

ORIGINAL

SAHUARITA
Water Company



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AZ CORP COMMISSION
DOCKET CONTROL



Via Certified Mail

May 18, 2009

Kay Kilger, Supervisor
Docket Control
Arizona Corporation Commission
1200 W Washington Street
Phoenix, AZ 85007

Re: Sahuarita Water Company, LLC: Compliance with Decision No. 70620
Docket No. W-03718A-07-0687

Dear Ms. Kilger::

Pursuant to the above mentioned decision, Sahuarita Water Company, LLC hereby submits fourteen (14) copies of this compliance filing in accordance with the Commission's order to provide documentation from the Arizona Department of Water Resources stating that Sahuarita Water Company, LLC's designation of Assured Water Supply has been modified to include the water supply necessary to serve the extension area, as specified in Ordering Paragraph #6.

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,

Marian Homiak
Controller

/mh
Enclosures

Arizona Corporation Commission
DOCKETED

MAY 19 2009

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ORIGINAL

Docket #
W-03718A-07-0687



JANICE K. BREWER
Governor

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HERBERT R. GUENTHER
Director

2009 MAY 19 A 9:50

ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105
(602) 771-8500

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Via Electronic Mail

January 28, 2009

~~RECEIVED FEB 0 9 2009~~

Mr. Mark Seamans
Sahuarita Water Company, LLC
PO Box 1520
Sahuarita, AZ 85629

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**CORRECTED
DATE**

Re: Designation of Assured Water Supply (DWR No. 86-401203.0001) Sahuarita Water Co.

Dear Mr. Seamans:

I am pleased to inform you that the Department of Water Resources has approved the application for a Designation of Assured Water Supply for Sahuarita Water Company. We have enclosed the formal Decision and Order. The Decision and Order includes an itemization of Sahuarita Water Company's responsibilities in maintaining the Designation.

Sahuarita Water Company's status as a designated water provider demonstrates that Sahuarita Water is taking a long-term perspective in managing water resources. Sahuarita Water Company's commitment to sound water management represents a major contribution to the State's water management goal of achieving safe-yield in the Tucson Active Management Area.

If you have any questions regarding these documents, please contact me at (602) 771-8504.

Sincerely,

John Schneeman, Manager
Assured and Adequate Water Supply

Arizona Corporation Commission

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MAY 19 2009

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JFS/rbo

cc: Via Electronic Mail

Ms. Cindy Ferrin, Arizona Department of Real Estate
Mr. Cliff Neal, Central Az. Groundwater Replenishment District
Jeff Tannler, Director, Tucson AMA

1 DEPARTMENT OF WATER RESOURCES
2 BEFORE THE DIRECTOR
3

4 IN THE MATTER OF THE APPLICATION OF) AWS No. 2009-003
5 SAHUARITA WATER COMPANY, LLC FOR A)
6 DESIGNATION AS HAVING AN ASSURED) DECISION AND ORDER
7 WATER SUPPLY) No. 86-401203.0001
8

9 I. INTRODUCTION

10 On November 23, 2007, the Department of Water Resources ("Department") received an
11 application from Sahuarita Water Company, LLC ("Sahuarita"), requesting that the Department modify
12 Sahuarita's designation of assured water supply pursuant to A.R.S. § 45-576, *et seq.*, and A.A.C. R12-15-
13 701, *et seq.* On December 9, 2008 and December 16, 2008, the Department gave public notice of the
14 application pursuant to A.R.S. § 45-578 and no objections were filed with the Department.

15 After receiving Sahuarita's application to modify its designation of assured water supply, the
16 Department reviewed relevant information regarding the modification request, including: 1) the hydrologic
17 study submitted with the application and other information on file with the Department for the proposed
18 source of groundwater supply; 2) information regarding consistency with the management plan and the
19 management goal for the Tucson Active Management Area ("AMA"); and 3) information regarding
20 Sahuarita's financial capability to construct the necessary delivery system, treatment works and storage
21 facilities. Based on that information, the Department makes the following Findings of Fact, Conclusions
22 of Law, and Order of Designation and Conditions of Designation:

23 II. FINDINGS OF FACT

24 A. General

- 25 1. Sahuarita is a private water company subject to the jurisdiction of the Arizona Corporation
26 Commission ("ACC").
27 2. Sahuarita provides domestic water service within the boundaries of its certificate of convenience
28 and necessity ("CC&N"), as approved by the ACC.
29 3. Sahuarita currently serves water through its distribution system to its customers.
30 4. Sahuarita is the successor in interest to Interchange Water Company, Inc. ("Interchange").
Interchange was designated as having an assured water supply pursuant to Decision and Order

1 of the Director, AWS No. 26-400049, dated August 30, 1999. On December 1, 2004 Sahuarita
2 (then known as Rancho Sahuarita Water Company) was designated as having an assured water
3 supply in Decision and Order AWS 2004-004, No. 26-401203.0000.

4 **B. Water Demands**

- 5 5. Sahuarita's current demand as of calendar year 2007 is 1,252.50 acre-feet per year ("current
6 demand").
- 7 6. Sahuarita's committed demand as of calendar year 2007 is 550.49 acre-feet per year ("committed
8 demand").
- 9 7. Sahuarita's projected demand in 2034 is 9,180.01 acre-feet per year ("2034 projected demand").
10 The 2034 projected demand does not include the current demand or the committed demand, but
11 does include the annual demand at build-out of plats reasonably projected to be approved
12 through calendar year 2034.
- 13 8. Sahuarita's annual estimated water demand in 2034, which is the sum of its current demand,
14 committed demand and 2034 projected demand, is 10,983.00 acre-feet per year ("2034 annual
15 estimated water demand").

16 **C. Groundwater: Physical, Continuous and Legal Availability and Consistency with the**
17 **Management Goal**

- 18 9. Sahuarita has the right to withdraw and deliver groundwater to its customers pursuant to service
19 area right No. 56-000373.0000.
- 20 10. Historic hydrologic information demonstrates that the depth-to-static water levels within the
21 Sahuarita service area currently range from approximately 261 feet to 413 feet below land
22 surface.
- 23 11. Sahuarita has demonstrated that after withdrawing 10,983.00 acre-feet per year of groundwater
24 for 100 years, the depth-to-static water level within Sahuarita's service area is not expected to
25 exceed 1,000 feet below land surface.
- 26 12. As of the date of this Decision and Order, Sahuarita's current groundwater allowance pursuant to
27 A.A.C. R12-15-727(A)(2) is 13,908.03 acre-feet, or an annual average of approximately 139.08
28 acre-feet per year over a 100-year period.
- 29 13. Pursuant to A.A.C. R12-15-727(A)(4), the Director shall add a volume of incidental recharge to
30 Sahuarita's groundwater allowance each calendar year based on its total water use from any

1 source in the previous calendar year. Sahuarita's incidental recharge volume for calendar year
2 2007 is 39.4 acre-feet.

3 14. Sahuarita is a member service area of the Central Arizona Groundwater Replenishment District
4 ("CAGRDR"). The July 26, 1999 Member Service Area Agreement ("Agreement") does not limit
5 the volume of excess groundwater as defined in the Agreement. Although the Agreement is
6 between Interchange Water Company, Inc. and the CAGRDR, it is applicable to Sahuarita as
7 Interchange's successor in interest.

8 15. The Director has made a determination, which has not expired, that the most recent CAGRDR Plan
9 of Operation is consistent with achieving the management goal of the Tucson AMA.

10 16. As of the date of this Decision and Order, the CAGRDR is in compliance with its groundwater
11 replenishment obligation for the Tucson AMA.

12 17. Sahuarita has demonstrated that it has wells of sufficient capacity to satisfy its 2034 annual
13 estimated water demand of 10,983.00 acre-feet per year for at least 100 years.

14 15 **D. Consistency with the Management Plan**

16 18. Sahuarita is currently regulated as a large municipal provider under the Municipal Conservation
17 Program in the Third Management Plan for the Tucson AMA ("Management Plan"). As of the
18 date the application was filed, Sahuarita has not been found to be out of compliance with the
19 Management Plan.

20 **E. Water Quality**

21 19. Sahuarita is regulated by the Arizona Department of Environmental Quality ("ADEQ") as a public
22 water system, pursuant to A.R.S. §§ 49-351, *et seq.*

23 **F. Financial Capability**

24 20. Sahuarita has constructed a portion of the necessary delivery system and storage facilities
25 necessary to satisfy its annual estimated water demand in 2034.

26 21. The ACC has approved Sahuarita's application for an extension of the Certificate of Convenience
27 and Necessity to provide water service in Pima County in Opinion and Order, Decision No.
28 70620, dated November 19, 2008. This finding incorporates a finding that Sahuarita has the
29 financial capability to construct adequate delivery, storage and treatment works to satisfy its
30 estimated water demand.

1 **III. CONCLUSIONS OF LAW**

2 Having reviewed the Findings of Fact, the Department makes the following Conclusions of Law:

- 3 1. Sahuarita has demonstrated that 10,983.00 acre-feet per year of groundwater will be physically,
4 continuously and legally available for at least 100 years. This volume, 10,983.00 acre-feet per
5 year, is equivalent to Sahuarita's 2034 annual estimated water demand of 10,983.0 acre-feet per
6 year.
- 7 2. For purposes of A.A.C. R12-15-716(B)(3)(c)(ii), Sahuarita's annual estimated water demand that
8 will be met with groundwater is 10,983.00 acre-feet per year.
- 9 3. In accordance with the requirements of A.A.C. R12-15-722, Sahuarita has demonstrated that its
10 projected use of groundwater is consistent with the management goal of the Tucson AMA.
- 11 4. The water supply served by Sahuarita will be of adequate quality, pursuant to A.A.C. R12-15-719.
- 12 5. In accordance with A.A.C. R12-15-721, Sahuarita meets the standard established for determining
13 consistency with the Management Plan for the Tucson AMA.
- 14 6. Sahuarita has satisfied the financial capability criteria in A.A.C. R12-15-720.
- 15 7. Sahuarita has satisfied all requirements for a designation of assured water supply.

16
17 **IV. ORDER OF DESIGNATION AND CONDITIONS OF DESIGNATION**

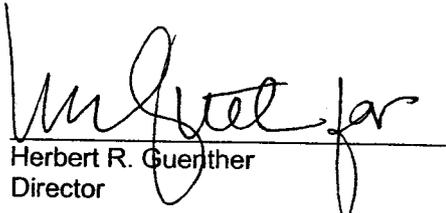
18 Having reviewed the Findings of Fact and Conclusions of Law, the Department hereby issues this
19 Decision and Order designating Sahuarita Water Company, LLC as having an assured water supply,
20 subject to the following conditions:

- 21 1. The Director reserves the right under A.A.C. R12-15-711(C) to periodically review and modify the
22 designation for good cause as conditions warrant.
- 23 2. Pursuant to A.A.C. R-12-15-711(F), the Director may at any time revoke this designation if the
24 findings of fact or the conclusions of law upon which the designation is based change or are
25 invalid, or if an assured water supply no longer exists.
- 26 3. The Director's determination that an assured water supply exists for Sahuarita is based on its
27 review of the water supplies pledged by Sahuarita.
- 28 4. Sahuarita shall submit an application to modify this decision and order designating Sahuarita as
29 having an assured water supply to increase the term of the designation when the sum of
30 Sahuarita's current demand, committed demand and two-year projected demand exceeds
10,983.00 acre-feet per year, or by December 31, 2032, whichever is earlier.

- 1 5. Pursuant to A.A.C. R12-15-719, Sahuarita shall satisfy any state water quality requirements
- 2 established for its proposed use after the date of this designation.
- 3 6. Sahuarita shall annually provide to the Department the following information for the previous
- 4 calendar year in the manner prescribed in A.A.C. R12-15-711(A):
- 5 a. An estimate of the demand of platted, undeveloped lots located in Sahuarita's service area.
- 6 b. The projected demand at build-out for customers with which Sahuarita has entered into a
- 7 notice of intent to serve agreement in the preceding calendar year.
- 8 c. A report regarding Sahuarita's compliance with water quality requirements.
- 9 d. The depth-to-static water level of all wells from which Sahuarita withdrew water during the
- 10 previous calendar year.
- 11 e. Any other information requested by the Director to determine whether Sahuarita is continuing
- 12 to meet all the requirements necessary to maintain this designation of assured water supply.
- 13

14 **IT IS HEREBY ORDERED THAT SAHUARITA WATER COMPANY, LLC BE DESIGNATED AS**
15 **HAVING AN ASSURED WATER SUPPLY UNTIL DECEMBER 31, 2034.**

16
17 DATED this 27th day of January, 2009


Herbert R. Guenther
Director

18
19
20
21 A copy of the foregoing
22 **Decision and Order** mailed
23 by certified mail this
28th day of January,
2009 to the following:

24
25 Certified Mail No. 7006 2760 0002 4885 1510
26 Sent by: R. Olenstein

27 Mr. Mark Seamans
28 Sahuarita Water Company, LLC
29 P. O. Box 1520
30 Sahuarita, AZ 85629

1 A copy of the foregoing sent by
2 electronic mail this 28th day
3 of *January*, 2009, to:

4 Mr. Robert Sharpe
5 Sharpe & Associates, Inc.
6 4549 E. Fort Lowell Road
7 Tucson, AZ 85712

8 Ms. Cindy Ferrin
9 Arizona Department of Real Estate
10 2910 N. 44th Street
11 Phoenix, AZ 85018

12 Mr. Cliff Neal
13 Central Arizona Groundwater Replenishment District
14 P.O. Box 43020
15 Phoenix, AZ 85080

16 Mr. Jeff Tannler
17 Tucson AMA
18 400 W. Congress, Suite 518
19 Tucson, AZ 85701

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