

ORIGINAL NEW APPLICATION



0000068203

BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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W-03576A-07-0305  
SW-03575A-07-0305

COMMISSIONERS

Mike Gleason, Chairman  
William A. Mundell  
Jeff Hatch-Miller  
Kristin K. Mayes  
Gary Pierce

IN THE MATTER OF THE APPLICATION OF  
SANTA CRUZ WATER COMPANY AND PALO  
VERDE UTILITIES COMPANY TO AMEND  
DECISION NO. 68498 PURSUANT TO A.R.S.  
SECTION 40-252.

Docket No. SW-03575A-07-\_\_\_\_\_

Docket No. W-03576A-07-\_\_\_\_\_

**APPLICATION TO AMEND  
DECISION NO. 68498**

Santa Cruz Water Company and Palo Verde Utilities Company (collectively, "Global Utilities") respectfully request that the Arizona Corporation Commission ("Commission") amend Decision No. 68498 (Feb. 23, 2006)(the "Order Preliminary") to change certain compliance requirements. In particular, the Global Utilities request that the requirements regarding filing of Approvals of Construction ("AOC") from the Arizona Department of Environmental Quality ("ADEQ") be eliminated. In support of this Application, the Global Utilities state:

**I. Background.**

1. The Order Preliminary involves areas served by the 387 Domestic Water Improvement District and the 387 Wastewater Improvement District (collectively, the "387 Districts"). Many parts of northern Pinal County faced extraordinary growth over the last few years. Unfortunately, the 387 Districts were not able to cope with this growth. This inability created a crisis situation.<sup>1</sup> At the request of state and local officials, the Global Utilities resolved this crisis by interconnecting their systems to the systems of the 387 Districts.

<sup>1</sup> See Order Preliminary at Finding of Fact No. 37.

1           2.       The Commission found that “the Companies have been placed in a unique situation  
2 because they were asked to intercede in an emergency situation to continue water and wastewater  
3 services to customers in the extension area....”<sup>2</sup>

4           3.       The Commission also stated that as “a result of the emergency situation, Palo Verde  
5 and Santa Cruz interconnected their systems with the 387 Districts in order to continue water and  
6 wastewater service to the customers in the proposed extension area.”<sup>3</sup> Although these  
7 interconnections were made with the knowledge and approval of the Arizona Department of  
8 Environmental Quality (“ADEQ”) and in accordance with good engineering and operations  
9 practice, due to the emergency nature of the work, approval permits were not obtained. Therefore,  
10 the Commission ordered the Global Utilities to file ADEQ Approvals of Construction (“AOC”) for  
11 the water and wastewater interconnections.

12           4.       On January 2, 2007, the Global Utilities filed a motion for extension of time  
13 concerning the AOCs. Staff then verbally advised the Global Utilities that Staff believes that  
14 motion for extensions of time are not permitted for Orders Preliminary. Staff recommended that  
15 the Global Utilities file an application under A.R.S. § 40-252 to modify the deadlines in the Order  
16 Preliminary. The Global Utilities agreed to do so. Subsequently, the Global Utilities received  
17 ATC/AOC approval for the sewer interconnect from ADEQ and notification from ADEQ that  
18 AOC for the water interconnect was not required. Accordingly, in this Application, the Global  
19 Utilities ask that the AOC deadlines be eliminated.

20           5.       ADEQ has advised the Global Utilities that no AOC was needed for the water  
21 interconnection. ADEQ confirmed this in an email dated March 6, 2006 (attached as Exhibit 1).  
22 Thereafter, ADEQ issued the AOC for the wastewater interconnection (attached as Exhibit 2).  
23 Because no AOC is needed for the water interconnection, and because the AOC for the wastewater  
24  
25

26 \_\_\_\_\_  
27 <sup>2</sup> Order Preliminary at Finding of Fact No. 42.

<sup>3</sup> Order Preliminary at Finding of Fact No. 37.

1 interconnection has already been issued, the Global Utilities request that the Order Preliminary be  
2 amended to eliminate the AOC requirements.

3 6. The Commission found that “issuance of an Order Preliminary brings the extension  
4 areas under Commission jurisdiction which will allow for continued oversight by the Commission  
5 that all requirements are met prior to the issuance of a final Order.”<sup>4</sup> Amending the Order  
6 Preliminary to eliminate the AOC requirements will allow the Commission to preserve these  
7 benefits.

8 7. If the AOC requirements are eliminated, the last requirement before a final CC&N  
9 will be the dissolution of the 387 Districts by Pinal County.<sup>5</sup> There is no deadline relating to this  
10 requirement. Pinal County has stated that it will not dissolve the 387 Districts until certain  
11 litigation involving the 387 Districts is resolved. That litigation remains ongoing, and Pinal  
12 County has not provided an estimate of when the litigation will be resolved.

13 **II. Description of Applicants.**

14 8. The Global Utilities are Arizona public service corporations authorized to provide  
15 service within portions of Pinal County, Arizona. The Global Utilities received their CC&Ns from  
16 the Commission in Decision No. 61943 (September 17, 1999); Decision No. 66394 (October 6,  
17 2003); Decision No. 67240 (September 23, 2004); Decision No. 67830 (May 5, 2005); and  
18 Decision No. 68448 (February 2, 2006).

19 9. As of 1 May 2007, Santa Cruz serves approximately 13,600 water customers.

20 10. As of 1 May 2007, Palo Verde serves approximately 13,450 wastewater customers.

21 11. The ultimate parent company of the Global Utilities is Global Water Resources,  
22 LLC (“Global Parent”). Overall, Global Parent’s regulated utilities have over 33,000 customers in  
23 Arizona.

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<sup>4</sup> Order Preliminary at page 11.

27

<sup>5</sup> Order Preliminary at page 13.

1 **III. Specific Amendments Requested.**

2 12. The Global Utilities request the following amendments to the Order Preliminary:

- 3 (A) Page 7, Line 6 after "are reasonable" add "except that we will not  
4 require the ADEQ AOC.";
- 5 (B) Page 9, Line 3, after "are reasonable" add "except that we will not  
6 require the ADEQ AOC.";
- 7 (C) Page 13, line 1, after "described above" add "except for the  
8 proposed ADEQ AOC requirements";
- 9 (D) Page 14, lines 1-3, delete ordering paragraph; and
- 10 (E) Page 15, lines 1-3, delete ordering paragraph

11  
12 WHEREFORE, the Global Utilities respectfully request that the Commission:

13 A. Schedule a hearing on this Application as soon as possible (either before an  
14 Administrative Law Judge, or directly before the Commission at an open meeting);

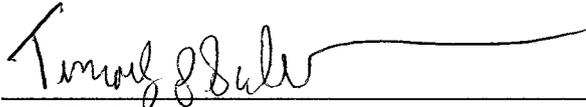
15 B. Take official notice of the record in the Order Preliminary Docket (Docket No. SW-  
16 03575A-05-0470 and W-03576A-05-0470); and

17 C. Issue a final order:

- 18 1. Granting this Application;
- 19 2. Finding that it is in the public interest eliminate the AOC requirements as  
20 set forth herein;
- 21 3. Amending the Order Preliminary as set forth herein;
- 22 4. Granting such other and further relief as may be appropriate under the  
23 circumstances herein.
- 24  
25  
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1 RESPECTFULLY SUBMITTED this 21<sup>st</sup> day of May 2007.  
2  
3

4 ROSHKA DEWULF & PATTEN, PLC  
5

6 By 

7 Michael W. Patten

8 Timothy J. Sabo

9 One Arizona Center

10 400 East Van Buren Street, Suite 800

11 Phoenix, Arizona 85004  
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1 Original + 15 copies of the foregoing  
2 filed this 21<sup>st</sup> day of May 2007, with:

3 Docket Control  
4 ARIZONA CORPORATION COMMISSION  
5 1200 West Washington  
6 Phoenix, Arizona 85007

7 Copies of the foregoing hand-delivered/mailed  
8 this 21<sup>st</sup> day of May 2007, to:

9 Lyn A. Farmer, Esq.  
10 Chief Administrative Law Judge  
11 Hearing Division  
12 Arizona Corporation Commission  
13 1200 West Washington  
14 Phoenix, Arizona 85007

15 Christopher C. Kempley, Esq.  
16 Chief Counsel, Legal Division  
17 Arizona Corporation Commission  
18 1200 West Washington  
19 Phoenix, Arizona 85007

20 Ernest G. Johnson, Esq.  
21 Director, Utilities Division  
22 Arizona Corporation Commission  
23 1200 West Washington  
24 Phoenix, Arizona 85007

25  
26  
27

By Abbie Amiel

**ROSHKA DEWULF & PATTEN, PLC**  
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| <b>Exhibit</b> | <b>Description</b>                                                                                                                       |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 1.             | Email dated March 6, 2007 from Janak Desai, Manager, Engineering Review Unit, Water Quality Division, ADEQ to Scott Lee of Global Water. |
| 2.             | AOC for wastewater interconnection                                                                                                       |

# EXHIBIT 1

**Tim Sabo**


---

**From:** Graham Symmonds [Graham.Symmonds@gwresources.com]  
**Sent:** Tuesday, March 06, 2007 12:58 PM  
**To:** Tim Sabo  
**Subject:** FW: Global Water and 387 District - Water Interconnects  
**Follow Up Flag:** Follow up  
**Flag Status:** Yellow

Tim – can this suffice for the water? Still awaiting the WWID version.

---

**From:** Scott Lee  
**Sent:** Tuesday, March 06, 2007 12:53 PM  
**To:** Graham Symmonds  
**Subject:** FW: Global Water and 387 District - Water Interconnects

---

**From:** Janak K. Desai [mailto:Desai.Janak@azdeq.gov]  
**Sent:** Tuesday, March 06, 2007 12:50 PM  
**To:** Scott Lee  
**Cc:** Kwame A. Agyare  
**Subject:** RE: Global Water and 387 District - Water Interconnects

Mr. Lee,

An "Approval to Construct" is not required for the construction work of water interconnections between 387 DWID and Global – Santa Cruz Water Company because the total project cost was less than \$50,000, the plans were prepared under the supervision of a State registered professional engineer (P.E.), the construction was supervised by a P.E., and the construction was not for a subdivision. This is pursuant to Arizona Administrative Code (A.A.C.) R18-5-505.B.3. It follows that an AOC ("Approval of Construction") is also not required. Please contact me if you have any questions.

Sincerely,

Janak Desai, Manager  
 Engineering Review Unit  
 Water Quality Division  
 602-771-4671 (p)  
 602-771-4505 (f)

---

**From:** Scott Lee [mailto:scott.lee@gwresources.com]  
**Sent:** Tuesday, March 06, 2007 9:23 AM  
**To:** Janak K. Desai  
**Cc:** Kwame A. Agyare  
**Subject:** RE: Global Water and 387 District - Water Interconnects

Hi Janak,

Have you had a chance to review the letter, etc? I'd appreciate any update. Thanks

Scott

---

5/14/2007

# EXHIBIT 2



**CONSTRUCTION AUTHORIZATION**  
FOR A SEWAGE COLLECTION SYSTEM  
TYPE 4.01 GENERAL PERMIT

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     |                                                                                                                                                                                                                                                |                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| <b>Applicant Information:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                     | County: Pinal                                                                                                                                                                                                                                  |                                                                |
| Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Graham Symmonds<br>Global Water - Palo Verde Utilities, LLC         | ADEQ File No.                                                                                                                                                                                                                                  | 20070233                                                       |
| Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 22601 North 19 <sup>th</sup> Avenue, Suite 210<br>Phoenix, AZ 85027 | Project Name:                                                                                                                                                                                                                                  | 387 Improvement District Connection to<br>Palo Verde Utilities |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     | LTF #:                                                                                                                                                                                                                                         | 43834                                                          |
| <b>Project Type(s)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                     | <b>Project Location:</b> This project is located along Bowlin Road alignment.                                                                                                                                                                  |                                                                |
| <input checked="" type="checkbox"/> Gravity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                     | <b>Project Description:</b> Install a new 5' discharge manhole and 10 LF of 24" diameter sewer to intercept flow from a 387 District force main and discharge to an existing gravity sewer manhole in the Palo Verde Utility Co. sewer system. |                                                                |
| <input type="checkbox"/> Lift Station                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                     |                                                                                                                                                                                                                                                |                                                                |
| <input type="checkbox"/> Force Main                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                     |                                                                                                                                                                                                                                                |                                                                |
| <input type="checkbox"/> Other:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     |                                                                                                                                                                                                                                                |                                                                |
| <b>Design Documents Approved for Construction</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                     | WWTP Name: Palo Verde Utilities Co., LLC                                                                                                                                                                                                       | Treatment Facility Permitted Design Flow: 9.0 MGD              |
| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Date                                                                | APP Number 105228                                                                                                                                                                                                                              | System Capacity                                                |
| Notice of Intent to Discharge                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 03/08/07                                                            | Sewage Collection System Capacity Affirmation Date: 03/03/07                                                                                                                                                                                   | Affirmation Date: 03/07/07                                     |
| Site Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 02/20/07                                                            | <b>Location of Downstream End of System Proposed Herein:</b>                                                                                                                                                                                   |                                                                |
| Design Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 02/20/07                                                            | Township 4 S                                                                                                                                                                                                                                   | Range 3 E                                                      |
| Operation & Maintenance Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | N/A                                                                 | Section 23                                                                                                                                                                                                                                     | ¼ ¼ ¼                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     | Latitude                                                                                                                                                                                                                                       | 33° 02' 37" N                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     | Longitude                                                                                                                                                                                                                                      | 112° 01' 52" W                                                 |
| <b>Description of Area Served by Project:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                     |                                                                                                                                                                                                                                                |                                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     |                                                                                                                                                                                                                                                |                                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     |                                                                                                                                                                                                                                                |                                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     |                                                                                                                                                                                                                                                |                                                                |
| <p><b>Construction Authorization:</b> This Construction Authorization is issued in accordance with Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, Article 3, Part A, Section A301. The applicant is authorized to construct the facility at the location specified herein under terms and conditions of the requested general permit and applicable requirements of Arizona Revised Statutes Title 49, Chapter 2, and A.A.C. Title 18, Chapter 9. The applicant has two years from the approval date of this document to complete construction and submit the applicable verification documents specified in A.A.C. R18-9-E301(E). Construction shall conform with the approved design documents.</p> |                                                                     |                                                                                                                                                                                                                                                |                                                                |
| <br>Kwame A. Agyare, P.E.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                     | Manager, Drinking Water & Wastewater Engineering Review<br>Title                                                                                                                                                                               |                                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     | Date: 5/08/07                                                                                                                                                                                                                                  |                                                                |

Reviewer: ASB  
ERP: 07:0480

REVISED MARCH 2006



**DISCHARGE AUTHORIZATION**  
FOR A SEWAGE COLLECTION SYSTEM  
TYPE 4.01 GENERAL PERMIT

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |                                                                                                                                                                                                                                               |                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>Permittee Information:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                     |          | County: Pinal                                                                                                                                                                                                                                 |                                             |
| Name: Graham Symmonds<br>Global Water - Palo Verde Utilities, LLC                                                                                                                                                                                                                                                                                                                                                                                                 |          | ADEQ File No. 20070233                                                                                                                                                                                                                        |                                             |
| Address: 22601 North 19 <sup>th</sup> Avenue, Suite 210<br>Phoenix, AZ 85027                                                                                                                                                                                                                                                                                                                                                                                      |          | Project Name: 387 Improvement District Connection to Palo Verde Utilities                                                                                                                                                                     |                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          | LTF #: 44161                                                                                                                                                                                                                                  |                                             |
| <b>Project Type(s)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |          | <b>Project Location:</b> This project is located along Bowlin Road alignment.                                                                                                                                                                 |                                             |
| <input checked="" type="checkbox"/> Gravity                                                                                                                                                                                                                                                                                                                                                                                                                       |          | <b>Project Description:</b> Install a new 5' discharge manhole and 10 LF of 24" diameter sewer to intercept flow from a 387 District force main and discharge to an existing gravity sewer manhole in the Palo Verde Utility Co. sewer system |                                             |
| <input type="checkbox"/> Lift Station                                                                                                                                                                                                                                                                                                                                                                                                                             |          |                                                                                                                                                                                                                                               |                                             |
| <input type="checkbox"/> Force Main                                                                                                                                                                                                                                                                                                                                                                                                                               |          |                                                                                                                                                                                                                                               |                                             |
| <input type="checkbox"/> Other:                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |                                                                                                                                                                                                                                               |                                             |
| <b>Design Documents Approved for Construction</b>                                                                                                                                                                                                                                                                                                                                                                                                                 |          | Treatment Facility Permitted Design Flow: 9.0 MGD                                                                                                                                                                                             |                                             |
| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Date     | WWTP Name: Palo Verde Utilities Co., LLC                                                                                                                                                                                                      | System Capacity Affirmation, Date: 03/07/07 |
| Engineer's Certificate of Completion                                                                                                                                                                                                                                                                                                                                                                                                                              | 03/13/07 | APP Number 105228                                                                                                                                                                                                                             |                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          | Sewage Collection System Capacity Affirmation Date: 03/07/07                                                                                                                                                                                  |                                             |
| Deflection Tests                                                                                                                                                                                                                                                                                                                                                                                                                                                  | N/A      | <b>Location of Downstream End of System Proposed Herein:</b>                                                                                                                                                                                  |                                             |
| Uniform Slope Tests                                                                                                                                                                                                                                                                                                                                                                                                                                               | N/A      | Township 4 S                                                                                                                                                                                                                                  | Range 3 E    Section 23    ¼    ¼    ¼      |
| Leakage Tests                                                                                                                                                                                                                                                                                                                                                                                                                                                     | N/A      | Latitude 33°                                                                                                                                                                                                                                  | 02'    37" N                                |
| As-built Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 02/20/07 | Longitude 112°                                                                                                                                                                                                                                | 01'    52" W                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          | <b>Description of Area Served by Project:</b>                                                                                                                                                                                                 |                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |                                                                                                                                                                                                                                               |                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |                                                                                                                                                                                                                                               |                                             |
| <p><b>Discharge Authorization:</b> This Discharge Authorization is issued in accordance with Arizona Administrative Code Title 18, Chapter 9, Article 3, Part A, Section A301. The permittee is authorized to discharge from the facility at the location specified herein under terms and conditions of the general permit and applicable requirements of Arizona Revised Statutes Title 49, Chapter 2, and Arizona Administrative Code Title 18, Chapter 9.</p> |          |                                                                                                                                                                                                                                               |                                             |
| <br>Kwame A. Agyare, P.E.                                                                                                                                                                                                                                                                                                                                                                                                                                         |          | Manager, Drinking Water & Wastewater Engineering Review<br>Title                                                                                                                                                                              |                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          | Date: 5/08/07                                                                                                                                                                                                                                 |                                             |

Reviewer: ASB  
ERP: 07:0482