



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**BEFORE THE ARIZONA CORPORATION COMMISSION**

JEFF HATCH-MILLER  
Chairman

WILLIAM A. MUNDELL  
Commissioner

MARC SPITZER  
Commissioner

MIKE GLEASON  
Commissioner

KRISTIN K. MAYES  
Commissioner

RECEIVED  
2005 NOV 10 1 P 3: 05  
AZ CORP COMMISSION  
DOCUMENT CONTROL

In the Matter of the Application of )  
Arizona Water Company for an )  
Extension of its Existing Certificate )  
Of Convenience and Necessity )

Docket No: W-01445A-05-0469

**NOTICE OF FILING DIRECT TESTIMONY  
OF DOUG OLSON**

On November 10, 2005, the City of Eloy filed the attached direct testimony of  
Doug Olson in the above referenced matter.

RESPECTFULLY SUBMITTED this 10<sup>th</sup> day November, 2005.

LEWIS AND ROCA

Thomas H. Campbell  
Michael T. Hallam  
40 N. Central Avenue  
Phoenix, Arizona 85004

Attorneys for the City of Eloy

1 ORIGINAL and thirteen (13) copies  
2 of the foregoing filed this 10<sup>th</sup> day of  
3 November, 2005, with:

4 Arizona Corporation Commission  
5 Docket Control – Utilities Division  
6 1200 W. Washington Street  
7 Phoenix, Arizona 85007

8 COPY of the foregoing hand-delivered  
9 this 10<sup>th</sup> day of November, 2005, to:

10 Amy B. Bjelland, Administrative Law Judge  
11 Arizona Corporation Commission  
12 1200 W. Washington Street  
13 Phoenix, Arizona 85007

14 Keith Layton, Legal Division  
15 Arizona Corporation Commission  
16 1200 W. Washington Street  
17 Phoenix, Arizona 85007

18 Blessing Chukwu, Utilities Division  
19 Arizona Corporation Commission  
20 1200 W. Washington Street  
21 Phoenix, Arizona 85007

22 Ernest Johnson, Director  
23 Utilities Division  
24 Arizona Corporation Commission  
25 1200 W. Washington Street  
26 Phoenix, Arizona 85007

27 COPY of the foregoing mailed this  
28 10<sup>th</sup> day of November, 2005, to:

29 Robert W. Geake  
30 Arizona Water Company  
31 P.O. Box 29006  
32 Phoenix, Arizona 85038-9006

33   
34 \_\_\_\_\_

**BEFORE THE ARIZONA CORPORATION COMMISSION**

**JEFF HATCH-MILLER**

Chairman

**WILLIAM MUNDELL**

Commissioner

**MARC SPITZER**

Commissioner

**MIKE GLEASON**

Commissioner

**KRISTIN K. MAYES**

Commissioner

<b>IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY FOR AN EXTENSION OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY</b>	<b>DOCKET NO. W-01445A-05-0469</b>
--	------------------------------------

**DIRECT TESTIMONY OF**

**DOUG OLSON**

**ON BEHALF OF**

**THE CITY OF ELOY**

**November 10, 2005**

DIRECT TESTIMONY OF DOUG OLSON ON BEHALF OF THE CITY OF ELOY

DOCKET NO. W-01445A-05-0469

Page 1 of 5

1684644.1

1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS  
3 ADDRESS.

4 A. My name is Doug Olson. My business address is 1750 North Eleven Mile Corner  
5 Road, Eloy, Arizona 85231. I am the water/wastewater system manager for the  
6 City of Eloy (the "City").

7 Q. WHAT ARE YOUR DUTIES AS THE WATER/WASTEWATER SYSTEM  
8 MANAGER?

9  
10 A. I supervise and oversee the operation of the City's municipal water and  
11 wastewater system. I also am involved in planning for the expansion of that  
12 system, including meeting with potential developers. I am familiar with the City's  
13 current water facilities and planned water facilities and water capacity. I represent  
14 the City in its discussions and interface with the Arizona Department of Water  
15 Resources.

16 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
17 WORK EXPERIENCE.

18 A. I have an Associate of Science degree from Central Arizona College and majored  
19 in Metallurgical Engineering at the University of Arizona. Over the years, I have  
20 worked for Hecla Mining Co., Davy McKee Engineering & Contractors, Dravo  
21 Engineering & Contractors, Cimetta Engineering, EOS Engineering, the City of  
22 Coolidge and the City of Eloy. During those years I held the title of Lead  
23 Operator, Process Engineer, Chief Field Engineer, Operator of Record and  
24 currently, Water/Wastewater Systems Manager.

25 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

26  
27 A. To explain why the City opposes Arizona Water Company's application to extend  
28 its certificated area to include what are identified as parcels 2, 3 and 8 in Arizona  
29 Water Company's application for an extension of its certificated area. These  
30 parcels are either in the City's city limits or contiguous to the city limits. In each  
31 case, the City wants to serve these parcels and will have the capacity to serve  
32 these parcels.

33 **Q. WHICH PARCELS ARE IN THE CITY OF ELOY?**

34 A. Parcel 2 and Parcel 8.

35 **Q. DOES THE ARIZONA WATER COMPANY HAVE A FRANCHISE,**  
36 **LICENSE OR OTHER AUTHORIZATION FROM THE CITY OF ELOY**  
37 **TO PROVIDE SERVICE TO THESE PARCELS?**

38 A. No. It is my belief that Arizona Water Company does not have a city franchise or  
39 license authorizing it to use the public rights-of-way and roads in the City to serve  
40 Parcels 2, 3 or 8.

41 **Q. DOES THE CITY OF ELOY HAVE AN ADEQUATE ASSURED WATER**  
42 **SUPPLY TO PROVIDE SERVICE TO THESE THREE PARCELS?**

43 A. Yes. The City is currently working with the Arizona Department of Water  
44 Resources to update and modify its designation of assured water supply and has  
45 been notified that the modified designation will go to public notice November 8  
46 and 15. After review of any comments resulting from the public notice, I  
47 anticipate that the modified designation will be issued.

48 **Q. PLEASE DISCUSS PARCEL 2.**

49 A. Parcel 2 is entirely within the City limits. Parcel 2 is known as the Sierra Vista  
50 development. Negotiations of a development agreement between the City and the  
51 developers are in progress. After the agreement is finalized, the property will  
52 move through the pre-plat phase. Sierra Vista will have approximately 200 acres  
53 of commercial land and approximately 2100 houses. The City currently has a  
54 water main that runs contiguous to this parcel on the east side of Sunland Gin  
55 Road. In addition, the developer is digging a well that will be located on the  
56 southeast corner of this development and will be turned over to the City to own  
57 and operate. The City has a water distribution system immediately to the east of  
58 the proposed Sierra Vista development.

59 **Q. PLEASE DESCRIBE PARCEL 3.**

60 A. Parcel 3 is immediately to the south of parcel 2. It is in unincorporated Pinal  
61 County although it is contiguous to the City of Eloy city limits. The City would  
62 like to serve this parcel and the same water main and well described above will be  
63 within a few hundred feet of this unincorporated county parcel.

64 **Q. PLEASE DISCUSS PARCEL 8.**

65 A. Parcel 8 is within the City of Eloy city limits and is surrounded by the Eloy Valley  
66 planned development. The Eloy Valley development is approximately 4,500  
67 acres. It is expected to have approximately 12,000 houses. The developer has set  
68 aside 110 acres for a regional wastewater treatment / reclamation plant. The  
69 Development Agreement is signed and in place. The City is working with the

70 developers of Eloy Valley to build a water infrastructure to serve this area. The  
71 developer will put in new wells, water lines, reservoirs, and pump houses as  
72 required and agreed upon that will be transferred to the City to own and operate.  
73 These new facilities can be extended to serve Parcel 8.

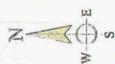
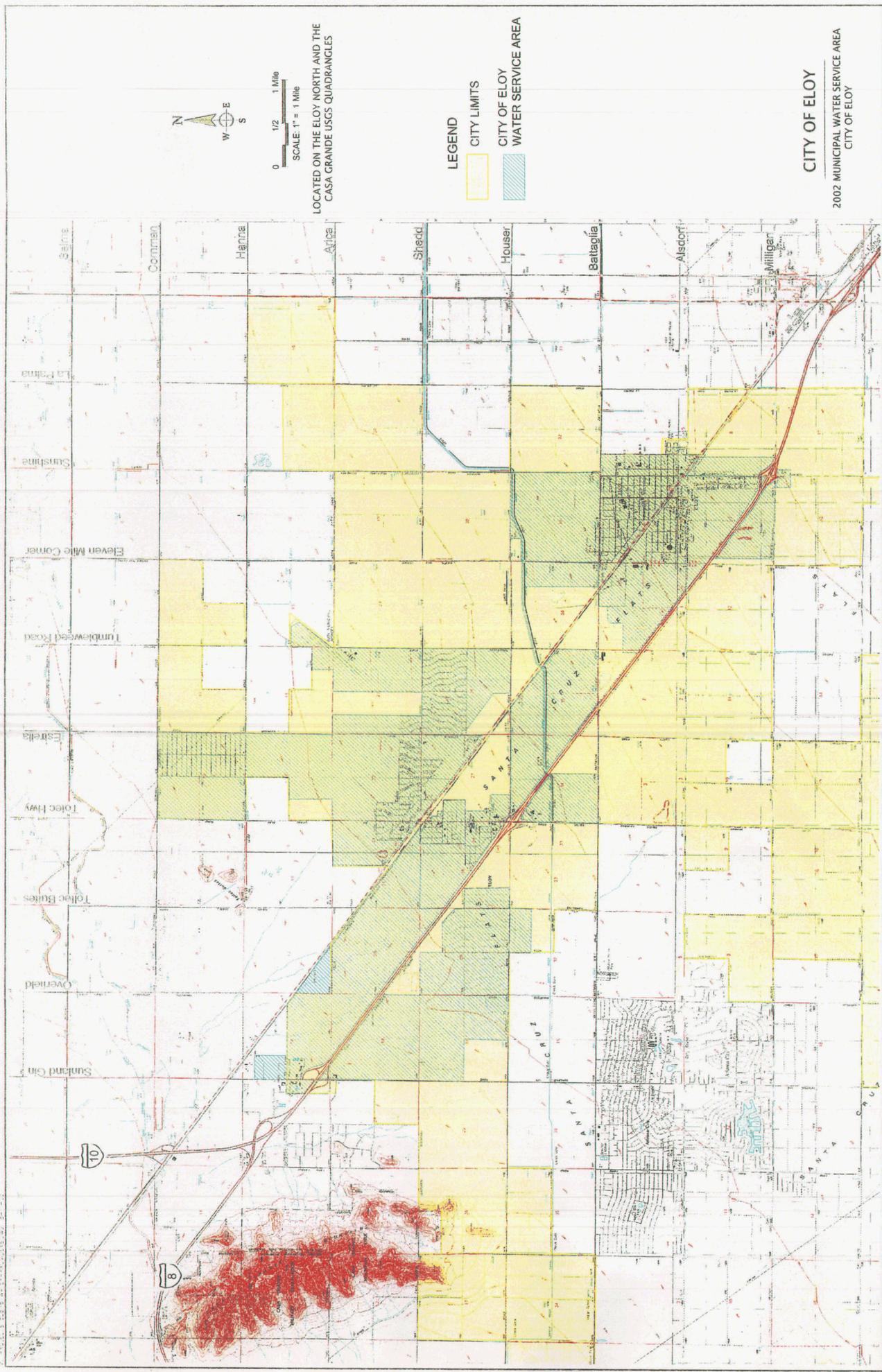
74 **Q. DO YOU HAVE ANY EXHIBITS, MAPS OR OTHER MATERIALS**  
75 **USEFUL TO THE ARIZONA CORPORATION COMMISSION IN THIS**  
76 **MATTER?**

77 A. Yes. Attached as exhibits to my testimony are the following maps:

- 78 1. A map showing the city limits of the City of Eloy and the current City of  
79 Eloy water service area.
- 80 2. The City of Eloy Plan Developments Map showing Sierra Vista and Eloy  
81 Valley Developments. Parcel 3 is the vacant land immediately to the south  
82 of the Sierra Vista development.
- 83 3. A Water Resources Concept Plan with Eloy Valley Development which  
84 encompasses or is contiguous to Parcel 8. Parcel 8 constitutes just 40  
85 acres within a 4500 acre area development.
- 86 4. The City of Eloy Land Use Plan.

87 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

88 A. Yes, it does.



0 1/2 1 Mile  
 SCALE: 1" = 1 Mile

LOCATED ON THE ELOY NORTH AND THE  
 CASA GRANDE USGS QUADRANGLES

**LEGEND**

- CITY LIMITS
- CITY OF ELOY
- WATER SERVICE AREA

**CITY OF ELOY**

2002 MUNICIPAL WATER SERVICE AREA  
 CITY OF ELOY







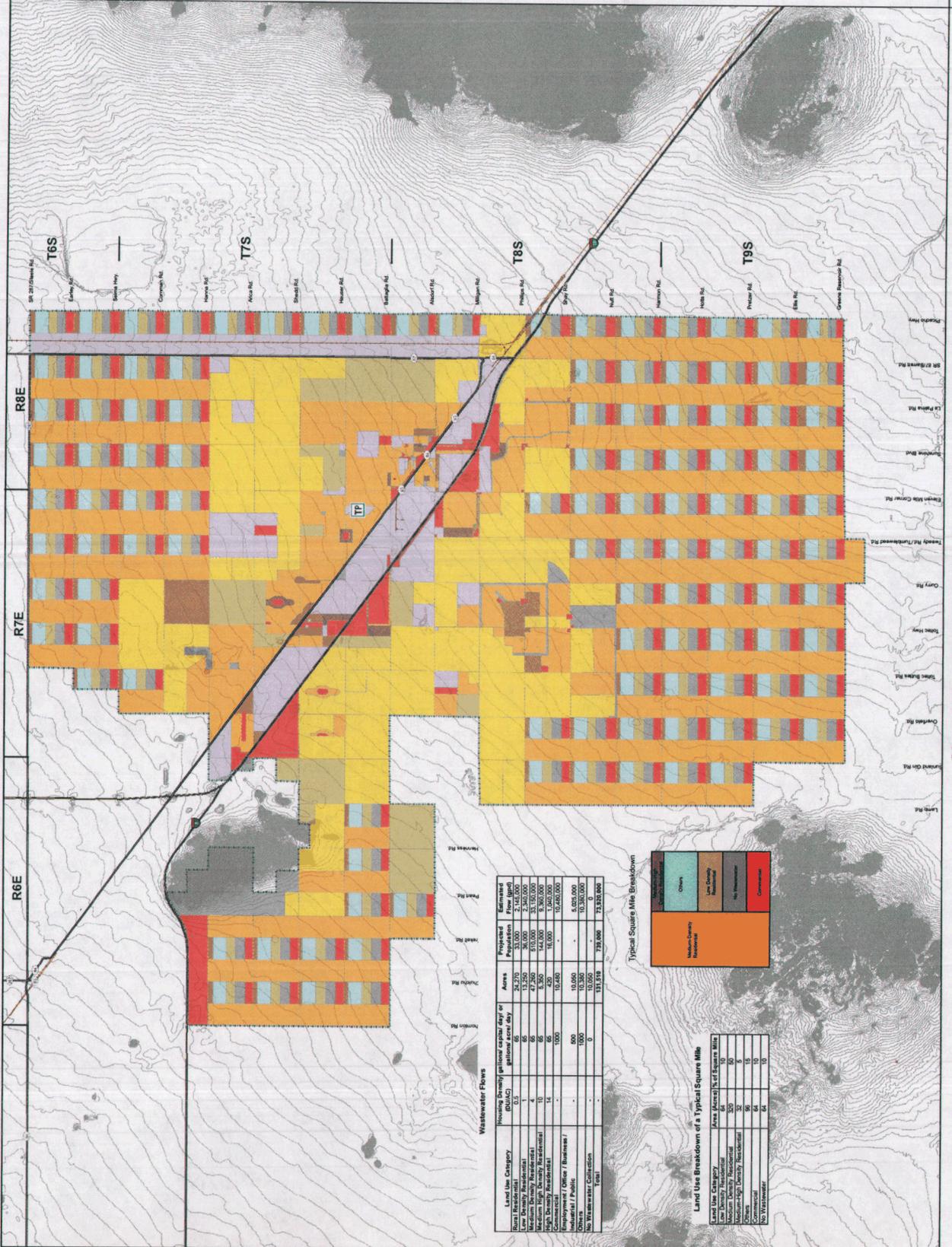
**Legend**

- Wastewater Treatment Plant
- Existing/Proposed Municipal Planning Area
- Interstate
- State Highway
- Railroad
- Contours (5ft interval)

**Landuse Category**

- Rural Residential (0.5 DU/AC)
- Low Density Residential (1 DU/AC)
- Medium Density Residential (4 DU/AC)
- Medium-High Density Residential (10 DU/AC)
- High Density Residential (14 DU/AC)
- Commercial
- Industrial
- Others
- No Wastewater

**Notes:**  
 1. The Transportation layers are GIS data from ESRI Data & Maps (2004).  
 2. The planning boundary is based on information obtained from the City of Eloy.  
 3. This GIS map is a limited representation of information. It is not intended for construction or other purposes requiring greater positional accuracy.



**Wastewater Flows**

Land Use Category	Flowing Density (DU/AC)	Estimated Population	Estimated Flow (gpd)
Rural Residential	0.5	25,275	2,500,000
Low Density Residential	1	50,550	5,000,000
Medium Density Residential	4	202,200	20,000,000
Medium-High Density Residential	10	505,500	50,000,000
High Density Residential	14	707,700	70,000,000
Commercial	-	10,000	10,000,000
Industrial / Public	-	600	6,000,000
Others	-	10,000	10,000,000
<b>Total Wastewater Collection</b>	-	<b>1,313,525</b>	<b>131,352,500</b>

**Typical Square Mile Breakdown**



**Land Use Breakdown of a Typical Square Mile**

Land Use Category	Area (Acres) % of Square Mile
Low Density Residential	500
Medium Density Residential	250
Medium-High Density Residential	125
High Density Residential	62.5
Commercial	62.5
No Wastewater	125