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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

4 Attorneys for Valle Vista Property Owners Association, Inc.

DOCKETED BY

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE APPLICATION
OF TRUXTON CANYON WATER
9 COMPANY, INC. FOR APPROVAL OF A
RATE INCREASE.

DOCKET NO. W-02168A-11-0363

10 IN THE MATTER OF THE APPLICATION
11 OF TRUXTON CANYON WATER
COMPANY, INC. FOR APPROVAL OF A
12 REVISION OF THE COMPANY'S
EXISTING TERMS AND CONDITIONS OF
13 WATER SERVICE.

DOCKET NO. W-02168A-13-0309

ORIGINAL

14 IN THE MATTER OF THE APPLICATION
15 OF TRUXTON CANYON WATER
COMPANY, INC. FOR AUTHORITY TO
16 INCUR LONG-TERM DEBT.

DOCKET NO. W-02168A-13-0332

17 **VVPOA'S SUPPLEMENTAL BRIEF AND REQUEST FOR SCHEDULING**
18 **CONFERENCE**

19 In this consolidated docket, the parties completed briefing on May 12, 2014.
20 Unfortunately, Valle Vista Property Owners Association, Inc. ("VVPOA") submits the
21 following supplemental brief to make the Commission and the Administrative Law Judge
22 ("ALJ") aware that Truxton Canyon Water Company has failed to provide adequate
23 water service to VVPOA, in turn causing substantial harm and monetary damages to
24 VVPOA. Specifically, the Hualapai 1 Well failed on June 13, 2014 and has not been
25 fully operational since that time. During this outage, Truxton has been unable to provide
26 adequate water service to VVPOA, in turn resulting in significant portions of the VVPOA

1 golf course going without water service and killing the grass turf. For the second time in
2 the last four years, VVPOA now must incur substantial monetary costs to re-seed the golf
3 course turf, resulting in harm to VVPOA and its residential property owners. As such,
4 VVPOA requests that the Commission and ALJ consider the following circumstances in
5 issuing a decision in this docket.

6 On June 13, 2014, VVPOA (Pat Friend) received a phone call from Truxton
7 (Aaron Wade) explaining that the Hualapai 1 Well was not operating and that VVPOA
8 needed to shut down its irrigation system. In turn, VVPOA shut down its irrigation
9 system and was only able to water the greens on the VVPOA golf course that night and
10 on the night of June 14, 2014. On June 15, 2014, Truxton (Mr. Wade) advised VVPOA
11 (Mr. Friend) that the magneto on the well had failed and that Mike Neal would be in
12 contact with VVPOA regarding the estimated repair time.

13 On June 16, 2014, VVPOA (Mr. Friend) received a call from Truxton (Mike
14 Neal) confirming that the Magneto did, in fact, fail and advising that Truxton was
15 overnight shipping the magneto to Los Angeles for repair. According to Mr. Neal, the
16 part was scheduled to be fixed on June 17, 2014 and shipped back to Truxton on the
17 morning of June 18, 2014. During this time period, VVPOA again went without
18 irrigation water service to the golf course, except for the greens.

19 On June 18, 2014, Truxton (Mr. Wade) advised VVPOA (Mr. Friend) that the
20 rebuilt part was installed and that the Hualapai 1 Well was operational. VVPOA resumed
21 normal irrigation on the golf course that evening. On June 20, 2014, however, VVPOA
22 (Mr. Friend) received a call from Truxton (Mike Neal) advising that the Hualapai 1 Well
23 had failed again, apparently resulting from the rebuilt magneto. That failure again forced
24 VVPOA to shut down its irrigation system and limited VVPOA to only watering the
25 greens on the golf course. That lack of service has continued through the date of this
26 filing and Truxton did not contact VVPOA relating to restoration of irrigation service

1 during that time period. VVPOA is willing and able to assist Truxton in repairing the
2 Hualapai 1 Well, including monetary contributions for necessary replacement parts.
3 Unfortunately, however, Truxton did not confer with VVPOA relating to replacement
4 parts.

5 Finally, on June 23, 2014, VVPOA (Mr. Friend) contacted Truxton (Mr. Wade)
6 and was informed that Truxton had scheduled a mechanic to look at the well, and that Mr.
7 Neal was on his way to California to have the magneto rebuilt again. Initially, Truxton
8 advised that the well may be operational on the night of June 23, 2014. Later that day,
9 VVPOA (Mr. Friend) contacted Truxton (Mr. Wade) to ask if the estimated time for
10 repair of the well was still that evening. Truxton (Mr. Wade) responded that when the
11 well motor failed on June 20, the booster motor overheated and caused significant
12 damage, including damage to the spark plug inserts. According to Mr. Wade, Truxton had
13 a mechanic onsite at that time and they were going to pull the motor head, and have the
14 spark plug sleeves repaired. Currently, VVPOA believes that the motor head is in
15 Phoenix being repaired and Truxton has not provided any estimated time for repair or
16 reinstatement of the Hualapai 1 Well.

17 As of the date of this filing, the Hualapai 1 Well is still not operational and
18 VVPOA has been without irrigation service for nearly ten consecutive days. The lack of
19 water service has killed significant portions of the golf course turf areas. Those turf areas
20 will not return even if Truxton restores irrigation service in the near future, forcing
21 VVPOA to again—for the second time within the last four years—face the prospect of
22 \$40-50,000 in seeding costs (plus labor) to re-seed those turf areas. Even worse, the lack
23 of irrigation service to VVPOA has caused revenues from VVPOA operations to drop
24 significantly due to the deteriorated condition of the VVPOA golf course.

25 As the Commission and ALJ may recall, Truxton failed to provide irrigation
26 service to VVPOA for 30 days in 2011, 23 days in 2012 and 29 days in 2013. And now

1 Mr. Neal's prediction that the Hualapai 1 Well would fail again this summer has come
2 true. Unfortunately, it appears that neither Truxton nor its owner the Claude K. Neal
3 Family Trust took any effort to prevent that from happening, despite VVPOA's
4 willingness to assist with and potentially pay for necessary repairs and replacement parts.¹

5 Under these circumstances, VVPOA requests that the ALJ and Commission take
6 these circumstances into consideration in this docket. Truxton's failure to provide
7 adequate water service to VVPOA has caused irreparable damage to VVPOA, its property
8 owners and Truxton's customers. As such, VVPOA requests that either the ALJ conduct
9 a scheduling conference to address these issues or that the Commission consider these
10 circumstances at open meeting to address the following issues.

11 First, the Commission should order Truxton and its owner the Claude K. Neal
12 Family Trust to stock the necessary replacement parts for the Hualapai 1 Well relating to
13 the magneto and other parts. VVPOA believes the same parts have failed repeatedly and
14 yet Truxton has not spent the necessary funds to stock the replacement parts. Truxton
15 may contend that it does not have sufficient money to stock the replacement part, but the
16 revenue from irrigation service to VVPOA during the summer months surely will provide
17 sufficient cash flow for those parts. That's not to mention that VVPOA may be willing to
18 assist Truxton in paying for those replacement parts in order to avoid outages of the
19 Hualapai 1 Well.

20 Second, VVPOA requests that the Commission order Truxton to give VVPOA a
21 credit against future water bills in the amount that VVPOA will now have to incur to re-
22 seed the golf course turf areas. This is the second time that Truxton has caused
23 substantial monetary damages to VVPOA and it is only fair that Truxton be held
24 responsible for those damages. If Truxton opposes such credit, then that is yet another

25 _____
26 ¹ Tr. II at 300:5-15 (R. Neal).

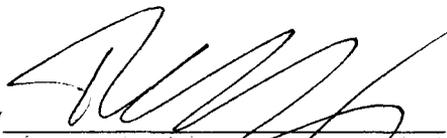
1 reason that the Commission should adopt Staff's recommended rates of \$1.20 per 1,000
2 gallons. The Commission should not increase or maintain VVPOA's rates given that
3 Truxton has failed to provide adequate water service to VVPOA in each of the last four
4 years, resulting in substantial damages to VVPOA and its property owners.

5 Third, as stated in its closing briefs, VVPOA urges the Commission to authorize
6 Truxton to obtain the necessary financing to upgrade the Hualapai 1 Well as soon as
7 possible in order to prevent these outages and financial damages to VVPOA in the future.

8 Fourth and finally, the Commission should consider and address Truxton's failure
9 to provide adequate service to VVPOA, its impact on VVPOA and its property owners
10 (i.e., Truxton's customers) and potential solutions to management of Truxton.

11 Dated: June 24, 2014

12 FENNEMORE CRAIG

13
14
15 By 
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22 ORIGINAL and 13 copies
23 of the foregoing was filed
24 this 24th day of June, 2014,
25 with:
26 Docket Control
Arizona Corporation Commission
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Phoenix, Arizona 85007

1 COPY of the foregoing
was hand-delivered this
2 24th day of June, 2014, to:

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