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**FROM THE OFFICE OF CHAIRMAN TOM FORESE**

June 4, 2018

**RE:** *In the matter of the Commission's investigation of the billing and water quality issues of Johnson Utilities, LLC, Docket No. WS-02987A-18-0050*

Dear Interested Parties,

It was reported to me that Johnson Utilities recently pulled over 30 water meters across San Tan Valley causing multiple construction projects to stop. This lack of water has also prevented the construction teams from controlling dust, leading to potential ADEQ violations. It is my understanding that the construction projects were not notified in advance about the meters being pulled, and that in some cases, representatives of Johnson Utilities stated that the utility was not required to provide water to the construction projects.

The Commission has also been informed that a Johnson Utilities well motor failed during the week of May 28, causing the well to go offline. I suspect that this system failure was the cause of certain customers experiencing lower-than-usual water pressures, resulting in Johnson Utilities curtailing its water services at the construction projects.

A utility the size of Johnson should maintain a built-in redundancy pump system such that an immediate back-up would take over in the event of any well motor failure. Moreover, a utility of this size should likewise have a replacement well motor onsite to replace any failed equipment. I would like Johnson Utilities to promptly explain why the failed well motor was not equipped with a built-in redundancy system. I would also like Johnson Utilities to promptly explain why it did not have replacement equipment onsite to address this system failure. Given these shortcomings, I would expect Johnson Utilities to have overcompensated on its customer service by providing more adequate and advance notice to the construction projects. Unfortunately, it was reported that Johnson Utilities simply terminated the water supply without any prior notice to the construction projects.

It is apparent to me that Johnson Utilities continues to struggle in its ability to operate a reliable water system and provide the heightened level of customer service expected by the Commission. I look forward to discussing these issues with my fellow Commissioners when we consider whether to appoint an interim manager for Johnson Utilities.

Sincerely,

Chairman Tom Forese  
Arizona Corporation Commission

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