

ORIGINAL

COMMISSIONERS
BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH



0000141638

Executive Director

ARIZONA CORPORATION COMMISSION

January 22, 2013

To: Docket Control

RE: Far West Water & Sewer, Inc. - Customer Comments
Docket No. WS-03478A-12-0307

Please docket the attached 7 customer comments OPPOSING the above filed rate case.

Customer comments can be reviewed in E-docket under the above docket number.

Filed by: Utilities Division - Consumer Services

Arizona Corporation

DOCKET

JAN 22 2012

DOCKETED BY *JM*

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2013 JAN 22 P 4: 58

RECEIVED

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Betty Lindsay
Dick Lindsay
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-03478A-12-0307. closed
End of Comments

Date Completed: 1/18/2013

Opinion No. 2013 - 107945

WS-03478A-12-0307

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone:

Fax:

Priority: Respond Within Five Days

Opinion

No. 2013 - 107946

Date: 1/18/2013

Complaint Description:

08A Rate Case Items - Opposed

N/A Not Applicable

First:

Last:

Complaint By:

Doug & Carol

Busat

Account Name:

Doug & Carol Busat

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City:

Yuma

CBR:

State:

AZ

Zip: 85367

is:

Utility Company.

Far West Water & Sewer, Inc.

Division:

Sewer

Contact Name:

Contact Phone:

Nature of Complaint:

*****OPINION OPPOSED TO RATE INCREASE*****DOCKET NO. WS-03478A-12-0307*****

January 5, 2013

Arizona Corporation Commission
Customer Services Section
1200 West Washington
Phoenix, Arizona 85007

RE: Docket No. WS-03478A-12-0307

Dear Sirs,

We are opposed to an outrageous proposal by Far West Water and Sewer Company to increase our billing for service by "188.05%".

We all expect that services costs need to occasionally increase to keep pace with inflation, but "188.05%" is out of line.

Most of the customers in the Yuma Foothills and other areas of Yuma are winter only residents and therefore do not use the wastewater services while they are gone. Yet if we want to stay connected to the water system to use our drip irrigation for our landscape, we must pay the wastewater fees too.

A few years ago Far West Water and Sewer Company sought a huge percentage increase, fortunately that request did not pass.

We trust that sound minds will prevail again.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Sincerely,

Doug & Carol Busat

Yuma, Az 85367
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-03478A-12-0307. closed
End of Comments

Date Completed: 1/18/2013

Opinion No. 2013 - 107946

WS. 03478A.12.0307

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: (602) 974-1111

Fax: (602) 974-1111

Priority: Respond Within Five Days

Opinion No. 2013 - 107613

Date: 1/3/2013

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

Complaint By: First: Roger Last: Segerman

Account Name: Home

Street: Work:

City: Yuma CBR:

State: AZ Zip: 85367 is:

Utility Company: Far West Water & Sewer, Inc.

Division: Sewer

Contact Name: Contact Phone:

Nature of Complaint:

Docket No. WS 03478A-12-0307 OPPOSED

1/22/13

REDOCKETED WITH TYPOS CORRECTED

Arizona Corporation Commission
Consumer Services Section
1200 West Wasahington
Phoenix, AZ 85007

Ref: Rate Application of Far West Water & Sewer Company

Yuma, AZ 85367

Docket No. WS-03478A-12-0307

Background:

The Schrechert family are owners/part owners of Far West Water and Sewer. H & S Development, three local golf courses and the owners of a major portion of the undeveloped land located within the boundaries of Far West Water and Sewer Company.

Approximately 5 years ago, without any advance notice, Far West Water & Sewer required all of its customers using their services be required to pay a monthly fee equal to their standard monthly usage fee. This fee payment for non-usage doubled the yearly cost for those spending less than 12 months a year in Yuma area. These "Snowbirds" were not given the opportunity of having their Far West services discontinued with no monthly charges for the length of time those services were not needed.

The owners/operating personnel of Far West Water & Sewer have a history of requesting excessive rate increases.

(a) August 29, 2008 they requested a permanent increase of 214.8%

(b) December 19, 2008 filed an emergency application requesting an intern rate increase of 101.02%.

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

© In 2009 requested a 218% increase over a 3 year period.

(d) In July of 2012 requested a rate increase of 188.05% which will include for the company to earn a 7.409% rate of return on its original - cost rate base.

Comments:

1. Far West Water & Sewer states in part "that this rate increase is do to improvements ordered by the Arizona Corporation Commission and/or the Arizona Department of Environmental Quality." Did the company knowingly exceed the capacity of the old system, if so who's fault is it that the system was failing and who should pay for any needed improvements.

2. It is being suggested that for those who use the services of Far West Sewer and Water less than full time have some relief from the present policy of paying full charges 12 months a year and that they have the options of : (a) Having their services discontinued until needed. (minimum of 3 months or pay a start up fee of \$25.00).

(b) For those who use water for hydrating their plants and trees, but do not use their sewer system during the months that they are located outside of Arizona that the customer must pay the normal water usage fees only.

3. I do think tht a increase may be justified, The increase's should be in line with those of neighboring cities, towns or municipalities within the geographical area.

(a) The City of Yuma, Arizona provides sewer service for its customers within the city limits at a cost of \$32.48 per month (\$64.96 every two months billing). For those areas outside of the city limits, but are in the county the customer is charged \$43.20 per monthh (\$86.40 every two months billing). The reason given for the additional cost is the amount of effort need to provide the same service in both areas. I understand that Far West Water & Sewer is using the City of Yuma's county customer charges as an example of the the cities rate. I do not think that this is a fair comparison since the boundaries of Yuma's main sewer operation is within it's city limits and that is where it's main operation is performed and charges for outside it's normal boundaries require an increase in fee's. Far West on the other hand is located in the county, and it's base of operation is also in the heart of it's sewer boundaries therefore make Yuma's Fee's for within the city limits and Far West's operation within the count similar.

(b) The City of Welton has sewers only in the subdivision of Coyote Wash. There customers there are charged \$30.00 per month.

© Per the Water Infrasturcture Finance Authority of Arizona located on the internet at www.azwifa.gov, the 2011 Arizona Water and Wastewater Residential Rates for cities within Yuma County are as follows:

Far West Water and Sewer = \$21.75 per month

City of Yuma = \$32.48 per month

Somerton = \$34.79 per month

San Luis - Not available

The average wastewater charges per month within Yuma County is = \$29.42 per month

The average wastewater charges per month for Maricopa County is = \$28.07 per month

The average wastewater charges for all the counties of Arizona is \$29.05 as stated in the 2011 Arizona Water and Wastewater Residential Rates.

Points to ponder:

(a) Yuma is a winter destination for Snowbirds from all over the United States, Canada and other far away location. Most of these snowbirds are on limited income and major price increases effect there lifestyles. An increase of the size that is being proposed will affect not only those snowbirds, but all the residents using Far West's facilities.

(b) If enacted the cost for sewers provided by Far West Water and Sewer will go from \$261.00 ($\$21.75 \times 12 = \261.00) to \$751.80 ($\$62.65 \times 12 = \751.80). That is a cost of approximately 1/2 of what I pay for my property taxes and I live in a stick built southwest style home in the Foothills of Yuma. For those who live in RV's on their lot, have park models or mobile homes the cost of sewer will be equal to if not greater than the cost of their property taxes.

© I do concur with those that want a public hearing held in Yuma area in regards to the pricing increase

Best Wishes,
Roger Segerman

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Yuma, AZ 85367

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Docketed.

End of Comments

Date Completed: 1/3/2013

Opinion No. 2013 - 107613

WS-03478A-12-0307

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2013 - 107954

Date: 1/22/2013

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

First:

Last:

Complaint By: Mike

Gaylord

Account Name: Mike Gaylord

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City: Yuma

CBR:

State: AZ Zip: 85367

is:

Utility Company: Far West Water & Sewer, Inc.

Division: Sewer

Contact Name:

Contact Phone:

Nature of Complaint:

*****OPINION OPPOSING RATE INCREASE*****DOCKET NO. WS-03478A-12-0307*****

Dec. 26, 2012

Arizona Corporation Commission
Consumer services Section
1200 West Washington
Phoenix, Az 85007

Rei Docket No. WS-03478A-12-0307

With reference to the proposed rate increase, as a Tax payer, we need to understand an application for such an exorbitant percentage increase. Is there not an acceptable percentage over time that the Commission would decree?

It has come to our attention that while the system has worked efficiently for the original households, it is being taxed beyond its capacity as each new development is added to the system. It would seem to us that the cost of expanding the system should be factored into the sale of the Lots in each new development, and the price these Lots would indicate that it has been so.

The Foothills area is approximately 70%+ seasonal residents, could anyone explain to us why meetings of this importance are scheduled for a time when the majority of the population is not in residence?

When the Foothills were developed, all costs were calculated with seasonal residency factored in. Sewer charges for this area have already gone from; for usage only - to year round charges, thereby doubling or tripling the amount of revenue for the company to operate. (E.g.: when we purchased these properties, we only paid sewer for the time we were in residence, when you turned the water off for the season - the sewer was "turned off", then the company started to charge for the sewer 12 months of the year) Anyone can understand a

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

reasonable increase over time. Where many Companies are tightening their belts and dropping their rates, this company does not appear to understand that the majority of their customers are struggling through a Recession and are unable to work this into their budget.

Is it fiscally responsible to continually inject more money into a Company that does not appear to be solvent? Has it been considered: that if the present owner(s) is incapable of managing the system within their means, then possibly a Government body could be instituted to manage it more efficiently and in fairness to the rate payers?

Without Prejudice
Mike Gavlord

Yuma, AZ 85367

*****LETTER TO NEWS MEDIA*****

TO: YUMA SUN NEWS - EDITOR
FROM: FOOTHILLS RESIDENCE
DATE: 1/13/13

How much regulation is enough?

In the beginning, the Foothills Residential & Business expansion included ownership of their own septic system & were exempt from Corporate aggression. Now, by law, we must use Far West Sewer and Water as our sole provider. Government Regulations have changed w/o the funding, resulting in a defective/over loaded/air polluting system.

The Yuma area is a perfect environment for independent septic system with the soil, evaporation & surface water condition is perfect for inexpensive & dependable operation.

We certainly understand that a community system needs funding from the entire community, however, when a large system is now required, we should be allowed to manage our own money and choose who we do business with.

If unfunded regulations are truly required, they must be managed for viability.

As this document is being written, our neighborhood has no water to execute basic sanitation requirements. The water system management/maintenance teams cannot be reached as message system is not functional.

Regardless of rate increases, this style of management will always suffer financially while providing inferior value to the customer.

Insolvency is devastating to anyone or corporation, yet, system management via a community Co-op would yield a win for all. It would put an end to the abundant problems that have been exhaustively addressed without response.

It would require volumes to represent all of the valid concerns around further rate increases with the top priority being the user's inability to pay! Financially responsible individuals have postponed their retirement until they are qualified to fund their entire retirement plus a surplus for the unexpected.

Energy, Medical, Pharmaceutical & unfunded government regulatory mandates (hidden taxes) are a short list of hidden/uncalculated inflation that has exhausted fixed income family's ability to "stay in the race".

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

A casual glance at the enormous list of businesses & residences being liquidated by Yuma Co. exemplifies the result of escalating mandates & rising property taxes on our community.

Perhaps our Governments & Large Corps could crank up the sensitivity to the current times.

Perhaps many Local Services/Expansions could ramp down until a prosperous economy prevails.

Mike Gaylord
Foothills, AZ

cc: Arizona Corp. Comm
Yuma Co. Supervisors
Yuma Co. Treasurer
Yuma Co. Assessor

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-03478A-12-0307. closed

End of Comments

Date Completed: 1/22/2013

Opinion No. 2013 - 107954

WS-03478A-12-0307

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2013 - 107942

Date: 1/18/2013

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

Complaint By: First: D. L. Last: Lane

Account Name: D. L. Lane

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City: Yuma

CBR:

State: AZ Zip: 85367

is: Cellular

Utility Company: Far West Water & Sewer, Inc.

Division: Sewer

Contact Name:

Contact Phone:

Nature of Complaint:

*****OPINION OPPOSED TO RATE INCREASE*****DOCKET No. WS-03478A-12-0307*****

Lots of mismanagement in all of their holdings.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-03478A-12-0307. closed

End of Comments

Date Completed: 1/18/2013

Opinion No. 2013 - 107942

3. 03478A-12-0307

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone: (520) 628-6555

Fax: (520) 628-6559

Priority: Respond Within Five Days

Opinion No. 2012 - 107335

Date: 12/11/2012

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

Complaint By: **First:** Diana **Last:** Tucker

Account Name: Diana Tucker

Home: (928) 342-2850

Street: 13728 S. Chase Way

Work:

City: Yuma

CBR: aztuckers@juno.com

State: AZ **Zip:** 85367

is: E-Mail

Utility Company: Far West Water & Sewer, Inc.

Division: Water

Contact Name: Roxanne Fiddes

Contact Phone: (928) 342-1238

Nature of Complaint:

Docket No. WS-03478A-12-0307

I wish to voice my concerns regarding Far West requesting a rate hike. I feel there should be no rate increase at this time.

The plant at the Par 3 Golf Course still emits sewer smells.

The management team has not become responsible in their finances. Asking their customers for 188% increase is absurd! My husband's salary has been frozen for the last two years.

They are not be responsible neighbors.

We feel they want to place their bad decisions and irresponsibility on the back of their customers, asking us to pay more for less.

Time for "Farworst" to get out of their falling business and let a responsible entity take over.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

12/11

Emailed to the Phoenix ACC office for docketing.

FILE CLOSED.

End of Comments

WS-03478A-12-0307

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone: (520) 628-6555

Fax: (520) 628-6559

Priority: Respond Within Five Days

Opinion No. 2013 - 107875

Date: 1/16/2013

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

Complaint By: First: Keith B. Last: Wolfard

Account Name: Keith B. Wolfard Home: (503) 631-3865

Street: 14787 East 53 Drive Work:

City: Yuma CBR:

State: AZ Zip: 85367 is:

Utility Company: Far West Water & Sewer, Inc.

Division: Sewer

Contact Name: Roxanne Fiddes Contact Phone: (928) 342-1238

Nature of Complaint:

*****DOCKET NO. WS-03478A-12-0307*****
OPPOSE RATE CASE

BASED ON THE FOLLOWING INFORMATION, we the customers of Far West Water and Sewer Co., would like to ask the Arizona Corporation Commission to NOT APPROVE the application submitted by Far West Water and Sewer Company, Docket No. WS-03478A-12-0307.

A. Far West provides water and sewer services to the Foothills area east of Yuma. There are approximately 8000 residential and commercial customers in this unincorporated area of Yuma County who would receive a rate increase of 188.05%. Once approved this new rate will be the permanent rate and will continue until Far West decides to raise the rates again.

B. Far West Water and Sewer Co., and H & S Developers have been fined and are required to pay penalties for numerous repeated alleged water and air quality violations dating back as far as 1989, 50 counts filed September 9, 2008 and additional corrections and judgements in 2010 that could amount to judgements of millions of dollars. H & S Developers is also named because it provided the services until forming Far West as a separate company in 1998 when it transferred drinking water and wastewater facilities ownership to the new company.

C. In 2006 Far West Water and Sewer finally come into compliance with ADEQ. The company has now expanded its lagoon by 300%. We speculate that this effort was only put forth to compensate for the recent subdivision that H & S Development Co. started at this time.

D. Winter residents currently flock to Yuma because of the weather and because it is economically feasible to maintain a second home here. Winter residents increase Yuma's population each year by more than 80,000 people with the majority living in the Foothills. This population will be especially affected by this increase because, since 2003, they pay for 6 months of sewer fees despite being unable to flush their toilets because they have returned to their primary residences.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

E. Of the "full time" Foothills residents there is a large percentage of Retirees living on a fixed income. Many more are the working class. If the proposed increase passes it would only succeed in further devastating the local economy. There are many folks who live paycheck to paycheck as it is. A fee increase as proposed could potentially force many people to sell or foreclose. With the housing market as it is today, this will only add to the declining economy.

IN CONCLUSION:

* We don't feel that the current customers should incur the costs necessary to cover a new wastewater plant needed to serve future growth. At most this cost should be absorbed by impact fees on the new lots being developed. We believe they have not suggested this because it would reduce the parent company's building profits, in part due to the recession limiting the builder's inability to charge more than the market will bear

* We further feel that this increase is also being requested as a direct result of negligence on the part of Far West Water & Sewer. It appears as if they're poor planning failed to prevent numerous ADEQ violations. We the customers of Far West Water and Sewer do not feel that this is a cost that should be transferred to current customers.

* We feel that Far West Water and Sewer Co., should have maintained the current facilities as repeated violations have been submitted since 1990 from ADEQ as well as the September 9, 2008, 49 page complaint in Maricopa County Superior Court in which 50 counts were filed against these companies, and again in 2010 when additional fines were filed for wastewater violations and negligence. In 2006 the plant finally come into compliance with ADEQ receiving permission to allow more hookups. Maintaining is what the company should have focused on, but instead they only increased their lagoon by 300%.

THEREFORE, we feel that this enormous increase is not justified. We the current owners feel that the extra charges requested are to aid H & S Developers and Far West Water and Sewer in paying settlements incurred due to lawsuits and penalties owed to ADEQ for lack of safety and loss of life. We also feel it is possible that Far West is trying to offset the costs incurred by H & S Development Co.'s newer developments. Their lack of sales and poor investments are not our responsibility. Far West Water and Sewer and H & S Developers for years should have been investing their revenues in maintaining the system they have in place. If that had been the case, they would not be requesting this large increase.

Other cities in Arizona have been investigated and it has been found that they have seen rate increases of 5-9.5%. A small percentage is acceptable and necessary, but 188% IS NOT. We the customers cannot afford this increase. We hope you will consider our concerns and VOTE NAY on this application Thank you.

Date this 27th day of December, 2012

Average Sewer Rates around Arizona

Tucson: \$40.69/month - however if you are gone for 1 month or more only a monthly service fee of \$11.86 is charged.

Phoenix: \$34.25/month

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

1/16

Emailed to Phoenix ACC office for docketing. FILE CLOSED.

End of Comments

Date Completed: 1/16/2013