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a limited liability company

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MAR 21 2016
AZ CORP COMM
Director - Utilities

March 17, 2016

Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007-2996

Arizona Corporation Commission
DOCKETED

MAR 22 2016

Re: Docket W-01853A-16-0060

Dear Commissioners:

DOCKETED BY

I am a homeowner in Parker Lakeview Estates and am served by Parker Lakeview Estates HOA, d/b/a Parker Springs Water Company.

I recently received notice that the water company is applying to delete a portion of property located within its CCN (Exhibit A). While it is my understanding that is BLM land and is probably a good idea simply as a house keeping measure, I am concerned that there is no mention of the Mercantile and Marina (the store) that is located nearby and has been serviced by the water company for many years, even though it may technically not be within the CCN. Mr. Kerr, owner of the store, and the board members of the water company are involved in litigation over road easements having nothing to do with the water company, yet members of the board have used their position on the board as a bully pulpit in an attempt to sway the sentiments of the residents. Exhibit B hereto was included within a recent water bill.

I responded to the first notice (Exhibit C) I received about this change, which I felt was ambiguous, but was assured that the Mercantile and Marina would not be affected (Exhibit D), but I fear as an act of retribution resulting from the lawsuit, an attempt could be made to terminate water service to the store.

The store is a valuable asset to the community and the availability of water is imperative to its success. While considering the deletion of the property requested, which I have no objection to, won't you please add the store as part of the CCN.

Thank you for your consideration in this matter.

Sincerely,

James W. Colville

1309 East Broadway
Tucson, Arizona 85719-5824
www.ColvilleAndAssociates.com

(520) 884-9041
Fax (520) 623-1681
info@ColvilleAndAssociates.com

**PUBLIC NOTICE OF AN APPLICATION FOR APPROVAL TO DELETE A PORTION OF THE
CERTIFICATE OF CONVENIENCE AND NECESSITY WATER BY**

PARKER LAKEVIEW ESTATES HOA, INC. DBA PARKER SPRINGS WATER COMPANY

Parker Lakeview Estates HOA, Inc. has filed with the Arizona Corporation Commission ("Commission") an application for authority to delete a portion of its Certificate of Convenience and Necessity to provide water service in order to consolidate service within private lands surrounding Parker Lakeview Estates, dropping all BLM lands plus portions of Lots 6 & 7 and HES 290 in Sections 17 & 18, Twp 23 S, Range 19 E. If the application is granted, Parker Lakeview Estates HOA, Inc. will no longer be obligated to provide service within this area.

If you have any questions or concerns about this application, have any objections to its approval or would like to request information on intervention in the proceeding, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000, 400 West Congress, North Building Room 218, Tucson, AZ 85701 or call 1-800-535-0148.

EXHIBIT

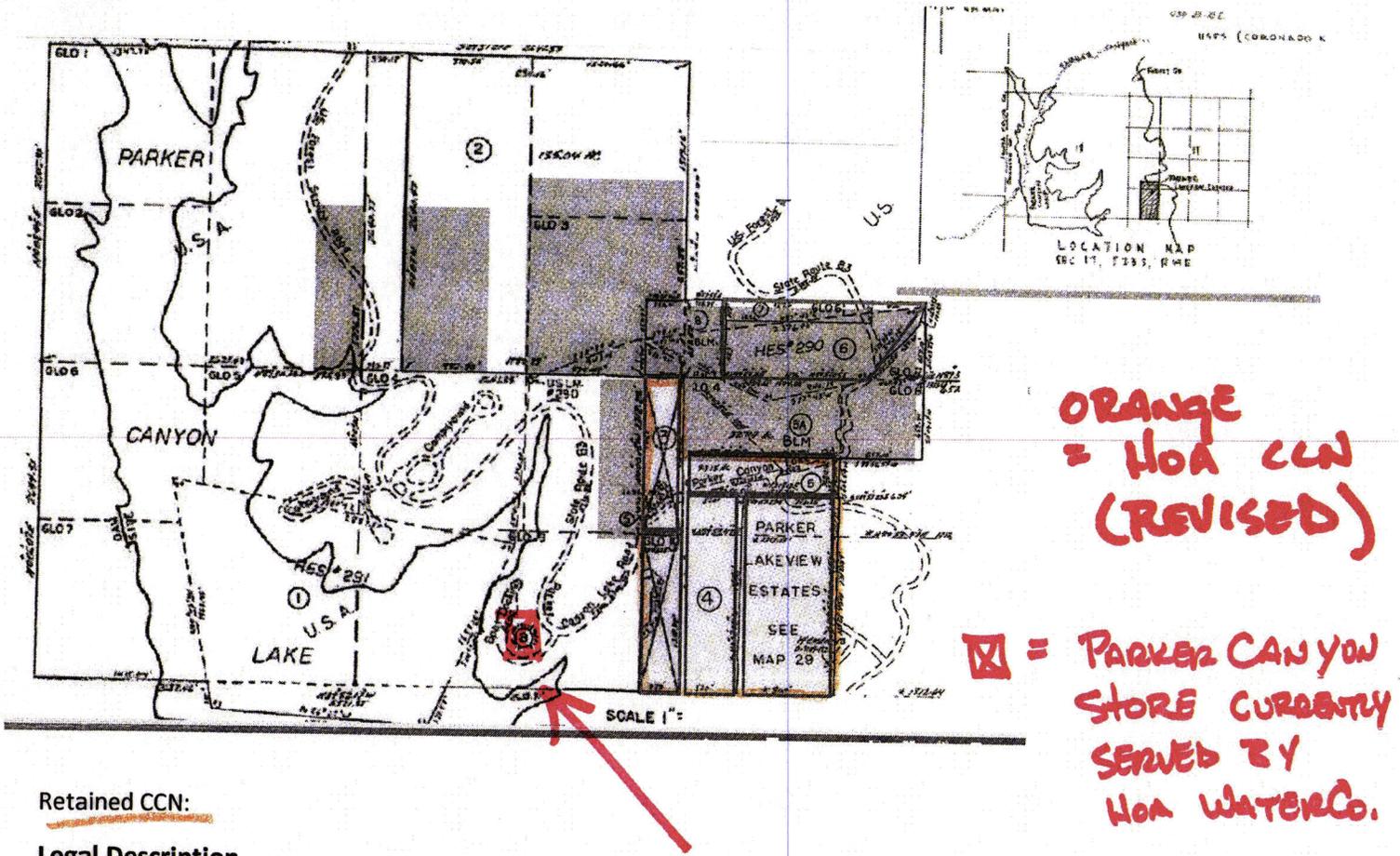
A

**Parker Lakeview Estates HOA, Inc. dba Parker Springs Water Company
Deleted portions of CC&N**

The South half of the SW quarter of the NW quarter, and the SW quarter of the SE quarter of the NW quarter, and the North half of the NW quarter of the SW quarter, and the NW quarter of the NE quarter of the SW quarter of Section 17, Township 23 South, Range 19 East, G&SRB&N and

The West half of the East half of the NE quarter of the SE quarter, and the SE quarter of the NE quarter, and the South half of the south half of the NE quarter of the NE quarter, and the East half of the east half of the SW quarter of the NW quarter, and the West half of the east half of the SW quarter of the NE quarter, and the East half of the west half of the SW quarter of the NE quarter of Section 18, Township 23 South, Range 19 East, G&SRB&N.

All in Cochise County, Arizona



Retained CCN:

Legal Description

SW quarter of the SW quarter of Section 17, Township 23 South, Range 19 East, G&SRB&N, and the South half of the NW quarter of the SW quarter of Section 17, Township 23 South, Range 19 East, G&SRB&N and the East half of the East half of the East half of the SE quarter of Section 18, Township 23 South, Range 19 East, G&SRB&N,

All in Cochise County, Arizona

Legal Access to Parker Lakeview Estates

what you really have in written, recorded documents

S Coronado Trail & W Canelo Hills Trail

15' access from USDA Forest Service granted in 1991 as a semi-permanent replacement for a special use permit. Granted to Parker Lakeview Estates HOA; it gives qualified access on the east side of the subdivision to FR 194. The HOA pays a yearly fee for this privilege the same as for our special use permit for our water tank etc. Cochise County Recorder No. 910919224.

W Coronado Trail

Access to FR 48 on the east side of the subdivision. This roadway is part of the original Parker Lakeview Estates.

W Montezuma Place

None. This is a cul de sac opening on the west side of the subdivision; there are no written, recorded easements allowing access. There is a resolution from Cochise County in 1992 which abandons maintenance of our roadways not within the bounds of the subdivision, but which "protects our rights" under ARS 28-1908. The reason given for abandoning the maintenance was that no easements had been recorded on those roadways. The County continued to provide grader service on those roadways. There is an Arizona law for landlocked property. "An easement by necessity typically arises in transactions involving the sale of landlocked property. Because Arizona law recognizes that every landowner is entitled to a right of ingress and egress to his property, where landlocked property is sold, the grantee has by necessity a right to cross over the land of the grantor in order to enter or exit his property."

There is no legal, recorded access to and from the Estates on the western side for residents of Parker Lakeview Estates. There is a private easement for W Canelo Hills Trail and the "Coronado Loop" but not W Montezuma Place on the west side of the subdivision. This easement is only for property owners in the western "unsubdivided" land (right now that exclusive list includes Bob Telford, Jim Colville, Steve Flaherty and Scott Kerr). It specifically excludes anyone in Parker Lakeview Estates. Cochise County Recorder No. 970717306.

Of course we all have the right to sue for prescriptive easement (based on continuous use of roadways longer than 10 years; there is no demonstrable permissive use which might nullify that claim) and after many years in court we might win. A group of us have been at it for nearly two years. **Scott Kerr has used every delaying tactic his lawyer can come up with. Right now Kerr is proposing to settle for a substantial sum of money in order to grant public easement across his properties, 105 30 003C and 105 28 004A (once he gets his deed re-recorded correctly). He is also demanding that we refrain from objecting to an eight house subdivision on 10 acres (105 28 004A).**

Although George Parker developed roadways accessing the Estates on his property on the west side, he did not protect the rights to the roadways by recording them. The successive owners of the properties did nothing to protect either the Estates or their own rights. The title insurance companies deceived property owners by issuing policies on very shaky evidence. Property owners used the roadways without permission for more than 40 years. It is time to clear up this situation.

If the dedicated group who have been defending the roadways servicing Parker Lakeview Estates are successful, the Estates residents will have west side legal easement at W & S Coronado Trails including the original access at mile marker 3 at W Montezuma Place. West Canelo Hills Trail is not included in this suit but is covered under the private easement 970717306.

If you own property on W Montezuma Place (whether or not you have a home there) you should contact your Title Insurance Agency for financial assistance in this matter.

This information is being provided by the HOA Board so that all residents and property owners are aware of the access issues we face.

EXHIBIT

B

System Information

4-Jan-16

The solar system on Well #2 is performing up to our highest expectations. The only time Well #1 was in service during 2015 was to prepare it for MAP testing. ADEQ should have their records up to date next year and testing will be done on Well #2. We didn't purchase any propane.

We continue to monitor the system wide water loss. The 2" replacement line off the Montezuma main line is completed. During the work we found a funky 1" PE service line with a leaky connection. If we can't find a secure connector, we will have to reconfigure one meter connection ACC has provided a form for tracking explained water loss. We used the remainder of our WIFA loan to install the line. This should not substantially increase our monthly payment.

In August the battery servicing our Seametrics chlorinator pump failed. This caused the program regulating chlorine input to default to maximum rate. Fortunately this happened on a weekday and the system was flushed before there was any customer consumption. The battery has been replaced.

We replaced a malfunctioning meter at lot 70. We plan to replace two more older meters at lots 12 and 28 early in 2016.

Our ADEQ status remains Non-Transient Non-Community (NTNC). The water company is required to use the Monitoring Assistance Program (MAP) for testing. The program samples for regulated volatile organic chemicals (VOC), synthetic organic chemicals (SOC) and inorganic chemicals (IOC). They also test for asbestos, radionuclides, nitrite, nitrate, sulfate and nickel. Our water company is still responsible for bacteria, lead and copper and disinfection byproducts.

RATE INCREASE: In August the Arizona Corporation Commission Staff's recommendation was for a \$9.00 increase in our base rate and a requirement for additional paperwork which they call Best management Practices (BMPs). We protested in writing, but they did not relent. On December 8, Gail Spain presented arguments at the ACC open meeting in Phoenix. The Commissioners requested Staff meet with her that day. Staff finally explained the specific reason for the rate increase. In the WIFA contract there is a requirement that the Debt Service Coverage ratio must be 1.2. Their calculation was 0.97. We proved they were using the wrong formula. Our DSC for 2014 was actually 1.29. We received word on December 26 that we will not be required to implement BMPs and we will **NOT** have a rate increase. The current surcharge will be rolled into the tariff so you will eventually see a change in the appearance of your invoice. There are some small changes in the Service Charges and interest on customer deposits has been reduced to 2%.

ON LINE BILL PAY: A customer has inquired whether we plan to set up a website so that bills could be paid on line. We don't have the time or resource to maintain a website. However, you may authorize payment of your bills by using online bill paying services offered by many banks and third-party entities, such as Wells Fargo, Bank of America, Chase and Yahoo Bill Pay. Be sure to provide your Parker Springs Water account number to the online bill paying service. If they request that your monthly bill be sent to them directly, notify the Treasurer of the address change. Once again we request that payments, especially cash, not be left unattended at the Spain residence.

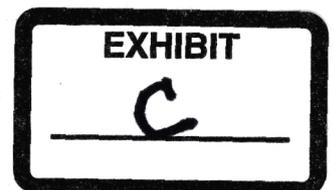
CORONADO SIGNS: Sometime during the summer Cochise County posted signs on FR 48 at the ends of West & South Coronado Trails. Both signs read "North Coronado." We requested they correct the signs and it is done.

WATER FRANCHISE EXPIRES 2016: It will cost \$500 to renew the franchise, but we have the opportunity to adjust our franchise area. We will be dropping all of the public lands plus the Merritt Canyon private land. Franchises are granted for a period of twenty-five years. Even though the franchise does not give the company exclusive rights, it is still necessary for operation.

CHIPPER: There was quite a bit of vegetation removed during the water line replacement. The smaller branches are being stacked and we will rent a chipper to reduce the bulk. If anyone is interested in clearing excess vegetation on their property, we will be scheduling a Chipper Day, probably in March or April.

TURN YOUR METER OFF during periods of extended absence particularly in freezing weather. Make sure your guests and workmen are aware of this requirement.

OVER



Seems to contradict first page.

January 4, 2016

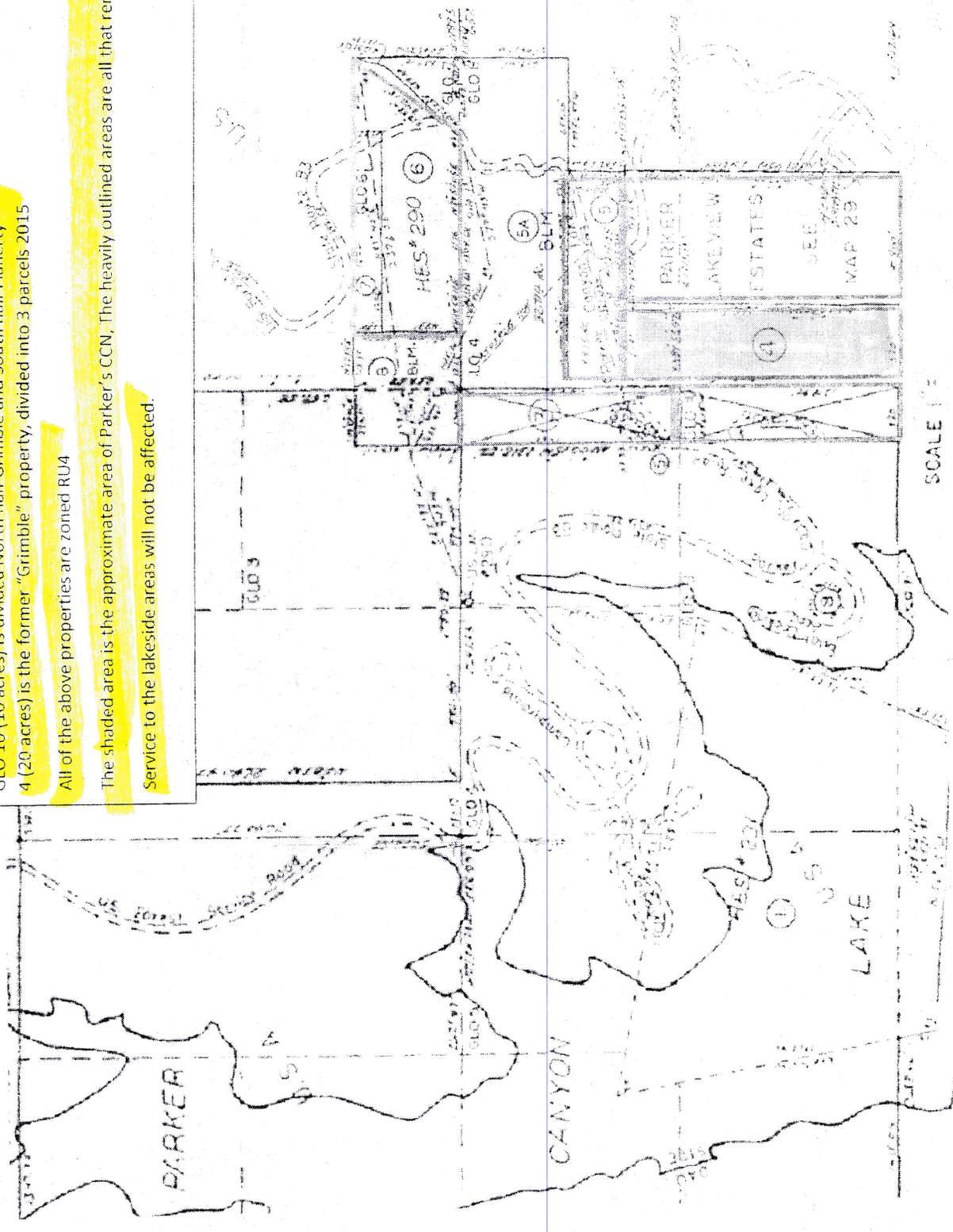
Possible changes to Parker Lakeview Estates water service area (CCN)

- 6 is the Hayes Property in Merritt Canyon already served by private wells, 7 is the adjacent property
- 5 is the Laughlin property (10 acres) - they have rejected obtaining water from Parker Springs Water in the past
- 3 is the former Kerr property (10 acres), now 3 parcels - the north 4 acres are already served with a private well
- GLO 10 (10 acres) is divided North half Grimble and South half Flaherty
- 4 (20 acres) is the former "Grimble" property, divided into 3 parcels 2015

All of the above properties are zoned RU4

The shaded area is the approximate area of Parker's CCN. The heavily outlined areas are all that remain private.

Service to the lakeside areas will not be affected.



SCALE 1" = 100'

Jim Colville

From: Richard Martinez <RMartinez@azcc.gov>
Sent: Tuesday, January 12, 2016 9:17 AM
To: 'Jim Colville'
Subject: RE: Parker Lakeview Estates HOA, Inc./Parker Springs Water Company

Dear Mr. Colville,

I contacted Gail Spain yesterday late afternoon. I mentioned to her your concerns. Ms. Spain said that you did not clearly understand what her communications to you were. The CC&N deletion that Ms. Spain is considering would not include any private land. Ms. Spain said only the BLM land is what she intends to have deleted as this property serves her no purpose. She also mentions that she will continue to service to the USDA and lakeside store customer which are not actually in the Company's CC&N.

Please contact Ms. Spain if you are unclear as to what she is attempting to communicate with you.

I hope this helps you in what you were attempting to find out about this possible upcoming CC&N deletion as nothing has been filed with the ACC up to this point.

Regards,

Richard Martinez
Public Utilities Consumer Analyst
520-628-6555

From: Jim Colville [<mailto:jim@ColvilleAndAssociates.com>]
Sent: Monday, January 11, 2016 2:04 PM
To: Richard Martinez <RMartinez@azcc.gov>
Cc: Scott Kerr <ecobuild.kerr@gmail.com>
Subject: Parker Lakeview Estates HOA, Inc./Parker Springs Water Company

Mr. Martinez:

You spoke with a Mr. Scott Kerr a few minutes ago regarding the fact that we purchased property in November 2015 that is within the Parker Springs Water Company franchise area (CNN). Last week we received correspondence from Parker Springs Water Company indicating that they were going to attempt to delete our property from their CNN. Availability of water was an extremely important factor to Mr. Kerr, myself, and others in making a decision to purchase the property.

Mr. Kerr is on the road and asked me to forward you a copy of what we received from the water company last week. Please find it attached.

I would appreciate your acknowledging receipt of this email and the attachment. If you need anything else, please let me know.

We will certainly appreciate any assistance you can offer in this matter.

Jim Colville

Jim Colville

From: spain333@wildblue.net
Sent: Tuesday, January 12, 2016 8:18 PM
To: Colville, J
Cc: Victor Chacon; Dave Gallaher
Subject: Water Service

Yes, when Mr. Martinez reviewed the same information given to you in our newsletter it was obvious that we planned to eliminate public lands from our CCN. Bob Telford got the same confirmation directly from Victor Chacon.

Another item in the newsletter is the notice that I have been spending a great deal of time in the interest of the water company customers. Since you have no urgency, I'll finish that up before I furnish written information that you probably already know. All connections must be done in compliance with AAC R-14-2 plus the requirement established by the community that a Cochise County approved waste disposal system must be in place before connection. We'll need a site plan.

Thank you

----- Forwarded Message -----

From: Jim Colville <jim@colvilleandassociates.com>
To: Pat & Gail Spain <spain333@wildblue.net>
Sent: Tue, 12 Jan 2016 13:57:28 -0500 (EST)
Subject: Water Service



Gail,

Since talking with Mr. Martinez at the Corporation Commission and receiving his assurance that you only intend to eliminate public lands from the Parker Springs Water Company's CCN, I can delay requesting water service to my property. However, in anticipation of requesting service, I would appreciate receiving any paperwork, rules, regulations, etc., that might be pertinent. No rush, at your convenience.

Jim

