



MEMORANDUM

Date: April 24, 2018

To: Julie Castañeda, Clerk of the Board
Pima County Board of Supervisors

From: Sharon Bronson 
District 3 Supervisor
Pima County Board of Supervisors

Re: Agenda Item for May 7, 2019 Meeting

Please place the following item on the Agenda for the Board of Supervisors meeting on May 7, 2019.

Resolution

Opposing the Ajo Improvement Company (AIC) application filings with the Arizona Corporation Commission (ACC) for significant rate increases in their wastewater, electric and water utilities. The exorbitant and unreasonable AIC rates proposal will severely impact the residents and community of Ajo.

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE PIMA COUNTY BOARD OF SUPERVISORS OPPOSING THE AJO IMPROVEMENT COMPANY'S APPLICATION FILINGS TO THE ARIZONA CORPORATION COMMISSION FOR RATE INCREASES IN THEIR WASTEWATER, ELECTRIC AND WATER DIVISIONS.

WHEREAS, in December 2017, the Ajo Improvement Company (AIC) filed applications with the Arizona Corporation Commission (ACC) for significant rate increases in their water, wastewater and electric divisions; and

WHEREAS, the residents of the former mining community of Ajo are primarily retirees on fixed incomes and low-income families; and

WHEREAS, the proposed AIC rate hikes will be in the range of 120 to 360 percent above current rates the Ajo community pays; and

WHEREAS, Pima County was granted intervenor status in this rate case as the County will also be impacted through the County's courthouse, Sheriff substation, and transportation facilities maintained in Ajo; and

WHEREAS, without seeking ACC approval, AIC spent millions in the last 10 years making major repairs and improvements to its facilities it had neglected for years prior; and

WHEREAS, timely rate increases were not pursued by AIC to pay for these repairs and improvements; and

WHEREAS, AIC now expects repayment of costs that were incurred without prior ACC approval or oversight as to how and when the money was spent; and

WHEREAS, AIC customers should not have to bear the burden of AIC's years of mismanagement and neglect of assets; and

WHEREAS, ACC Staff reviewed AIC's proposal and recommended a slightly lower percent of operating margin, which would still yield rate hikes between 100 to 350 percent for customers; and

WHEREAS, the Administrative Law Judge reviewed both AIC's proposal and ACC Staff's proposal, but whose recommendation did not address concerns and facts submitted by intervenors in this case and did nothing to mitigate the proposed rate hikes.

NOW, THEREFORE, BE IT RESOLVED that the Pima County Board of Supervisors:

1. Opposes the rate increases proposed by the AIC, ACC Staff and the Administrative Law Judge's proposed rate increases.
2. Requests that the ACC require AIC to work with the community and impacted parties to formulate a reasonable rate structure and phase-in period.

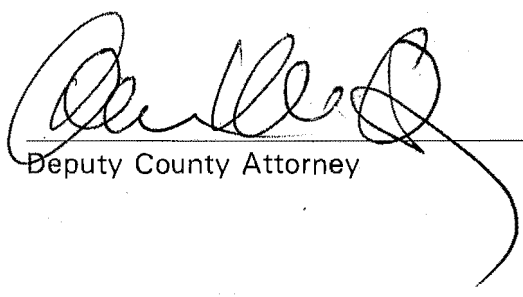
Passed by the Board of Supervisors of Pima County, this ____ day of _____, 2019.

Chairman, Pima County Board of Supervisors

ATTEST:

APPROVED AS TO FORM:

Clerk of the Board



Deputy County Attorney