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FENNEMORE CRAIG
A Professional Corporation
Jay L. Shapiro (No. 014650)
Patrick J. Black (No. 017141)
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012
Telephone (602) 916-5000

2005 NOV 15 P 4: 23
AZ CORP COMMISSION
DOCUMENT CONTROL

Attorneys for Balterra Sewer Corp.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF BALTERRA SEWER CORP. FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WASTEWATER
SERVICE IN MARICOPA COUNTY,
ARIZONA.

DOCKET NO. SW-20403A-05-0586

**NOTICE OF FILING DIRECT
TESTIMONY OF JAMES L. CONDIT**

Balterra Sewer Corp. ("Applicant"), an Arizona corporation, hereby files this Notice of Filing the Direct Testimony of James L. Condit in the above-captioned matter. Attached hereto as Exhibit A is the Direct Testimony of James L. Condit. Mr. Condit's provides testimony concerning the Applicant's short-range and longer-term plans in constructing a state-of-the-art wastewater treatment facility in western Maricopa County, intended to provide regional wastewater treatment services on a regional scale. Mr. Condit also describes how Balterra representatives are working with county officials, local community representatives and interested developers to ensure that such wastewater treatment service can be planned for, and constructed, to encourage orderly growth in the area.

RESPECTFULLY SUBMITTED this 15th day of November, 2005.

FENNEMORE CRAIG, P.C.

By: 
Jay L. Shapiro
Patrick J. Black
Attorneys for Balterra Sewer Corp.

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ORIGINAL and 13 copies hand-delivered
this 15th day of November, to:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

By: Michelle M. L.

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EXHIBIT

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FENNEMORE CRAIG
Jay L. Shapiro
Patrick Black
3003 N. Central Ave.
Suite 2600
Phoenix, Arizona 85012
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**DIRECT TESTIMONY OF
JAMES L. CONDIT**

**DIRECT TESTIMONY OF
JAMES L. CONDIT, P.E.**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. James L. Condit, 6720 N. Scottsdale Rd., Suite 250, Scottsdale, Arizona 85253.

3 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

4 A. I am the employed by JF Properties, Inc. as Water and Wastewater Engineer. JF
5 Properties is in the real estate development business in Arizona and is also
6 involved in the water and wastewater utility businesses in Colorado. JF Properties
7 has recently expanded its operations into Arizona, and is an affiliate of Balterra
8 Sewer Corporation (“Balterra” or the “Company”).

9 **Q. PLEASE DISCUSS YOUR EDUCATIONAL BACKGROUND?**

10 A. I received my Bachelor of Science in Civil Engineering from the University of
11 Wisconsin in 1985 and my Masters in Civil Engineering from Arizona State
12 University in 1992. I am a registered Civil Engineer in Arizona and Colorado.

13 **Q. PLEASE DISCUSS YOUR EMPLOYMENT HISTORY?**

14 A. I have held positions with several firms including Wood, Patel & Associates, Inc.,
15 where I was a Senior Project Manager II, Community Sciences, Inc., as
16 Engineering Department Manager, Kleinfelder, Inc., where I held the position of
17 Environmental Manager, Construction Services Manager, and Business
18 Development Manager, Dames & Moore as Senior Civil Engineer, and CH2M
19 HILL where I was Engineering Graphic Services Manager. I also worked for the
20 City of Scottsdale, Arizona as a Water and Wastewater Engineer.

21 Overall, I have thirty years of municipal and consulting engineering experience,
22 including engineering business development, proposal and project management,
23 master planned community planning and design, cost estimating, contract
24 administration, construction management, environmental site assessment, quality
25 assurance, planning, design and construction of soil and groundwater remediation,
26 water distribution, wastewater collection and treatment facilities. I have

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comprehensive knowledge of master planned community planning and development at the municipal, regional, departmental levels, as well as large program and small project management.

Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AS THEY RELATE TO BALTERRA.

A. I am in charge of the project's infrastructure utility coordination. My responsibilities include engineering analysis, design, cost estimation and hydraulic modeling for civil engineering pertaining to water supply pipelines; advance potable water and wastewater treatment requiring the supervision of engineering consultants; project management and technical leadership roles for the preparation of plans and specifications for water supply and wastewater collection pipelines; water and wastewater treatment process design, engineering studies, technical reports, review and selection of process equipment; and engineering cost estimation. Specifically, I am responsible for planning and designing a wastewater collection system to serve the master planned community and surrounding school district in the area that is the subject of this application.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. To support Balterra's application and the Company's response to Staff's September 9, 2005 deficiency letter. Specifically, the Company understands and appreciates that Staff wants as much information as possible in order to analyze the application. The response to the deficiency letter submitted to Staff provides substantial technical, financial and other information to support the application. The purpose of my testimony is to put some "context" on the application and supporting data.

1 **Q. WHAT DO YOU MEAN BY “CONTEXT” MR. CONDIT?**

2 A. Put simply, Balterra’s CC&N application is likely the first mile in a long road to
3 develop a regional sewer utility provider. The area subject to Balterra’s current
4 request, which includes a planned residential subdivision and a school district, are
5 the potential customers who have formally requested sewer utility service as soon
6 as possible. However, it is and always has been our plan to become a regional
7 sewer provider that will ultimately serve a much larger area than that requested in
8 the current application. We are only seeking to provide capacity now for the
9 immediately identified users.

10 **Q. HAVE OTHER STEPS BEEN TAKEN TOWARDS PLANNING FOR**
11 **WASTEWATER TREATMENT ON A REGIONAL BASIS?**

12 A. Yes. Besides filing this application, we have been in discussion with the Maricopa
13 County Environmental Services Water and Waste Management Division regarding
14 the need for regional wastewater treatment collection and facility planning. The
15 region does not have any existing wastewater service providers, and Maricopa
16 County is well aware of the explosive growth taking place west of Phoenix, and
17 wants to be prepared to accommodate continued growth in the region that includes
18 Balterra’s requested CC&N.

19 **Q. WHAT “REGION” ARE YOU REFERRING TO IN YOUR TESTIMONY?**

20 A. The “region” referred to includes the area in western Maricopa County that is
21 surrounding the area requested for in this application. We believe that the area and
22 the regional sewer provider will develop in several stages as growth continues in
23 western Maricopa County. Currently, our application and our focus is on the first
24 stage of development, which includes: (1) a master planned community of
25 approximately 1,100 acres located between Indian School Road and Camelback
26 Road, west of 395th Avenue and east of 415th Avenue; (2) the Ruth Fisher

1 Elementary and Tonopah Valley High School sites located near the south west
2 corner of 379th Avenue and Indian School Road; and (3) a 2.2 MGD wastewater
3 treatment facility, located on approximately 3.7 acres, to serve the area included in
4 Balterra's CC&N application. The sewer facilities being planned to serve this area
5 will be constructed in an unincorporated area of Maricopa County located north of
6 Interstate-10 and west of 395th Avenue. Balterra has worked closely with the
7 master planned community development team, as well as the school district staff,
8 in planning what we refer to as "stage one," which is the subject of this CC&N
9 application.

10 Once the 2.2 MGD wastewater treatment facility is complete, and wastewater
11 service is being provided to the master planned community and school district,
12 Balterra intends to expand the wastewater treatment facility in accordance with the
13 long-term plans of Maricopa County and owners of property in the immediate
14 vicinity of the initial CC&N area. To date, Balterra has extended its service area
15 planning efforts by: (1) reviewing preliminary development maps of Maricopa
16 County, including current and conceptual land uses, (2) attending regional
17 transportation, water, and wastewater planning meetings conducted by Maricopa
18 County, (3) conducting follow-up meetings with Maricopa County, (4) discussing
19 wastewater service area expansion with developers in the general area; and (5)
20 setting aside 15 acres of land for future wastewater treatment plant expansion.
21 Additionally, we have conducted geological studies that define the various
22 wastewater service area basins, and estimate that these basins can realistically serve
23 a future population of approximately 45,000 residents. Balterra anticipates that the
24 2.2 MGD wastewater treatment facility will be expanded within the 15-acre site to
25 eventually serve an area much larger than the area being sought in this CC&N
26 application.

1 **Q. THANK YOU. PLEASE CONTINUE WITH YOUR DISCUSSION OF THE**
2 **EFFORTS YOU HAVE TAKEN TO WORK WITH MARICOPA COUNTY?**

3 A. Meetings with the development community have been conducted, along with
4 Maricopa County staff, at the request of Maricopa County Board of Supervisors
5 Chairman Max Wilson and Supervisor Mary Rose Wilcox. There is a now general
6 outline for developing a master wastewater plan for the regional basin. These
7 efforts will include working with the Maricopa Association of Governments
8 (MAG), the designated area-wide Water Quality Management Planning Agency for
9 Maricopa County. The requested CC&N area encompasses an existing MAG 208
10 Water Quality Management Plan, and will require an amendment to include the
11 area requested for in this application. A draft amendment will be submitted to
12 MCESD on December 1, 2005, requesting sponsorship. Balterra will provide Staff
13 a copy of the amendment application once filed with MAG.

14 **Q. WHAT ABOUT ADDITIONAL TREATMENT CAPACITY TO PROVIDE**
15 **SEWER SERVICE ON A REGIONAL BASIS?**

16 A. Our planning for the proposed wastewater treatment facility for Balterra reflects
17 our “regional approach.” The current facility is planned for a maximum capacity
18 of 2.2 MGD. However, it is anticipated that future plant expansion will increase
19 the ability to treat wastewater flows up to 11.0 MGD on the 15-acre site – which is
20 well in excess of those wastewater flows anticipated from the area covered by the
21 present CC&N request.

22 **Q. DO YOU BELIEVE THIS ONGOING PLANNING WILL IMPACT THE**
23 **CURRENT CC&N APPLICATION?**

24 A. No. There is a near-term need for sewer utility service in the area covered by the
25 Company’s application, and the information submitted in support shows that
26 Balterra is fit and able to meet that need. Moreover, Balterra can function as a

1 stand alone entity, irrespective of the outcome of our efforts to work with Maricopa
2 County to establish a regional sewer provider. Of course, potential expansion of
3 the CC&N service area will also require future action by the Commission.

4 On the other hand, as our long-term regional planning efforts mature, we
5 anticipate that some aspects of the design and engineering requirements for
6 developing a sewer collection and treatment system will change. This is, at least in
7 part, why I suspect some of the technical and financial information we have
8 provided to Staff in support of the current application was viewed as preliminary or
9 incomplete.

10 **Q. SHOULD STAFF AND THE COMMISSION BE CONCERNED THAT**
11 **YOUR PLANNING FOR A SEWER UTILITY SYSTEM TO SERVE THE**
12 **REQUESTED BALTERRA CC&N IS INSUFFICIENT?**

13 **A.** In my opinion, absolutely not. For starters, we have now provided Staff with all of
14 the additional technical and financial information they requested. From this
15 information, Staff and the Commission will have a clear picture of the manner in
16 which Balterra will provide sewer utility service to master planned community and
17 school district customers. Perhaps even more importantly, Balterra has to obtain
18 approval under Section 208 of the Clean Water Act from MAG, and an APP from
19 the Arizona Department of Environmental Quality. AZNPDES discharge permits
20 will also be required, although it is not clear at this time whether ADEQ or EPA
21 will have jurisdiction over these permits. In any event, these agencies will not
22 issue the requisite approvals unless they are satisfied that the wastewater collection
23 and treatment system is designed and constructed in a manner that meets all
24 applicable standards and regulations. In other words, without these approvals, we
25 can never operate.

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1 Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

2 A. Yes.

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