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1 Steve Wene, No. 019630  
2 MOYES SELLERS & HENDRICKS LTD.  
3 1850 N. Central Avenue, Suite 1100  
4 Phoenix, Arizona 85004  
5 (602)-604-2189  
6 swene@law-msh.com  
7 Attorneys for Truxton Canyon Water  
8 Company, Inc.

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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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JUL 14 2014

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14 IN THE MATTER OF THE APPLICATION  
15 OF TRUXTON CANYON WATER  
16 COMPANY, INC. FOR APPROVAL OF A  
17 RATE INCREASE.

DOCKET NO. W-02168A-11-0363

18 IN THE MATTER OF THE APPLICATION  
19 OF TRUXTON CANYON WATER  
20 COMPANY, INC. FOR APPROVAL OF A  
21 REVISION OF THE COMPANY'S  
22 EXISTING TERMS AND CONDITIONS OF  
23 WATER SERVICE.

DOCKET NO. W-02168A-13-0309

24 IN THE MATTER OF THE APPLICATION  
25 OF TRUXTON CANYON WATER  
26 COMPANY, INC. FOR AUTHORITY TO  
27 INCUR LONG-TERM DEBT.

DOCKET NO. W-02168A-13-0332

**TRUXTON CANYON WATER  
COMPANY'S RESPONSE TO  
VVPOA'S SUPPLEMENTAL BRIEF  
AND REQUEST FOR SCHEDULING  
CONFERENCE**

28 Pursuant to the Procedural Order dated July 2, 2014, Truxton Canyon Water  
Company, Inc. ("Company" or "Truxton") hereby files its Response to VVPOA's  
Supplemental Brief and Request for Scheduling Conference.

1       **I. SUMMARY OF OPERATIONS**

2       The Hualapai 1 Well is, and has been, fully operational since July 3. It was also  
3  
4 operational between late June 18 and June 20. Despite VVPOA's implications, at no  
5 time did VVPOA go without water; at all times, VVPOA had at least 300,000 – 400,000  
6 gallons available. According to Company staff, here is a summary of the outage:

- 7           • June 13, Friday at 5:00 p.m. – Hualapai 1 Well circuit board on the magneto  
8           went out. Within the hour, Company staff called VVPOA staff to inform them  
9           of the issue.
- 10          • June 14-15, Saturday and Sunday – Company continues to provide VVPOA  
11          with 300,000 to 400,000 gallons per day.
- 12          • June 16, Monday – Company calls to order magneto but none available in the  
13          United States. New magneto will take 8 weeks to deliver. Company mailed  
14          overnight the magneto for repair by company in Ventura, California.
- 15          • June 17, Tuesday – Magneto repaired and mailed back that same day.
- 16          • June 18, Wednesday – Magneto received and Well operating by 10:30 a.m.  
17          Company contacted VVPOA and stated they could take as much water as  
18          desired.
- 19          • June 20, Friday, 5:00 p.m. – Magneto failed again and caused the booster  
20          pump to overheat and damage cylinder valves. Company contacted VVPOA  
21          immediately.
- 22          • June 21-22, Saturday and Sunday – VVPOA had 300,000 – 400,000 gallons  
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1 available.

- 2 • June 23, Monday – Company staff left Kingman at 3:00 a.m. to have magneto  
3 at Ventura, California for repairs at 9:00 a.m. At 7:00 a.m., a mechanic was at  
4 the booster to troubleshoot the issues with that equipment. Magneto repaired  
5 again at 3:00 p.m. and taken back to Kingman. Booster motor head taken to  
6 Phoenix for repairs.
- 7 • June 24 to July 2 – Magneto installed on June 24 while the booster motor head  
8 was being repaired.
- 9 • July 3 – Rebuilt booster motor head installed and operational around 11:00  
10 p.m. Truxton informed VVPOA within three hours of the finalizing of repairs  
11 by text notification.
- 12 • July 4 to Present – No outages have occurred.

13 This summer, VVPOA reduced its water demand to approximately 800,000 gallons per  
14 day. While the repairs were ongoing, Truxton was able to provide 300,000 to 400,000  
15 gallons per day, thereby meeting nearly half of VVPOA’s water demand. Although  
16 VVPOA claims that they were without irrigation services, in reality what they  
17 experienced was a reduction in the amount of water available to them during the outage.

## 18 **II. VVPOA MISREPRESENTS HISTORICAL OUTAGES**

19 VVPOA’s often-repeated statement that Truxton “failed to provide irrigation  
20 service to VVPOA of 30 days in 2011, 23 days in 2012, and 29 days in 2013” is  
21 misleading. First of all, VVPOA has never gone a day without water unless it was a  
22 planned outage or a line break that was fixed within a day. Even when Hualapai Well 1  
23

1 system was down, VVPOA always received enough water to irrigate some portion of the  
2 golf course, which the Company understands was used typically to water greens and tee  
3 boxes. Moreover, these days were not consecutive.  
4

5  
6 **III. VVPOA NEVER OFFERED TO HELP PAY FOR REPAIRS.**

7 VVPOA states in its Supplemental Brief that it is willing and able to assist  
8 Truxton in repairing Hualapai 1 Well. Supplemental Response 3:1-2. This is another  
9 very misleading statement. It implies that VVPOA actually made such an offer to  
10 Truxton. VVPOA never made such an offer. Truxton first heard of this “offer” when  
11 reading the brief.  
12

13 **IV. VVPOA’s CLAIM THAT IT WAS NOT CONSULTED IS UNTRUE.**

14 The claim that “Truxton did not confer with VVPOA relating to replacement  
15 parts” is blatantly untrue. See Supplemental Brief at p. 3, lines 3-4. In the Brief,  
16 VVPOA acknowledges that Truxton called VVPOA and explained what occurred when  
17 the magneto failed (twice), when the booster pump failed, and what repairs were  
18 necessary. Truxton explained to VVPOA that the booster pump heads needed to be  
19 repaired.  
20  
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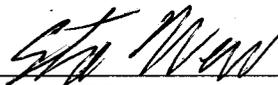
22 **V. VVPOA’S REQUESTS SHOULD BE DENIED.**

23 First, VVPOA’s request that the Trust stock replacement parts is ludicrous. This  
24 would cost an incredible amount of money since these parts need to be built. Second,  
25 VVPOA is not entitled to credits. VVPOA intentionally took out its storage ponds. If  
26 VVPOA had adequate storage for its golf course consistent with industry standards, then  
27  
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1 these outages would not cause any harm. Put another way, it is not Truxton's fault that  
2 VVPOA decided to take the risk that the Hualapai Well 1 would not fail. To the  
3  
4 contrary, Truxton pointed out that the well would likely fail and VVPOA has ignored the  
5 Company's position that VVPOA should have storage lakes. The other suggestions  
6 VVPOA raises are already before the Court. Finally, there is no need for another hearing  
7  
8 unless the relief requested by VVPOA will be considered. In that case, there should be  
9 sworn testimony to get to the facts as opposed to misleading half-truths and argument  
10 asserted in briefing.

11  
12 RESPECTFULLY SUBMITTED this 14<sup>th</sup> day of July, 2014.

13  
14 **MOYES SELLERS & HENDRICKS LTD.**

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16 

17 Steve Wene

18 Attorneys for Truxton Canyon Water  
Company, Inc.

19 Original and thirteen (13) copies  
20 of the foregoing filed this  
14<sup>th</sup> day of July, 2014 with:

21 Docket Control  
22 Arizona Corporation Commission  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

25 Copy of this foregoing mailed this  
26 14<sup>th</sup> day of July, 2014 to:

27 Bridget A. Humphrey, Staff Attorney  
28 Charles H. Hains, Staff Attorney  
Legal Division  
Arizona Corporation Commission

1 1200 West Washington Street  
2 Phoenix, Arizona 85007

3 Todd C. Wiley  
4 Fennemore Craig, P.C.  
5 2394 E. Camelback Rd., Suite 600  
6 Phoenix, Arizona 85016  
7 Attorneys for Intervenor Valle Vista  
8 Property Owners Association, Inc.

9 Donnelly Herbert

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