

ORIGINAL

James M. Cavanaugh
Mayor



0000115960

RECEIVED

2010 AUG 30 A 10:33

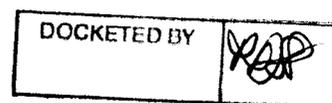
ALL DOCUMENTS MUST BE
DOCKET CONTROL

August 25, 2010

The Honorable Kristen K. Mayes – Chairperson
The Honorable Gary Pierce – Commissioner
The Honorable Bob Stump – Commissioner
The Honorable Sandra D. Kennedy – Commissioner
The Honorable Paul Newman – Commissioner
The Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ. 85007-2996

Arizona Corporation Commission
DOCKETED

AUG 30 2010



**RE: IN THE MATTER OF THE APPLICATION OF THE ADAMAN MUTUAL WATER
COMPANY FOR APPROVAL TO ISSUE STOCK - DOCKET NO. W-01997A09-0297**

Dear Madam Chair and Commissioners:

This letter is being written in support of the Adaman Mutual Water Company's ("AMWC") First Amended Application For Approval To Issue Stock Pursuant To The Agreement And Plan Of Reorganization submitted to the Arizona Corporation Commission on June 12, 2009.

The AMWC and the City of Goodyear ("City") successfully negotiated a Bulk Water Delivery Agreement ("Agreement") that was approved by both the AMWC Board of Directors and the Mayor and Council. We feel strongly that there is significant benefit that accrues to both parties. Capital is being provided to the AMWC for water quality remediation to comply with newly adopted Federal arsenic standards and for enhancement of its potable water delivery system in order to meet current and future demands. In return, the City receives a safe, reliable, affordable water supply to add to its water portfolio. There are significant, enumerated safeguards to ensure that deliveries made pursuant to the Agreement do not adversely impact either water supply or water quality for landowners within the AMWC. The City agrees to transfer ownership of water development and treatment infrastructure to Adaman after construction is completed. All operation and maintenance costs attributed to City related water deliveries will be paid for in full by Goodyear. An administrative fee is paid which will generate additional revenues for the AMWC.

Our position is that Arizona Revised Statutes and State Attorney General Opinions allows for this lawful stock issuance; that the AMWC will continue to be a fit and proper entity to provide water service to its landowners after the reorganization; that reorganization will allow for distributions to shareholders in the event of dissolution or condemnation; that the provisions of the Bulk Water Delivery Agreement will substantially improve ability to serve current and future customers in a cost effective manner; and, that the public interest in general is positively served. The City fully supports the ACC Staff Report and the positions, arguments and related filings that have been made by Ms. Michele Van Quathem on behalf of the AMWC, including those taken at the August 17, 2010 hearing before Judge Martin.

Office of the Mayor

190 N. Litchfield Road, Goodyear, AZ 85338

623-882-7776 • Fax 623-932-4249 • TDD 623-932-6500 • www.goodyearaz.gov



2008

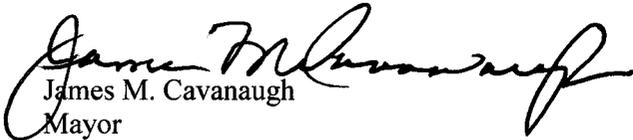


The Arizona Corporation Commission
August 25, 2010
Page 2

It is incumbent upon public and private utilities, in compliance with and in cooperation of the regulatory agencies, to find creative and innovative ways to construct partnerships for development of sustainable water supplies and to protect public health and the financial interests of taxpayers, landowners and shareholders.

If you have any questions or would like any additional information, please do not hesitate to contact David Iwanski, Water Resources Manager. He can be reached by phone (623) 882-7062 or via email diwanski@goodyearaz.gov.

Sincerely,


James M. Cavanaugh
Mayor

cc: Steven M. Olea, Director – Utilities Division
Janice Alward, Chief Legal Counsel – Legal Division
Lyn A. Farmer, Chief Administrative Law Judge – Hearing Division
John Fischbach, City Manager – City of Goodyear
Mark Gaillard, Interim Deputy City Manager – City of Goodyear
Roric Massey, City Attorney – City of Goodyear
Charles McDowell, Public Works Director – City of Goodyear
Jerald A. Postema, Public Works Deputy Director, Environmental Services – City of Goodyear
David Iwanski, Water Resources Manager – City of Goodyear
Michelle Van Quathem, Ryley, Carlock & Appelwhite
File copy