

WS-02987A-16-0017

ORIGINAL
Arizona Corporation Commiss
Utilities Complaint Form



Investigator: Al Amezcua **Phone:** <<< REDACTED >>> **Opinion Date:** 3/29/2016
Opinion Number: 2016 - 129705 **Priority:** Respond within 5 business days
Opinion Codes: Rate Case Items - In Favor **Closed Date:** 3/29/2016 9:27 AM

First Name: Wayne **Last Name:** Peddie **Account Name:** Wayne Peddie
Address: <<< REDACTED >>>
City: San Tan Valley **State:** AZ **Zip Code:** 85143
Home: <<< REDACTED >>> **Email:** <<< REDACTED >>>

Company: Johnson Utilities L.L.C. dba Johnson Utilities Company **Division:** Sewer*
Stephanie Poulin **Phone:** <<< REDACTED >>> **Email:** <<< REDACTED >>>

Nature Of Opinion

Docket Number: WS-02987A-16-0017 **Docket Position:** For

As a homeowner in the Solera area of Johnson Ranch and very close to the 8th fairway of the golf course I am very concerned that a dramatic increase in water fees will further hurt the already strained finances of the course. It is evident that there has been a significant decline in golfers from Canada as a result of the declining value of the Canadian dollar and to exaserbate the problem with much higher water fees may result in the failure of the golf course and in turn lead to a significant impact on home values in our area. Thank you.

Date: 3/29/2016 **Analyst:** Al Amezcua **Investigation Submitted By:** Telephone **Type:** Investigation

Comments noted for the record and docketed. CLOSED.

Arizona Corporation Commission
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WS-02987A-16-0017

**Arizona Corporation Commission
Utilities Complaint Form**

Investigator: Al Amezcua	Phone: <<< REDACTED >>>	Opinion Date: 3/29/2016
Opinion Number: 2016 - 129695	Priority: Respond within 5 business days	
Opinion Codes: Rate Case Items - In Favor	Closed Date: 3/29/2016 9:30 AM	
First Name: Jack & Teri	Last Name: Williams	Account Name: Jack & Teri Williams
Address: <<< REDACTED >>>		
City: San Tan Valley	State: AZ	Zip Code: 85143
Cell: <<< REDACTED >>>	Email: <<< REDACTED >>>	Home: <<< REDACTED >>>
Company: Johnson Utilities L.L.C. dba Johnson Utilities Company		Division: Sewer*
Stephanie Poulin	Phone: <<< REDACTED >>>	Email: <<< REDACTED >>>

Nature Of Opinion

Docket Number: WS-02987A-16-0017

Docket Position: For

As a 11 year resident of Solera at Johnson Ranch we have enjoyed our community and the Johnson Ranch Golf course which runs through Solera. With Johnson Utilities wanting to raise the water rates for the Johnson Ranch Golf Course from \$1000 per year to \$4000 per year would be devastating not only to the golf course but to our community as well. Our Real Estate market is slowly making a recovery from the housing downturn and if this hardship is placed on the golf course we fear it would have a negative effect on all the residents here in the active adult Solera area as well as the Johnson Ranch family area. We have many winter visitors who come here to enjoy our community and the golf course and if that goes away so will their incentive to purchase here. Please take this into consideration. Thank you.

Investigation			
Date:	Analyst:	Submitted By:	Type:
3/29/2016	Al Amezcua	Telephone	Investigation
Comments noted for the record and docketed. CLOSED.			

**Arizona Corporation Commission
Utilities Complaint Form**

Investigator: Al Amezcua **Phone:** <<< REDACTED >>> **Opinion Date:** 3/29/2016
Opinion Number: 2016 - 129684 **Priority:** Respond within 5 business days
Opinion Codes: Rate Case Items - In Favor **Closed Date:** 3/29/2016 9:26 AM

First Name: Mack **Last Name:** Lake **Account Name:** Mack Lake
Address: <<< REDACTED >>>
City: San Tan Valley **State:** AZ **Zip Code:** 85143
Work: <<< REDACTED >>> **Email:** <<< REDACTED >>>

Company: Johnson Utilities L.L.C. dba Johnson Utilities Company **Division:** Sewer*
Stephanie Poulin **Phone:** <<< REDACTED >>> **Email:** <<< REDACTED >>>

Nature Of Opinion

Docket Number: WS-02987A-16-0017 **Docket Position:** For

Arizona Corporation Commission March 28, 2016 Docket # WS-02987A-16-0017 To the Commission: As a homeowner who lives within the Johnson Utility district, and who's home value will be dramatically affected by proposed action by Johnson Utilities (JU) to restrict the sale of effluent water to the Johnson Ranch Golf Course (Swing First Golf), I wish to express my objection to this proposal and support the complaint filed by Swing First Golf. This action by JU appears arbitrary and capricious on the part of Johnson Utilities. It would also appear that this plan is being proposed with the direct intent of putting the Johnson Ranch Golf course ("Swing First Golf") out of business; without any consideration whatsoever on the part of JU for the severely negative impact such a plan would have, and is already having, on the homeowners in the Johnson Ranch subdivisions which surround this golf course. All homeowners within this area are already being negatively impacted, as we are now required by law to disclose to any potential buyer of our property that the very existence of the Johnson Ranch Golf Course is in jeopardy because of this action by JU. It would also appear from the past history between these two parties that this drastic measure isn't just a "sudden business decision" on the part of JU, but rather is indicative of some kind of personal vendetta on the part of JU against the interests of Swing First Golf. If this drastic change is allowed to take effect it will have a very deleterious impact on the property values in the Johnson Ranch communities that surround this golf course. This isn't just an "attack" on the viability of Johnson Ranch Golf Course (Swing First); it is an attack on the entire Johnson Ranch community. As can be seen from recent and past history surrounding the Ahwatukee Lakes golf community, the bankruptcy of a golf course can have a very negative impact on the homes and property values in the immediate area. In the instant case, because so much revenue is derived from the tourism trade brought in by the individuals who both own homes and visit this area specifically because of the golf course, the impact of an insolvency of the golf course would be dramatic and severe. Not only in terms of the lost tax revenue to the county and to the sales revenue by the business community in the area but also because of the decline in property tax revenue that will result from the dramatic decline in property valuations in the area. This of course will have an extremely negative impact on the schools in the area since they will lose a significant amount of tax revenue from the decline in property tax valuations. I would even predict that there would be a massive "exit" or migration out of the area if this proposed "rate hike" is allowed. The Arizona Supreme Court has determined that "a public service corporation is under legal obligation to render adequate service impartially and without discrimination to all members of the general public to whom its scope of operation extends." Veach City of Phoenix, 102 Ariz 195, 427 P.2d 335 (1967) citing Wickenberg v. Town of Sabin 68 Ariz 75, 200 P.2d 342 (1948). That ruling also states that the failure to provide adequate service to the community constitutes a clear violation of this legal requirement. The fact that Johnson Utilities is intending to continue selling effluent to its own golf course (Oasis Golf Club) as well as to another area golf course (Poston Butte Golf Course), clearly indicates that the utility is in violation of

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this ruling since it is showing preferential treatment to other parties (including itself!) and is intending to discriminate against the Johnson Ranch Golf Course (Swing First) by quadrupling its water rates by requiring them to purchase much more expensive potable water instead of continuing to sell them effluent water. Further, because of this action by JU, this Commission should look at the possibility that there is an ulterior motive behind the actions of JU, since the Johnson Ranch Golf Course is a direct competitor to its directly or indirectly owned entity---The Oasis Golf Course. Is JU intending to put the JR Golf Course out of business because it intends to purchase its competitor at a "fire sale" price, after they have put them in to insolvency? Although this is certainly "speculative" it is, I think, a possible reason for this arbitrary action by JU and should be addressed by this Commission. I would therefore request that the Commission deny the motion by JU to dismiss the claim by First Golf and hold a hearing to determine whether they are in violation of the commission rules by showing preferential treatment to certain parties, and are showing discriminatory treatment toward Swing First Golf. Sincerely, Mack Lake 189 W. Twin Peak Parkway San Tan Valley, AZ 85143

Investigation			
Date:	Analyst:	Submitted By:	Type:
3/29/2016	Al Amezcua	Telephone	Investigation

Comments noted for the record and docketed. CLOSED.
