

**ORIGINAL**

OPEN MEETING AGENDA ITEM

RATE CASE FINAL REPORT



0000137792

To:  
Arizona Corporate Commissioners

Gary Pierce-Chairman  
Bob Stump  
Sandra D Kennendy  
Paul Newman  
Brenda Burns  
Earnest G Johnson - Executive Director

Arizona Corporation Commission

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DOCKET CONTROL

And to  
Docket Control for  
Docket Nos. W-04015A-12-0050 and W-04015A-12-0051

*This is in answer to the recommendations as set forth by Administrative Law Judge Sarah N Harpring on July 3, 2012. It appears in my judgement that the staff has overlooked or disregarded almost every item or question that has been presented by myself and other customers of Sunland Water.*

*We can start by asking why the sixty two letters, in opposition to the rate case were not included in the staff reports. I raised that question with the Staff Attorney because several had gotten phone calls and felt intimidated by the questions asked. The answer I received by the staff Attorney I felt was vague and cited rules governing how the letters were recieved.*

*There was an on site Inspection done by a staff person. At the time of the inspection a drain hose was attached to the bottom of the pressure tank and hanging on an outside fence but no mention of that violation in his report. Along with that, adjacent to the well site and in clear veiw was a bio-hazard dump which in my opnion should have been reported to ADEQ by the Inspector but was not. The inspection stated that on site there is two (2) ten thousand gallon storage tanks and one five thousand gallon pressure tank. According to A.A.A R18-4-503.A, with eighty (80) customers reported in the rate application, Sunland Water is in a major violation of this rule. The rule states that the minimum storage for a PWS must be equal to the average daily demand of the system during the peak month. In using the rule that a connection with 3 residents using one hundred gallons (100) a day the system requires a storage capacity of ten thousand gallons for each 33.33 connections. With a stated eighty (80) customers, puts Sunland Water Company in Violation of R18-4-503.A. That was not reported by the Inspector in his report.*

*The water tests completed by The Arizona Sanatary District in Arizona City indicated that the water tests showed it was over the REPORTING LIMITS SET BY THE EPA FOR LEAD and OVER THE MCL AND REPORTING LIMITS FOR NITRATE. I notified the staff in a letter showing concerns on these two issues and have not gotten any replies.*

*The letter of July3,2012 from admistrative Law Judge Sarah N Harpring in paragraph 3, says the current Arsenic level in the water at the current well is twelve (12) parts per billion. Unless the staff has a more current report that the current annual report by Sunland Water, it is over stated as the current level has been constant for months even years at 11 Parts Per Billion. As being only .0001 over the limit I urge the commission to encourage the Staff and Sunland Water to request from the EPA an exception to the rule rather than spend Thuosands of dollars to correct a very small deviation to the rule.*

*It has been stated by Sunland water that they do not plan any expansions of the sytem for at least two years. In 2005 when there was a plan to start Phillips Country Estates I questioned then co-owner of Sunland Water Company,*

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Mr. William "Bill" Miller about who was going to supply the water. His reply was "I Am". I replied that the system as is does not have enough water or water storage supply to do that. That was in March of 2005. I wrote a letter to the Commission at that time concerning the project and asking for requirements set forth for PWS and it was answered by Janie S Woller of the Tucson office outlining the requirements. As stated by Sunland Water Company the project fell thru. Hence I have asked the commission to provide some protection in the current rate request as I firmly believe that not only is this second well addition to correct the ARSENIC PROBLEM BUT ALSO TO PROVIDE SUNLAND WATER THE WATER CAPACITY TO EXPAND AT THE EXPENSE OF THE CURRENT CUSTOMERS. to correct the Arsenic level but is to provide Great Prairie Oasis DBA Sunland Water Company the necessary water supply to expand the Company at the expense of the current customers.

I question the estimated cost of connecting the two wells together. My reason a letter enclosed by Sunland Water Company with their rate request, is a letter along with a copy of a check by Sunland Water signed by Judy Wischer in the amount of two hundred fifty (\$250) for the purchase of approximately eight hundred and fifty (850) feet of C-900 6 inch water pipe. I am asking the commission to verify if this pipe is to be used in the construction of the new well and if so using the estimated figure of \$18 a unit, the loan for the construction should be reduced by more than \$15000.00. See attached letter.

The proposed percentage rates for median and average under the new proposed rates are not accurate. The proposed surcharge to the customer, if imposed at the suggested rate, is not included and will bring both the Median and Average Monthly percentage rate of increase to well over 400 percent. The rates as proposed by the staff will impose very, very great burdens on many of the current customers. Customers who have started fruit trees, gardens and shrubs to help beautify our housing development. Under the current proposed rates all this will go by the wayside as water will be too costly.

The costs that have been submitted by Sunland water for the test year are nothing more than costs that should have been incurred over the last ten years. I have been a customer of Sunland Water Company since Sept. 1, 2000. Starting with the first leak I had suggested, to then CO-Owner Mr William "Bill" Miller, due to the age of the polypropylene pipe in place, it should be replaced with copper crossing the streets.

In my opinion it appears that the rates as proposed are a penalty to the customer for the VERY POOR BUSINESS PRACTICES which Sunland Water Company has been doing for the last ten years. I also believe it is sending a message to other water companies to do the same and you will be rewarded with higher rates.

Sincerely,



Allen Cameron



**SILVERBELL**  
 IRRIGATION and DRAINAGE DISTRICT  
 P.O. Box 879 • Arizona City, AZ 85223  
 Message Phone (505) 898-8188

January 4, 2011

Great Prairie Oasis LLC  
 c/o G. J. Wischer Trust  
 4620 No. 65<sup>th</sup> Street  
 Scottsdale, Arizona 85251

Dear Ms. Wischer:

Thank you for your bid of \$250.00 for approximately 850 feet of C-900 6 inch pipe that is stored at our well site.

I have been advised by our Board of Directors President, Ray Farnsworth, that you are the successful bidder.

Please make your check payable to Silverbell Irrigation & Drainage District and contact Bill Miller at (520)251-0628 to make necessary arrangements for pick-up of said pipe.

Sincerely,

Phyllis A. Church  
 Ass't Sec/Treas

<b>SUNLAND WATER COMPANY</b>		1139	
P. O. BOX 624		91-527/1221 182C	
ARIZONA CITY, AZ 85123		5739446051	
		DATE	1-13-2011
PAY TO THE ORDER OF	Silverbell Irrigation	\$	250. <sup>00</sup>
	Two hundred fifty dollars		DOLLARS
FOR	Pipe		



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