

W-02077A-12-0493



ORIGINAL ARIZONA CORPORATION COMMISS
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone: _____

Fax: _____

Priority: Respond Within Five Days

Opinion No. 2013 - 108503

Date: 2/13/2013

Complaint Description: 08D Rate Case Items - Hearing/PC Meeting
N/A Not Applicable

Complaint By: **First:** James **Last:** Brown, Jr.

Account Name: James Brown, Jr.

Home:

Street: n/a

Work: (000) 000-0000

City: Hopeville

CBR:

State: AZ **Zip:** 00000

is:

Utility Company: Allenville Water Company, Inc.

Division: Water

Contact Name:

Arizona Corporation Commission

Contact Phone:

Nature of Complaint:

DOCKETED

FEB 15 2013

ACC Docket W- 02077A-12-0493

DOCKETED BY *[Signature]*

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2013 FEB 15 A 9:26

RECEIVED

DATE: February 11, 2013

TO: Arizona Corporation Commission - Utilities Division

Attn:

Fax:

FROM: Anoa Scott Hubbert, Property Owner
Also representative of Concerned Citizens Group of Hopeville, AZ

SUBJ: Memo of Opinion for the Record and Request for Public Hearing

IN MATTERS CONCERNING: ACC Docket W-02077A-12-0493

A) In The Matter of the Application of Hopeville Water Company, Inc. DBA Allenville Water Company, for Arizona Corporation Commission approval to Sell Its Assets and for Cancellation of its Assets and for Cancellation of Its Certificate of Convenience and Necessity:

B) Real Estate Purchase Option Agreement between the Town of Buckeye and the Hopeville Community for Progress, Inc. (HCFPI) Granting the Town the Option to Purchase Approximately 15 Acres of Vacant Real Property Owned by Hopeville Community for Progress, Inc.

On behalf of residents, property owners and water consumers in Hopeville, AZ, I would like to thank the Town of Buckeye for their consideration towards purchasing the Hopeville Water Company, Inc.

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For the record, Hopeville Community for Progress (HCFP) was established as a non profit community in the early 1980's as part of a state humanitarian relocation project for the predominately African-American community of Allenville, AZ- originally located south of Buckeye, AZ.

This included the establishment of the Hopeville Water Company, Inc., also a non-profit entity within the jurisdiction of HCFP, who hold the exclusive water rights for the community. This community has survived in part, due to its' non-profit status.

Currently, the demographics of the community are predominately residents of minority, senior and fixed income status.

With that said, the aim is to seek ways to improve the community of Hopeville. The community has not had the funding resources to improve its' neighborhood environment, recreational park and the community center facility. These are among the key concerns of the Hopeville Community. These amenities have become unusable, unsafe and unsightly.

The primary focus of concern starts with accountability of leadership and management of the community. Mr. Abraham Harris III has held the position of Hopeville Community for Progress board president and has long been considered by the concerned citizens as "self-appointed." He does not speak on behalf of the majority of Hopeville residents and property owners. He "assumed" the position his father previously held without formal approval of the community at large.

The concerned citizens group and I are outraged that the residents of Hopeville have not been adequately notified of the pending sale of their water company, nor did we receive official prior notification (until a notice was sent in our December 2012 water bill) that the water company was already positioned by Mr. Harris III to be sold via an application with the ACC. This "after the fact" clandestine move came as a shock to residents of the community. There were no public meetings to involve the residents and property owners with the water company sale.

The By-Laws of the non-profit community have not been properly followed for the well-being of the community for years. This includes no majority resident or property owner involvement relative to Board elections and community management. This is due to tactics used by Mr. Harris III and long-term board members under his direction. Following are recent examples of these tactics:

1. The water customers received notice on the December 2012 water bill of the pending sale.

Tactic: The Hopeville Water Company phone number listed for contact does not connect and the residents are not able to contact Mr. Harris III via that number.

This is not the first time residents have experienced this maneuver.

2. On numerous occasions, Mr. Harris III discouraged residents/water customers from going downtown or calling the Arizona Corporation Commission (ACC) office, or any other office to ask questions. He inferred that by doing so, residents could expect problems for the community.

Tactic: intimidation/bullying

3. Copies of various documents were requested by residents and property owners. The Water Company Board (same four board members currently sitting) never responded or provided any access. In many instances, verbal confrontations erupted.

Tactic: Willful non-disclosure of information to residents.

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4. Residents and property owners held meetings within the community on several occasions to discuss issues of major concern and to seek information about the future of Hopeville. HCFP board members were solicited and encouraged to participate. None ever attended. Their reasoning; a "conflict of interest."

Tactic: Avoidance and weak excuses.

The Hopeville community is burdened with many issues which have not been addressed for many years since Mr. Harris III assumed the position of Board president. Now, this community is faced with this new matter of urgency, the sale of their non-profit water company without any consideration for or input from a majority of the community.

The news of the possible sale of the water company..essentially the community's lifeline and greatest asset.... to the Town of Buckeye has left the residents of this community feeling betrayed. We, the concerned citizens, now ask- how will the sale benefit the community? The residents and property owners have not been consulted or advised of how the sale will benefit the entire community.

We, the concerned residents and property owners demand the selection and election of a new Board of Directors to oversee the finalization process of selling the Hopeville Water Company, Inc. to the Town of Buckeye. A new board would address the community needs and listen to the concerns of all Hopeville citizens. A new board would not seek remuneration but, would be individuals committed to serve the good of all the community.

There have been actions taken by Mr. Harris III and the HCFP Board that warrant investigation and resolution. For the record:

- 1) We have cause to believe Mr. Harris III was involved with deeding and selling multiple community owned land parcels to himself for personal gain and to outside corporate entities (e.g., Gimito Hopeville, LLC and Negative Nine, LLC).
- 2) We have cause to believe that Mr. Harris III and the HCFP Board violated the founding Non-profit Articles of Incorporation by facilitating the pending sale of the Hopeville Water Company for personal gain. In addition to Mr. Harris III, HCFP board members involved are Louis Early, Willie Wilson and Bob Smith.
- 3) We have cause to believe Mr. Harris III violated his fiduciary responsibilities as board president of HCFP and Hopeville Water Company.

Case in point: A discovery was made by residents who were reviewing the County Assessors' status of community owned parcels that Mr. Harris III had been deeding properties from HCFP to himself. We believe these to be clandestine transactions, a willful disregard of HCFP by-laws and possibly illegal. The properties ultimately did lose non-profit status and subsequently incurred tax liens- (Mr. Harris III's liens).

These blatant violations of Mr. Harris III's fiduciary responsibilities placed the community properties in jeopardy of being sold off for back-taxes.

Case in point: Current Maricopa County Assessor affidavit records reveal five (5) parcel sales of Hopeville community owned property (504-29-081, 082, 084, 085 & 087). Of significance, two of these parcels encompass the resident's Community Center facility and the Recreational Park. This is an outrage, as the Assessor records reveal these sales totaled \$175,000-cash. We want to know, WHERE IS THE \$175,000?

We demand full disclosure of the financial statements, records, and meeting minutes of the HCFP Board.

We, the concerned residents and property owners of this community seek from the ACC an official removal of Mr. Harris III as HCFP board president. As a community we feel and agree that the installation a new HCFP Board is critical. We seek a board that would address and listen to the concerns of all Hopeville residents and

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property owners.

The papers filed with the Arizona Corporation Commission, 12/17/2012, fail to identify how the \$771,000 would be used within the community. The following ideas are offered:

-First, establish a new community Board in its totality.

-Funds from the sale of the Hopeville Water Company, Inc. should be placed in an account that is specifically earmarked for use in reviving the Hopeville community. The best type of account to serve this purpose would need to be determined.

-As part of renewed sale negotiations, consideration could be given to request assistance from the Town of Buckeye regarding the redevelopment and revitalization of the Hopeville Community Park and Community Center.

-A professional assessment is necessary to determine requirements and work necessary to improve specific areas of the community, such as:

1. Hopeville Park restoration: complete restoration of its watering system, landscape, shrubbery, and all other amenities related to the park.
2. Installing sidewalks as an ongoing project
3. Restoration of the Hopeville Community Center (including consideration for construction of a new facility).
4. Obtaining bids from various companies to do the work related to the park and community center.

We, the concerned citizens group of the Hopeville community, (many who have already filed motions to intervene with the ACC), implore those involved with the sale of the water company, to ensure that due diligence, lawful and ethical proceedings are guaranteed during the course of this entire matter at hand.

This letter is in no way intended to reflect negatively upon the Town of Buckeye and its' Council. We thank you for your kind and professional consideration.

Submitted on behalf of the Concerned Citizens Group of Hopeville, AZ who will file additional letters and motions with the Arizona Corporation Commission.

Persons to contact and member of Concerned Citizens Group:
James Brown, Jr. (Hopeville property owner) -
Alternate: Wilbur Brown -
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. W-02077A-12-0493. closed
End of Comments

Date Completed: 2/13/2013

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