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BEFORE THE ARIZONA CORPORATION COMMISSION

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Commissioner

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

CITY OF ELOY'S NOTICE OF FILING
LATE-FILED EXHIBIT

During the course of the hearing in this matter, the City of Eloy ("the City"), through its witness, Mr. Doug Olson, explained that the City had applied for modification of its designation of assured water supply. The City had requested a modification of the designation of assured water supply so that the designation was adequate to serve projected demand from new growth through calendar year 2010. Attached is a copy of the Decision and Order issued by the Arizona Department of Water Resources on January 3, 2006, granting that modified designation of assured water supply. As Mr. Olson testified, the City will seek additional modifications of this designation for growth beyond 2010, as such projections can be made with sufficient certainty.

1 RESPECTFULLY SUBMITTED this 25th day January, 2006.

2 LEWIS AND ROCA

3 

4 Thomas H. Campbell
5 Michael T. Hallam
6 40 N. Central Avenue
7 Phoenix, Arizona 85004

8 Attorneys for the City of Eloy

9 ORIGINAL and thirteen (13) copies
10 of the foregoing filed this 25th day of
11 January, 2006, with:

12 Arizona Corporation Commission
13 Docket Control – Utilities Division
14 1200 W. Washington Street
15 Phoenix, Arizona 85007

16 COPY of the foregoing hand-delivered
17 this 25th day of January, 2006, to:

18 David Ronald
19 Legal Division
20 Arizona Corporation Commission
21 1200 W. Washington Street
22 Phoenix, Arizona 85007

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

27 COPY of the foregoing mailed this
28 25th day of January, 2006, to:

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

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Betty J Griffin

1 DEPARTMENT OF WATER RESOURCES
2 BEFORE THE DIRECTOR
3
4

5 **IN THE MATTER OF THE APPLICATION OF**
6 **THE CITY OF ELOY**
7 **FOR A DESIGNATION AS HAVING AN ASSURED**
8 **WATER SUPPLY**

) **AWS No. 2006-002**
) **DECISION AND ORDER**
) **No. 26-401827.0000**

9 On July 20, 2005, the Department of Water Resources (Department) received an application from the City of
10 Eloy (Eloy) requesting that the Department modify Eloy's designation of assured water supply, pursuant to A.R.S. §
11 45-576 and A.A.C. R12-15-701 *et seq.*, for Eloy's municipal water delivery system. On November 4, 2005, the
12 Department determined the application to be complete. On November 8, 2005, the Department gave public notice
13 pursuant to A.R.S. § 45-578 and no objections were filed with the Department.

14 After receiving Eloy's request to modify its designation of assured water supply and reviewing relevant
15 information regarding the modification request, including: 1) Eloy's municipal and industrial subcontract with the
16 Central Arizona Water Conservation District for an allocation of Central Arizona Project (CAP) water, dated
17 December 18, 1984; 2) the hydrologic information included in the application; 3) information regarding Eloy's
18 consistency with the management plan and management goal for the Pinal Active Management Area (AMA); 4)
19 information provided by the Arizona Department of Environmental Quality (ADEQ) regarding the quality of the
20 proposed sources of water; and 5) information regarding Eloy's financial capability to construct the necessary
21 delivery system, treatment works and storage facilities; the Department finds the following:

- 22 1. Eloy is a town incorporated in accordance with Article XIII of the Arizona Constitution.
- 23 2. Eloy has the legal authority to deliver water to its customers located within its service area.
- 24 3. Eloy has the right to withdraw and deliver groundwater to its customers pursuant to service area right No.
25 56-001203.0000.
- 26 4. On October 31, 2004, Eloy was designated as having an assured water supply in Decision and Order AWS
27 2004-002.
- 28 5. Eloy currently serves untreated CAP water through a separate distribution system to a golf course and a
cemetery, and groundwater through its municipal distribution system to its customers.

- 1 6. Eloy's current demand as of calendar year 2004 is 2,531 acre-feet per year.
- 2 7. Eloy's committed demand as of calendar year 2004 is 1,935 acre-feet per year.
- 3 8. Eloy's current, committed and two years of projected demand for calendar year 2010 is estimated to be
- 4 47,740 acre-feet per year.
- 5 9. Eloy has the right to serve CAP water to its customers pursuant to a long-term, non-declining municipal and
- 6 industrial subcontract, which it entered into with the Central Arizona Water Conservation District on July 23,
- 7 1985, for 2,171 acre-feet per year.
- 8 10. Eloy does not have the capability to treat its entire 2,171 acre-foot CAP allocation at this time. Eloy delivers
- 9 614 acre-feet per year of untreated CAP water to a golf course and a cemetery.
- 10 11. Eloy's groundwater supply proven to be physically available is 46,876 acre-feet per year.
- 11 12. Historic hydrologic information demonstrates that groundwater levels in the service area currently range
- 12 from approximately 200 to 350 feet with a minimal regional decline.
- 13 13. After one hundred years of pumping at 46,876 acre-feet per year, the depth-to-water inside Eloy's service
- 14 area is not expected to exceed 1,100 feet below land surface.
- 15 14. Eloy's groundwater allowance that is consistent with the Pinal AMA management goal pursuant to A.A.C.
- 16 R12-15-705(H)(5) is 1,408 acre-feet per year.
- 17 15. Irrigation Grandfathered Right Number 58-100896.0009, consisting of 39 irrigation acres, was extinguished
- 18 on February 18, 1997, and the resulting 58.5 acre-feet per year of extinguishment credits were pledged to
- 19 Eloy's Service Area Right on February 18, 1997, to supplement the groundwater allowance that is consistent
- 20 with the management goal of the Pinal AMA.
- 21 16. On February 3, 2000, Eloy became a member service area of the Central Arizona Groundwater
- 22 Replenishment District (CAGRDR).
- 23 17. The Director has determined that the CAGRDR's most recent Plan of Operation is consistent with achieving
- 24 the management goal of the Pinal Active Management Area. This determination has not expired.
- 25 18. As of the date of this decision and order, the CAGRDR is in compliance with its groundwater replenishment
- 26 obligation for the Pinal AMA.
- 27 19. Eloy is currently regulated as a large municipal provider under the Alternative Conservation Program in the
- 28 Second Management Plan for the Pinal AMA. As of the date the application was filed, Eloy had not been

1 found to be out of compliance with the Management Plan.

2 20. Eloy has entered into development agreements requiring developers to construct any necessary delivery,
3 treatment and storage facilities required for new subdivisions.

4 21. The water supply that Eloy intends to provide its customers currently meets all federal and state water
5 quality standards, based on compliance information provided by the ADEQ.

6
7 **Having reviewed the Findings of Fact, the Department makes the following Conclusions of Law:**

8 1. An annual volume of 614 acre-feet per year of CAP water and 46,876 acre-feet per year of groundwater is
9 physically, continuously and legally available to Eloy for a minimum of 100 years as prescribed in A.A.C.
10 R12-15-703. The total volume of those supplies, 47,490 acre-feet per year, exceeds Eloy's projected
11 demand of 47,470 acre-feet for the year 2010.

12 2. Pursuant to A.R.S. § 45-576.01(B), as a member service area of the CAGR, Eloy's use of groundwater is
13 consistent with the management goal.

14 3. The water supply served by Eloy currently meets the water quality requirements specified in A.A.C. R12-15-
15 704.

16 4. In accordance with A.A.C. R12-15-706, Eloy meets the standard established for determining consistency
17 with the Management Plan for the Pinal AMA.

18 5. Eloy has satisfied the financial capability criteria prescribed in A.A.C. R12-15-707.

19 6. Eloy has satisfied all the requirements for a designation of an assured water supply.

20 **Having reviewed the Conclusions of Law, the Department hereby issues this Decision and Order**
21 **designating Eloy as having an assured water supply, subject to the following conditions:**

22
23 1. The Department reserves the right under A.A.C. R12-15-709 (A) to periodically review
24 and modify the designation for good cause as conditions warrant.

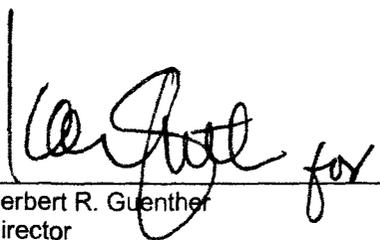
25 2. Pursuant to A.A.C. R12-15-709, the Department may, at any time, review, modify or revoke this designation
26 if the findings of fact or the conclusions of law upon which the designation is based change or are invalid, or
27 if an assured water supply no longer exists.

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- 3. The Department's determination that an assured water supply exists for Eloy is based on its analysis of the water supplies pledged by Eloy.
- 4. Pursuant to A.A.C. R12-15-704, Eloy shall satisfy any state water quality requirements established for its proposed use after the date of this designation.
- 5. Eloy shall annually provide to the Department the following information in the manner prescribed in A.A.C. R12-15-711:
 - a. The estimated future demand of platted, undeveloped lots located in Eloy's service area.
 - b. The projected demand at build-out for customers with which Eloy has entered into a notice of intent to serve agreement in the calendar year.
 - c. A report regarding Eloy's compliance with water quality requirements.
 - d. The depth-to-static water level of all wells from which Eloy withdrew water during the calendar year.
 - e. Any other information requested by the Director to determine whether Eloy is continuing to meet all the requirements necessary to maintain this designation of assured water supply.

IT IS HEREBY ORDERED THAT THE CITY OF ELOY BE DESIGNATED AS HAVING AN ASSURED WATER SUPPLY:

DATED this 3rd day of January, 2006.



Herbert R. Guenther
Director
Arizona Department of Water Resources

1 A copy of the foregoing
2 **Decision and Order** mailed
3 by certified mail this 3rd
4 day of January,
5 2006, to the following:

Certified Mail No. 7003 3110 0003 3245 0408

Sent by: Norma J. Coupaud
Norma J. Coupaud

6
7
8 Mayor Byron K. Jackson
9 City of Eloy
10 628 N. Main Street
11 Eloy, AZ 85231

12 First class mail copies to:

13 Mr. Roy Tanney
14 Arizona Department of Real Estate
15 2910 N. 44th Street
16 Phoenix, AZ 85018

17 Mr. Cliff Neal
18 Central Arizona Groundwater Replenishment District
19 P.O. Box 43020
20 Phoenix, AZ 85080

21 Mr. Randy Edmond
22 Pinal AMA
23 1729 N. Trezell Rd., Suite 105
24 Casa Grande, AZ 85222
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