant and we will pursue all necessary licenses and paperwork to make this happen. We encourage you not to grant Mr. Melendez's request for a use in service costs.

PLEASE NOTE:

I WOULD LIKE TO REITERATE THAT THE SEWER PLANT SITS ON FORECLOSED PROPERTY WITH NO LEASE OR RENTAL AGREEMENT IN PLACE. I SPOKE DIRECTLY WITH A REPRESENTATIVE OF WALTCO AND THEY HAVE NO INTENT OF PROVIDING A LEASE. IN FACT, THEY WISH TO DEVELOP THE LAND WHICH THE SEWER PLANT CURRENTLY SITS ON, SO IT WILL HAVE TO BE MOVED IN THE FUTURE.

Sincerely,

Bruce Reyner
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Commission to be made part of the record. CLOSED
End of Comments

Date Completed: 3/27/2012

Opinion No. 2012 - 102935

WS. 20794A.11.0140
WS. 20794A.11.0279

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone: "

Fax: , 012-2129

Priority: Respond Within Five Days

Opinion No. 2012 - 102933

Date: 3/27/2012

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

First:

Last:

Complaint By:

John

Salazar, Board of Direct

Account Name:

Emerald Springs Home Owners Association

Home: (000) 000-0000

Street:

Work:

City:

Blythe

CBR:

State:

CA Zip:

is:

Utility Company: DII-Emerald Springs, LLC

Division:

Sewer/Water

Contact Name:

Contact Phone: 00 0000

Nature of Complaint:

Correspondence Received - Opinion Opposed:

RE: Docket No's WS-20794A-11-0140
WS-20794A-11-0279

Emerald Springs Home Owners Association
128 N. Spring Street Blythe, CA 92225
e-mail estreasure@yahoo.com

December 7, 2011

Emerald Springs Home Owners Association

Blythe, CA 92225

Arizona Corporate Commission
Consumer Services Section
1200 W. Washington St.
Phoenix, AZ 85007

Dear Commissioners:

Please allow the Emerald Springs Home Owners Association to state their concerns regarding DII Emerald Springs LLC (Henry Melendez) application for Certificate of Convenience and Necessity ("CC & N") and rate increase for sewer service in Ehrenberg, AZ 85334.

First and foremost Emerald Springs Home Owners Association is in direct opposition of DII Emerald Springs

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

LLC (Henry Melendez) being granted a certificate of Convenience and Necessity ("CC & N") and rate increase for sewer services in Ehrenberg, AZ 85334, and Emerald Springs Subdivision in particular.

DII Emerald Springs LLC (Henry Melendez) did not set up his temporary waste water sewer plant as an emergency service in 2004. Emerald Springs Subdivision was being provided sewer service by another plant. Mr. Melendez created his sewer plant for one reason, to make money.

The actual truth is that DII Emerald Springs LLC (Henry Melendez) waste water sewage plant, sewer pipe and lift station are currently on several small pieces of land within the 244 acres that have been foreclosed upon and repossessed from DII Emerald Springs LLC (Henry Melendez) by Waltco / Rob Hannah investors. DII Emerald Springs, to our knowledge has neither a lease for any of the property from Waltco or an easement for the sewer pipe on Waltco's property. For the Arizona Corporate Commission to grant a Certificate of Convenience and Necessity ("CC & N") and rate increase may be a mute point. Waltco the owners of the property could force DII Emerald Springs (Henry Melendez) to vacate their property with a 15 day notice.

Mr. Melendez is going to try and make a case that the Emerald Springs Homeowners Association owns and operates the lift station and possibly the sewer pipe that is approximately 2000 feet long connecting the Emerald Springs Subdivision to Mr. Melendez temporary sewer plant. Nothing could be farther from the truth. The Emerald Springs Home Owners Association has never had ownership of any of the land, pipe or mechanical apparatus (Lift Station) which are all outside of the Emerald Springs Subdivision.

The lack of credibility Mr. Melendez has developed within the Emerald Springs Subdivision and the community of Ehrenberg was exposed when Mr. Melendez tried to rezone a residential area to commercial usage. He was met with overwhelming rejection at a community meeting in Ehrenberg. His rezoning application was soundly voted down by the La Paz County Supervisors.

There is currently an executed contract between Emerald Springs Home Owners Association and Mr. Melendez for sewer service at a rate agreed to by all parties. It appears that Mr. Melendez is making a profit from his sewer venture. If Mr. Melendez wants a rate increase let him negotiate in good faith with the Emerald Springs Home Owners Association. Provide all parties with documentation that his budget to operate his sewer plant is more than he makes from the operation. He supplies sewer service to no one but Emerald Springs Subdivision.

The Emerald Springs Home Owner Association sites the events described in this letter to indicate that Mr. Melendez appears to not normally hold up his end of contracts and agreements.

The Emerald Springs Home Owners Association has an opportunity to reconnect our sewer to the original sewer service provider. The Emerald Springs Home Owners Association may exercise that opportunity.

Please consider all of the facts from this letter and the others you may receive from concerned homeowners and do not grant DII Emerald Springs LLC (Henry Melendez) a Certificate of Convenience and Necessity ("CC & N") and rate increase at this time.

Very truly yours,

John Salazar, Bruce Reyner, Charles Bigler
Emerald Springs Home Owners Association
Board of Directors

Attached: Letter on behalf of Homeowner/Board Member:

March 19, 2012

Arizona Corporation Commission
Consumer Services Section

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

1200 W. Washington St.
Phoenix, AZ 85007

RE: Henry Melendez – Application for Certificate of Convenience and Necessity, Emerald Springs Dii.

Dear Commissioners:

It is not very often that I feel compelled to write a letter to a public entity. However, based on Mr. Melendez' shady and unethical practices, I feel no choice but to voice my opinion/observations.

I am a Homeowner and a Board Member in the community of Emerald Springs. I retired as a Warden from the California Department of Corrections and Rehabilitation. I chose to buy a home in the community of Emerald Springs. While my Home was in escrow, I was alerted by residents in Ehrenberg, Arizona, that there was a Town Hall meeting scheduled to discuss Henry Melendez' latest project. This was the first I had heard of Mr. Melendez. I attended the meeting and it was clearly evident that Mr. Melendez and his ideas were not welcome in the Ehrenberg / Emerald Springs Community. As a result of the Community's strong objection to Mr. Melendez' solar project, the Board of Supervisors denied Mr. Melendez' request.

Since that time all of Mr. Melendez' property within the Emerald Springs Community has been foreclosed upon. The sewer plant and lift station Mr. Melendez purports to operate/own is not even on his property. Mr. Melendez must think that he can outsmart the Government officials in charge of these proceedings. It's ironic that in my 30 year Law Enforcement career, I repeatedly saw individuals in the Criminal Justice System that had the same mindset as Mr. Melendez.

Mr. Melendez and his self-serving ideas ARE NOT welcome in the Ehrenberg/Emerald Springs Community. I urge the Commissioners to evaluate all aspects of his latest scheme and soundly and with good cause reject Mr. Melendez application.

Sincerely,

John Salazar
Homeowner/Board Member
And Concerned Citizen
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Commission to be made part of the record. CLOSED
End of Comments

Date Completed: 3/27/2012

Opinion No. 2012 - 102933
