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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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1
2 WILLIAM A. MUNDELL
CHAIRMAN
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AUG 22 2002

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AZ CORP COMMISSION
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6 IN THE MATTER OF THE JOINT APPLICATION
7 OF SUN CITY WATER COMPANY AND SUN
8 CITY WEST UTILITIES COMPANY FOR
9 APPROVAL OF CENTRAL ARIZONA PROJECT
10 WATER UTILIZATION PLAN AND FOR AN
11 ACCOUNTING ORDER AUTHORIZING A
12 GROUNDWATER SAVINGS FEE AND
13 RECOVERY OF DEFERRED CENTRAL
14 ARIZONA PROJECT EXPENSES.

DOCKET NO. W-01656A-98-0577
DOCKET NO. ~~SW~~-02334A-98-0577
WS

PROCEDURAL ORDER

BY THE COMMISSION:

11 On May 15, 2002, a Recommended Opinion and Order was issued in this matter.

12 On May 28, 2002, the Sun City Taxpayers Association ("SCTA") and Residential Utility
13 Consumer Office ("RUCO") filed Exceptions to the Recommended Order.

14 On June 21, 2002, Arizona-American Water Company ("Arizona-American") filed a response
15 to SCTA's and RUCO's Exceptions. On June 25, 2002, Staff filed its response to the Exceptions.

16 On July 3, 2002, Chairman Mundell filed a letter in the docket requesting that the case be
17 pulled from the July 11, 2002 Special Open Meeting agenda in order "to obtain an independent
18 analysis on the issue of whether recharge operations at the Agua Fria facility would ultimately benefit
19 the Sun Cities' aquifer." Chairman Mundell's letter directed Staff to secure "an independent
20 hydrological analysis on this issue as swiftly as possible."

21 By Procedural Order issued July 8, 2002, the evidentiary record was reopened for the limited
22 purpose of taking expert testimony regarding SCTA's allegation that hydrologic responses are being
23 detected as far as four miles downstream of the Agua Fria Recharge Facility blow off structure, and
24 whether recharge operations at the Agua Fria facility would ultimately benefit the Sun Cities' aquifer.

25 On July 16, 2002, a Procedural Conference was conducted to discuss the process of how the
26 record would be supplemented regarding the hydrologic responses from the Agua Fria Recharge
27 Facility. Staff was directed to consult with the Arizona Department of Water Resources ("ADWR")
28

1 and report on the results of those discussions (July 16, 2002 Tr. 40-43).

2 On July 23, 2002, the Director of ADWR, Joseph C. Smith, sent a letter to Chairman Mundell
3 urging the Commission to approve the Sun Cities Groundwater Savings Project. This letter was
4 docketed on July 26, 2002.

5 On July 26, 2002, Staff filed a Memorandum stating that Staff met with representatives from
6 ADWR and the Central Arizona Water Conservation District ("CAWCD") to ascertain whether either
7 of the agencies could provide a witness to address the issues set forth in Chairman Mundell's letter.
8 Staff believes representatives from either agency could quickly respond to the Chairman's questions.
9 However, Staff stated that the Chairman's letter implicitly raises the following additional question:
10 "If the Agua Fria Recharge Facility does ultimately provide a benefit to the Sun Cities' aquifer, when
11 can we expect that benefit to materialize and will it be substantial?" According to Staff, its
12 preliminary inquiries suggest that the cost of obtaining an independent hydrologist to model the
13 hydrological effects from the Agua Fria Recharge Facility are as high as \$100,000 and could take
14 more than 6 months. Staff requested clarification and guidance regarding the extent of hydrologic
15 modeling that the Commission wishes to have undertaken in this case.

16 On August 8, 2002, SCTA filed a Response to Staff's Memorandum. SCTA claims that an
17 independent hydrologic analysis could be obtained in less than a month and for under \$15,000.
18 SCTA attached an affidavit from a hydrologist, Phillip Briggs, attesting to the availability of two
19 hydrologic models. Mr. Briggs' affidavit states that the two groundwater models are available as
20 public records from ADWR and that both models could be used to evaluate the impact of the Agua
21 Fria Recharge Facility on the Sun Cities aquifer. Mr. Briggs' affidavit also states that he will provide
22 digital copies and supporting hard copy documentation of the models to the Commission at no
23 charge. SCTA also argues that the letter submitted by ADWR Director Smith casts doubt on
24 ADWR's ability to render an objective opinion regarding the potential impacts of the Agua Fria
25 Recharge Facility. Accordingly, SCTA requests that the Commission direct Staff to hire an
26 independent consultant to evaluate the impacts of the Agua Fria recharge project on the Sun Cities'
27 aquifer.

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1 IT IS THEREFORE ORDERED that a Procedural Conference shall be scheduled for this
2 matter on September 6, 2002, at 10:00 a.m., at the offices of the Commission.

3 IT IS FURTHER ORDERED that SCTA shall provide to Staff and all other interested parties
4 digital copies and supporting hard copy documentation of the models referenced in Mr. Briggs'
5 affidavit, by no later than August 30, 2002.

6 DATED this 22nd day of August, 2002.

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8 
9 DWIGHT D. NODES
10 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE
11

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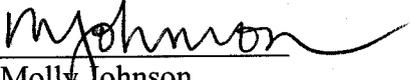
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