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JOHNSON UTILITIES, L.L

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September 14, 2007

Brian Bozzo
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

RE: Johnson Utilities, L.L.C.: Compliance with Decision No. 68960
ACC Docket No.: WS-02987A-04-0869; WS-02859A-04-0884
Johnson Utilities' Designation of Assured Water Supply

Dear Mr. Bozzo:

Pursuant to the above-referenced matter, Johnson Utilities hereby submits this compliance filing in accordance with the Commission's orders. Enclosed please find Johnson Utilities' Arizona Department of Water Resources Designation of Assured Water Supply for the extension area attached hereto as Attachment No. 1.

If you need any additional information in regards to this compliance item, please do not hesitate to contact me. Thank you for your time and consideration in this matter.

Sincerely,

Brian P. Tompsett
Johnson Utilities, LLC

Cc: Docket Control (1 original, 17 copies)
Daniel Hodges, Shea Utility Services
Richard Sallquist, Sallquist, Drummond & O'Connor

Arizona Corporation Commission
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ATTACHMENT 1

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DEPARTMENT OF WATER RESOURCES
BEFORE THE DIRECTOR

**IN THE MATTER OF THE APPLICATION
OF JOHNSON UTILITIES
FOR A DESIGNATION AS HAVING AN
ASSURED WATER SUPPLY**

AWS No. 2003-004

DECISION AND ORDER

No. 26-400665

On December 26, 2001, the Department of Water Resources (Department) received an application from Johnson Utilities, L.L.C. requesting that the Department modify Johnson Utilities' designation of assured water supply pursuant to A.R.S. § 45-576(D) and A.A.C. R12-15-701 *et seq.* for Johnson Utilities' municipal water delivery system. On January 28, 2003, the Department determined the application to be complete.

After receiving Johnson Utilities' request to modify its designation of assured water supply, and after reviewing relevant information regarding the modification request, including: 1) the hydrologic study of the proposed source of supply on file with the Department, 2) information submitted regarding Johnson Utilities' consistency with the management plan and management goal, 3) information provided by the Arizona Department of Environmental Quality regarding the quality of the proposed source of water, and 4) information regarding Johnson Utilities' financial capability to construct the necessary delivery system, treatment works and storage facilities, the Department finds the following:

1. Johnson Utilities is a private water company regulated by the Arizona Corporation Commission.
2. Johnson Utilities has the legal authority, as granted by the Arizona Corporation Commission, to deliver water to its customers located within the boundaries of its Certificate of Convenience and Necessity as indicated on maps on file with the Department.
3. Johnson Utilities has the right to withdraw and deliver groundwater to its customers pursuant to service area right #56-002346.0000.
4. Johnson Utilities currently serves 100 percent groundwater to its customers.
5. Johnson Utilities' current and committed demand is 1,232 acre-feet per year, as of 2003.

- 1 6. Johnson Utilities' groundwater supply proven to be physically available is 52,250 acre-feet
2 per year.
- 3 7. Johnson Utilities' total groundwater supply which was proven to be physically,
4 continuously and legally available is 18,154 acre-feet per year, which is greater than
5 Johnson Utilities' projected demand for the calendar year 2011 of approximately 5,633
6 acre-feet per year.
- 7 8. Historic hydrologic information demonstrates that groundwater levels in the service area
8 currently range from approximately 300 to 700 feet with a minimal regional decline.
- 9 9. After one hundred years of pumping at 5,633 acre-feet per year, the depth-to-water inside
10 Johnson Utilities' service area is expected to range from 400 to 550 feet below land
11 surface and not expected to exceed 1,000 feet below land surface.
- 12 10. Johnson Utilities is regulated as a large provider under the Department's Third
13 Management Plan for the Phoenix Active Management Area. Johnson Utilities is in
14 compliance with the Third Management Plan requirements as of the date of this decision
15 and order.
- 16 11. The groundwater supply that Johnson Utilities intends to provide its customers currently
17 meets all federal and state water quality standards, based on compliance information
18 provided by the Arizona Department of Environmental Quality.
- 19 12. On June 9, 2000 Johnson Utilities became a member service area of the Central Arizona
20 Groundwater Replenishment District ("CAGRDR").
- 21 13. The June 9, 2000 replenishment agreement between Johnson Utilities and the CAGRDR
22 limits the replenishment obligation of the CAGRDR to 5,967 acre-feet per year, which is more
23 than Johnson Utilities projected 2011 demand of 5,633 acre-feet per year.
- 24 14. On February 24, 1995, the Director designated that the CAGRDR Plan of Operation was
25 consistent with achieving the management goal of the Phoenix Active Management Area.
- 26 15. As of the date of this decision and order, the CAGRDR is in compliance with its
27 groundwater replenishment obligation for the Phoenix Active Management Area.
- 28 16. In accordance with Arizona Corporation Commission Rules and Regulations, Johnson
Utilities finances extension of its distribution system through line extension agreements

1 with owners of new developments. Any owner of a new subdivision served by Johnson
2 Utilities must prove financial capability to construct the necessary water infrastructure to
3 the appropriate platting entity and the Arizona Department of Real Estate pursuant to
4 Titles 9, 11, and 32 of the Arizona Revised Statutes.

5 **Having reviewed the Findings of Fact, the Department makes the following**

6 **Conclusions of Law:**

- 7 1. The annual volume of water was found to be physically, continuously and legally available
8 to Johnson Utilities for a minimum of 100 years as prescribed in A.A.C. R12-15-703, and
9 exceeds Johnson Utilities' projected demand of 5,633 acre-feet for the year 2011.
- 10 2. The water supply served by Johnson Utilities currently meets the water quality
11 requirements specified in A.A.C. R12-15-704.
- 12 3. Pursuant to A.R.S. § 45-576.01(B), 5,967 acre-feet of Johnson Utilities projected use of
13 groundwater, as a member service area of the CAGR, is consistent with achieving the
14 management goal of the Phoenix Active Management Area.
- 15 4. In accordance with A.A.C. R12-15-706, Johnson Utilities proposed use of water is
16 consistent with the Phoenix Active Management Area Third Management Plan
17 requirements.
- 18 5. Johnson Utilities satisfies the financial capability criteria prescribed in A.A.C. R12-15-707.
- 19 6. Johnson Utilities satisfied all the requirements for a designation of an assured water
20 supply.

21 **Having reviewed the Conclusions of Law, the Department hereby issues this Order**
22 **designating Johnson Utilities as having an assured water supply, subject to the following**
23 **conditions:**

- 24 1. The Department reserves the right under A.A.C. R12-15-709 (A) to periodically review
25 and modify this designation as conditions warrant.
- 26 2. Pursuant to A.A.C. R12-15-709, the Department may, at any time, review, modify or
27 revoke this designation if the findings of fact or the conclusions of law upon which the
28 designation are based change or are invalid.

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

17 **IT IS HEREBY ORDERED THAT JOHNSON UTILITIES BE DESIGNATED AS HAVING AN
18 ASSURED WATER SUPPLY:**

19 DATED this 12 day of August, 2003.

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21 Herb R. Guenther
22 Director
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