

ORIGINAL

OPEN MEETING AGENDA ITEM



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Governor

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Director

ARIZONA DEPARTMENT OF WATER RESOURCES

2009 NOV 16 P 1:20

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

November 16, 2009

Chairman Kristin K. Mayes
Commissioner Gary Pierce
Commissioner Paul Newman
Commissioner Sandra D. Kennedy
Commissioner Bob Stump

Arizona Corporation Commission
DOCKETED

NOV 16 2009

Arizona Corporation Commission
Commissioners Wing
1200 W. Washington
Phoenix, Arizona 85007

DOCKETED BY *MM*

**Re: Belmont CC&N Revocation
WATER UTILITY OF GREATER TONOPAH, INC. AND HASSAYAMPA
UTILITIES COMPANY, INC. – RESPONSE TO REPLY IN SUPPORT OF
MOTION FOR EXTENSION OF TIME (Docket nos. W02450A-06-0626
AND SW-20422A-06-0566)**

Dear Commissioners:

As a fellow state regulator, I have followed and am familiar with the complexity of the issues the ACC faces. But as someone who works in Arizona's water sector, I am writing to voice my concern with the Commission's recommended opinion and order on Global Water's Certificate of Convenience and Necessity (CC&N) in the Lower Hassayampa Sub-basin, including the Belmont area.

This area has been home to intense dispute and concern for the Department of Water Resources. In the absence of sustainable water practices the long-term sustainability of this area is in jeopardy. Hydrologic modeling and the Department's review have demonstrated that there is insufficient groundwater to meet the anticipated demand of all the proposed developments without integrated water, wastewater and recycled water, long-term regional planning, and a holistic approach to water supply. There is simply not enough groundwater.

The Department has been working tirelessly with area developers and water providers (including Global Water and the Town of Buckeye) to establish the protocols necessary to achieve sustainability. This has not been an easy task. I fear that the Commission's

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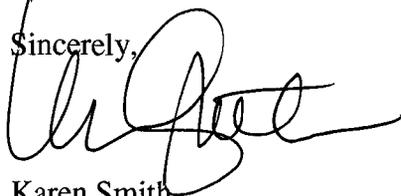
proposed action will unravel these extensive negotiations, and cause a chain-reaction of conversion of Analyses of Assured Water Supply to Certificates of Assured Water Supply. This will seriously cripple a major future employment corridor for the Phoenix area.

In order to achieve sustainability, Global needs the flexibility that only a Designation of Assured Water Supply can provide. Allowing Global to move forward with its Designation of Assured Water Supply is a significant opportunity to move closer to sustainability by maximizing water reuse, recycling and recharge. Absent approval of the CC&N, however, those opportunities cannot be realized. Worse, I expect that we would see a rush of small, developer-centric utilities and systems that will not achieve our long-term water sustainability goals.

In closing, because the Department requires a CC&N to approve a Designation of Assured Water Supply, I urge you to reconsider the proposed action on the CC&N – regional planning takes time to achieve. The benefits to our state of large-scale infrastructure and consolidated approaches to water, wastewater and recycled water use are immeasurable.

I would be pleased to appear at the open meeting to discuss this docket.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen Smith', written over a horizontal line.

Karen Smith
Deputy Director