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BEFORE THE ARIZONA CORPORATION COMMISSION

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2007 DEC 28 P 1:05

MIKE GLEASON
CHAIRMAN

AZ CORP COM
DISTRICT OFFICE

Arizona Corporation Commission

DOCKETED

WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE
COMMISSIONERS

DEC 28 2007

DOCKETED BY

IN THE MATTER OF THE
APPLICATION OF GOODMAN
WATER COMPANY FOR AN
EXTENSION OF ITS CERTIFICATE
OF CONVENIENCE AND
NECESSITY.

No. W-02500A- 05-0443

MOTION FOR EXTENSION OF TIME

On February 2, 2006, in Decision No. 68444 (the "Decision"), the Arizona Corporation Commission (the "Commission") approved the extension of the Certificate of Convenience and Necessity ("CC&N") held by the Goodman Water Company (the "Company"). The Commission's Opinion and Order included three conditions to be complied with subsequent to the entry of the Decision, including the filing of a Pinal County Franchise, a main extension agreement ("MXA"), and a Certificate of Assured Water Supply ("CAWS").

Following the issuance of the Decision, the owners and developer of the land to be included within the extension area (the "Extension Area") proceeded to prepare the plat submittals required by Pinal County, and the Company renewed its request to the Pinal County Board of Supervisors for an expansion of its Pinal County Franchise. Thereafter, on March 1, 2006, the Company received (and filed with the Commission) the necessary Pinal County Franchise for the Extension Area.

1 Concurrently, the landowners and the developer undertook the extensive rezoning
2 and development work requisite for the development of the property. The Extension Area
3 is located in southern Pinal County, contiguous with the northern Pima County boundary.
4 Pima County provides wastewater treatment services to the Company's existing
5 customers, and is contractually committed to serve any future customers located within
6 the existing CC&N of the water company, east of Highway 77. The landowners and the
7 developer believed that the Pima County Wastewater Management Agency
8 ("PCWWMA") also would provide wastewater treatment services to customers located
9 within the Extension Area; indeed, they had been so informed by officials in Pima
10 County. Notwithstanding Pima County's initial representations, however, the landowners
11 and the developer learned late in 2006 that the PCWWMA had reversed its decision to
12 provide sewer services, and that it would no longer agree to provide utility services in
13 southern Pinal County. Consequently, the Company was stymied in its efforts to produce
14 the CAWS or the MXA because the developer's subdivision plat itself could not be
15 finalized until the wastewater utility was determined.

16 The developer then engaged an engineering firm, Westland Resources, to design a
17 wastewater treatment plant, and to undertake a CAAG (Central Arizona Association of
18 Governments) 208 Plan amendment. The developer met with Pinal County officials to
19 obtain their concurrence for siting a subregional wastewater treatment plant within the
20 Extension Area. Having satisfied itself that the developer was making progress in this
21 regard, and that the necessary approvals could in time be obtained, the Company then
22 undertook a filing to support the developer by filing a Motion for Extension of Time with
23 the Commission dated January 30, 2007, seeking to extend the time periods associated
24 with the MXA and the CAWS that are contained in the Decision. With staff support, the
25 Administrative Law Judge granted the Motion on April 13, 2007.

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Concurrently with its efforts to ascertain the feasibility of forming a small regulated wastewater utility in southern Pinal County, the developer continued to discuss with Pima County the potential for realizing the original plan of having wastewater treatment services provided by the Pima County wastewater utility, the name of which has been changed by Pima County to Pima County Regional Wastewater Reclamation Department (“PCRWRD”).

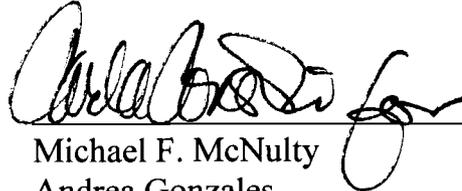
Within the last week, the Company received an Affidavit from Frank S. Bangs, Jr., Esq., the developer’s legal counsel, summarizing the negotiations that have been ongoing over the last three months to meet the requirements of the PCRWRD. The Affidavit, attached hereto as Exhibit “A,” describes Pima County’s second reversal, and its determination to proceed to negotiate a sewer service agreement for the Extension Area. Now that the developer and the Company believe that PCRWRD *will* provide the wastewater treatment services to customers located within the Extension Area, they expect that efforts may be resumed to finalize the necessary subdivision plat next year. Having such a plat is a precondition to obtaining a CAWS. Nevertheless, it is clear that the Company neither will receive a CAWS, nor have an MXA prepared for filing, prior to the current deadline, which is February 2, 2008.

Consequently, Goodman Water Company respectfully moves that the submission dates set forth in Decision No. 68444 for the Main Extension Agreement and the Certificate of Assured Water Supply be extended until February 2, 2010.

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RESPECTFULLY SUBMITTED this 28th day of December, 2007.

LEWIS AND ROCA



Michael F. McNulty
Andrea Gonzales
(520-629-4453)
Lewis and Roca, LLP
One South Church Avenue, Suite 700
Tucson, Arizona 85701-1611
Attorneys for Goodman Water Company

ORIGINAL AND thirteen (13) copies
of the foregoing filed this 28th day of
December, 2007 with:

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

COPY of the foregoing hand-delivered
this 28th day of December, 2007 to:

Christopher Kempley, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007



EXHIBIT A

AFFIDAVIT

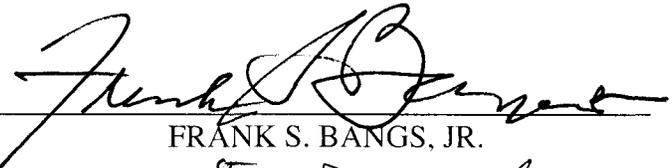
STATE OF ARIZONA)
)
COUNTY OF PIMA) ss.

I, FRANK S. BANGS, Jr., being first duly sworn, state:

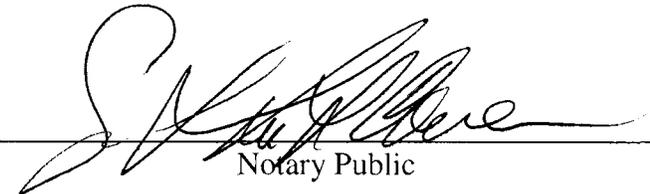
1. That at all times during the events addressed in this chronology, I have served as legal counsel to Eagle Crest West, LLC, the developer of the Eagle Crest real estate project (the "Property"), located on Route 77, immediately north of the boundary between Pima and Pinal Counties.
2. That in the summer of 2005, Eagle Crest West, LLC ("Subdivider") entered into a real estate purchase contract for the lands (the "Extension Area") that are described in the Commission's Decision No. 68444 (the "Decision"), issued on February 2, 2006.
3. That following the Decision, the Subdivider promptly contracted with land use planners and engineers to prepare the plat submittals required by Pinal County to develop the lands in the Extension Area.
4. That as counsel to the Subdivider, I initiated negotiations on a sewer service agreement ("SSA") with Pima County to provide wastewater treatment services to the Extension Area, as it currently does for the existing customers of Goodman Water Company.
5. That the Subdivider fully expected and believed until late 2006 that the Pima County Regional Wastewater Reclamation Department ("PCRWRD") would also provide wastewater treatment services to customers located within the Extension Area.
6. That Pima County reversed course, and advised the Subdivider in November of 2006 the PCRWRD would no longer agree to provide utility services in southern Pinal County.
7. That the Subdivider had been unable to finalize its subdivision plat for the Extension Area, or to obtain a Certificate of Assured Water Supply because the Subdivider's subdivision plat itself could not be finalized until the wastewater utility issue is resolved.
8. That in September 2007, William B. Carroll, P.E., Engineering and Environmental Consultants, Inc., the Subdivider's civil engineer, met with David Kuhl, Pinal County Director of Planning & Development, John Bernal, Deputy County Administrator for Pima County Public Works, and Chuck Huckelberry, Pima County Administrator, to try to resolve the issue.
9. That at the September meeting, the Subdivider agreed to change the configuration of the development to reduce encroachment into the floodplain and in exchange, Pima County agreed to provide the wastewater treatment services.
10. That a flood control analysis of the revised encroachment (the "Study") was thereafter submitted to and approved by Bill Zimmerman, Pima County Regional Flood Control

District Hydrologist, and by Suzanne Shields, Pima County Regional Flood Control District Director.

11. That in order for Pima County to provide the wastewater treatment services to the Extension Area, it must enter into a SSA with the Subdivider ("SSA"), and amend an existing intergovernmental agreement ("IGA") between Pima County and Pinal County governing Pima County's provision of wastewater conveyance and treatment services to the Property in Pinal County.
12. That John Bernal, Deputy County Administrator for Pima County Public Works, has directed PCRWRD staff to make this happen.
13. That on December 19, 2007, William Carroll, James Shiner, and myself met with Ed Curley and Jerry Stratton, PCRWRD, and Chuck Wesselhoft, Deputy County Attorney, to discuss problems experienced by PCRWRD with homebuilders at Eagle Crest, and how to proceed with the SSA and IGA amendment for the Extension Area.
14. That as of the December 19 meeting, PCRWRD representatives are willing to proceed on the SSA and amended IGA for the Property.
15. That PCRWRD is going to prepare the SSA and that I am preparing a draft IGA amendment, and the parties will meet again in January 2008.
16. That the Subdivider and the Company are optimistic that the subdivision plat for the Extension Area can be complete and a Certificate of Assured Water Supply obtained by the end of 2008.


FRANK S. BANGS, JR.

SUBSCRIBED AND SWORN to before me this 21st day of December,
2007.


Notary Public

