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**MEMORANDUM**

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Arizona Corporation Commission  
**DOCKETED**

OCT 12 2006

TO: Docket Control  
Arizona Corporation Commission

AZ CORP COMMISSION  
DOCUMENT CONTROL

FROM: Ernest G. Johnson  
Director  
Utilities Division

*for*

DOCKETED BY  
*WLL*

DATE: October 12, 2006

RE: **STAFF FIELD INSPECTION OF GOLDEN VALLEY RANCH DEVELOPMENT** – Perkins Mountain Water Company  
Docket Nos. W-20380A-05-0490 and SW-20379A-05-0489  
(CC&N – Water)

**Introduction**

On September 21, 2006, Staff conducted a field inspection of Perkins Mountain Water Company ("Perkins Mtn. Water" or "Company") and the Rhodes Homes Arizona construction sites for the Golden Valley Ranch development. The purpose of this inspection was to determine the status of construction activity. This inspection team consisted of Staff members; Marlin Scott, Jr., Engineering, and Brad Morton, Consumer Service, accompanied by ADEQ members; Andy Wilson, Environmental Engineering Specialist, and Karen Berry, Drinking Water Field Inspector, and Rhodes Homes representatives; Kirk Brynjulson, Vice President of Operations, and Christopher Stephens, Executive Vice President.

**Arizona Department of Environmental Quality ("ADEQ") Permits**

Approval To Construct

Rhodes Homes Arizona, the developer, has been issued the Certificates of Approval To Construct for, 1) a transmission water line (issued March 30, 2006), 2) a 1.0 million gallon storage tank (issued April 27, 2006) and 3) Well #1 (issued April 28, 2006). The well is known as Golden Valley Ranch Well #1 ("Well GV#1"). All these facilities are located outside the northern boundary of the requested CC&N area.

Status of Construction

1. Transmission Water Line: Approximately 25,150 feet of transmission main have been installed from the northern boundary of the requested CC&N area, northerly

- to a proposed Well Site #2 ("Well GV #2") and the above mentioned storage tank site.
2. 1.0 Million Gallon ("MG") Storage Tank Site: This tank site is approximately 2-1/2 miles north of the requested CC&N area. Construction is under way for the tank site grading, padding and piping installation. Three 1.0 MG storage tanks are proposed for this site with the one 1.0 MG tank approved for construction at this time.
  3. Well GV #1: This well site is located approximately 1/2-mile north of the requested CC&N area. The well is constructed with a 16-inch casing that is 1,100 feet deep and equipped with a 700 Horsepower turbine pump that pumps 1,700 GPM into a 100' by 100' holding pond ("Pond #1"). A portable pump then pumps water from the pond using an above-ground pump line to deliver the water to the Aztec Ball Park and to two other holding ponds (Pond #2 and #3) located within the requested CC&N area. Water pumped from Pond #1 is delivered into the southern section of the Transmission Water Line and transported approximately 1/2-mile to the northern boundary of the requested CC&N area and is then connected to another above-ground pump line/portable pump that delivers water to Pond #2 and #3 located in the requested CC&N area.
  4. Well GV #2: This well is located approximately 1/2-mile northern of the requested CC&N area and one mile west of the tank site. The well is also constructed with a 16-inch casing to a depth of 1,100 feet. This well is capped and surrounded by 100 feet by 100 feet of chain link fencing.

#### Other Plant Facilities and Construction Activity

5. Well GV #4: This well is located approximately in the center of the requested CC&N area. The well is constructed with a 16-inch casing to a depth of 980 feet and is capped.
6. Well GV #3: This well is located approximately two miles southwest of GV #4 and is within the requested CC&N area. The well is also constructed with a 16-inch casing to a depth of 980 feet and is capped.
7. Construction within the Requested CC&N Area: Earth moving operations are currently taking place. Heavy equipment is grading the topography for preparation of subdivisions and a golf course. Two holding ponds are on site that store water pumped from GV #1 and used for dust suppression, compaction and watering of palm trees.
8. Designer Homes: Two sets of designer homes have been constructed. The first set, consisting of two homes, is located approximately 1/2-mile north of the requested CC&N area and adjacent to the Aztec Ball Park. The second set, also consisting of two homes, is located approximately 3/4-mile north of the requested

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CC&N area. All four homes are being served by hauled water and portable toilets.

The designer homes are maintained by "Reservationists", not sales people. The Reservationists advised Staff that 750 reservations had been placed as of September 21, 2006. Each reservation requires a \$2,000 deposit be paid to hold the property.

### **Summary**

All water system construction activities have been issued ADEQ Certificates of Approval To Construct and are located outside the requested CC&N area.

No water system plant facilities have been installed or constructed within the requested CC&N area.

EGJ:MSJ:mfs

Originator: Marlin Scott, Jr.

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