

ORIGINAL

OPEN MEETING ITEM



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COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS



ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

MAR 31 2011

DATE: MARCH 31, 2011
DOCKET NO.: SW-20422A-05-0659
TO ALL PARTIES:

DOCKETED BY 

Enclosed please find the recommendation of Administrative Law Judge Sarah N. Harpring. The recommendation has been filed in the form of an Order on:

HASSAYAMPA UTILITIES COMPANY, INC.
(EXTENSION OF TIME DEADLINE CONTAINED
IN DECISION NO. 68922 AND AMENDED IN DECISION NO. 70613)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

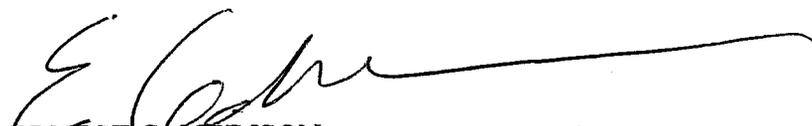
APRIL 11, 2011

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

APRIL 27, 2011 and APRIL 28, 2011

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

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ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- GARY PIERCE - Chairman
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

IN THE MATTER OF THE APPLICATION
 OF HASSAYAMPA UTILITIES COMPANY,
 INC. FOR A CERTIFICATE OF CONVENIENCE
 AND NECESSITY.

DOCKET NO. SW-20422A-05-0659
 DECISION NO. _____

**ORDER EXTENDING TIME
 DEADLINE CONTAINED IN
 DECISION NO. 68922 AND
 AMENDED IN DECISION NO. 70613**

Open Meeting
 April 27 and 28, 2011
 Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

* * * * *

FINDINGS OF FACT

1. Pursuant to a Certificate of Convenience and Necessity ("CC&N") granted in Decision No. 68922 (August 29, 2006), Hassayampa Utilities Company, Inc. ("Hassayampa") is authorized to provide public wastewater utility service to the Hassayampa Ranch subdivision ("Hassayampa Ranch"), which is being developed in Maricopa County in an area west of the Town of Buckeye and approximately three miles north of Interstate 10.

2. Hassayampa is a wholly owned subsidiary of Global Water Resources, Inc. ("Global"), and was formed expressly to provide wastewater utility service to Hassayampa Ranch. (Decision No. 68922 at 2.) Water utility service in Hassayampa Ranch is to be provided by Water Utility of Greater Tonopah ("WUGT"), another Global subsidiary.

3. In Decision No. 68922, the Commission ordered Hassayampa to file with the

1 Commission's Docket Control, by July 31, 2007, as a compliance item in this docket, copies of the
2 Approval to Construct ("ATC") issued by the Maricopa County Environmental Services Department
3 ("MCESD") for the proposed Phase I treatment plant and sewer collection system.

4 4. In Decision No. 68922, the Commission also ordered Hassayampa to file with the
5 Commission's Docket Control, by April 30, 2008, as a compliance item in this docket, copies of the
6 Approval of Construction ("AOC") issued by MCESD for the proposed Phase I treatment plant and
7 sewer collection system.

8 5. On April 30, 2007, Hassayampa filed a Motion requesting, *inter alia*, that the
9 compliance filing deadlines for the ATC and AOC be extended by one year. Hassayampa's Motion
10 was granted through a Procedural Order issued on June 18, 2007.

11 6. On July 31, 2008, Hassayampa filed a second Motion for an extension of time, which
12 was ultimately amended to request that the filing deadlines for the ATC and AOC be extended to
13 December 31, 2010, and December 31, 2011, respectively. Hassayampa informed Staff during the
14 pendency of its second Motion that it would be receiving separate ATCs and AOCs for the Phase I
15 wastewater treatment plant and the Phase I collection system.

16 7. In Decision No. 70613 (November 19, 2008), consistent with recommendations from
17 the Commission's Utilities Division ("Staff"), the Commission granted Hassayampa the extensions
18 requested in the second Motion. The Commission found that the slump in real estate sales and
19 housing construction had restricted Hassayampa's ability to design and construct the collection
20 system because it was unclear where the first phase of Hassayampa Ranch would be built. The
21 Commission also found that Hassayampa had spent more than \$995,000 toward the permitting and
22 completion for the Phase I development of wastewater facilities. Although Staff had recommended
23 that no further extensions be granted, the Commission instead ordered that any further extensions of
24 time to file the ATCs and AOCs would not be granted absent extraordinary circumstances.

25 8. On December 30, 2010, Hassayampa filed a Motion for Extension of Time ("third
26 Motion"), requesting that the deadlines for filing the ATCs and AOCs be extended by two years, to
27 December 31, 2012, and December 31, 2013, respectively. Hassayampa explained that the
28 extensions are necessary because of the "well-known downturn in Arizona's real estate market,"

1 which Hassayampa characterized as especially hard on the west valley area of metropolitan Phoenix.
2 Hassayampa asserted that the Commission has granted numerous similar extensions due to the real-
3 estate downturn, one of which was granted to WUGT for Hassayampa Ranch in Decision No. 71711
4 (June 3, 2010).¹ Hassayampa further stated that because Hassayampa and WUGT will provide
5 integrated water, wastewater, and recycled water services to Hassayampa Ranch and will closely
6 coordinate their operations and construction schedules, it makes sense to extend Hassayampa's
7 deadlines to match WUGT's remaining deadline from Decision No. 71711, which is now December
8 31, 2012.

9 9. On March 3, 2011, Hassayampa filed a March 2, 2011, letter signed by Craig L.
10 Krumwiede as President of CLK, Inc., the manager of Hassayampa Management, LLC ("HML"),
11 requesting that the letter be accepted as a request from Hassayampa Ranch (Phoenix) ASLIV,
12 L.L.L.P. for Hassayampa to provide wastewater services to the Hassayampa Ranch development.
13 The letter states that although there have been delays in the development of Hassayampa Ranch due
14 to current economic conditions, HML believes that the area is a prime location for growth in the near
15 future and continues to develop the property pursuant to its approved Development Master Plan.

16 10. On March 11, 2011, Staff filed a Memorandum stating that Staff does not object to
17 Hassayampa's third Motion and recommending that the due dates for the ATCs and the AOCs be
18 extended as requested by Hassayampa. Staff further recommended that no further extensions of time
19 be granted in this matter.

20 11. In light of the severe economic downturn that has affected development in Arizona for
21 the past several years; the developer's continued intent to complete the Hassayampa Ranch
22 development and continued desire for Hassayampa to provide wastewater utility service to
23 Hassayampa Ranch; and our extension, to December 31, 2012, of a WUGT compliance filing for
24 Hassayampa Ranch, it is reasonable to extend Hassayampa's ATC and AOC filing deadlines as
25 requested in its third Motion. Thus, we will allow Hassayampa to make its ATC compliance filings

26 ¹ In Decision No. 71711, issued in the docket for WUGT's CC&N extension to provide water utility service to
27 Hassayampa Ranch, the Commission granted WUGT a third extension of time, until December 31, 2012, to file a copy of
28 the developer's Certificate of Assured Water Supply for the Hassayampa Ranch area, originally required (by Decision
No. 68307 (November 14, 2005)) to be filed by November 14, 2006, and previously extended to be due by September 23,
2008, and then by May 16, 2010.

1 for the CC&N area by December 31, 2012, and its AOC compliance filings for the CC&N area by
 2 December 31, 2013. In addition, rather than mandating that no further extensions of time be granted
 3 for the compliance filings in this matter, we will again require Hassayampa to demonstrate
 4 extraordinary circumstances in any future requests for extensions of time to comply with Decision
 5 No. 68922, as this requirement will best allow the Commission to exercise its authority to serve the
 6 public interest.

CONCLUSIONS OF LAW

- 8 1. Hassayampa is a public service corporation within the meaning of Article XV of the
 9 Arizona Constitution and A.R.S. §§ 40-252, 40-281, and 40-282.
- 10 2. The Commission has jurisdiction over Hassayampa and the subject matter of
 11 Hassayampa's third Motion.
- 12 3. Staff's recommendation to extend Hassayampa's compliance filing deadlines for the
 13 ATCs and AOCs for the Phase I wastewater treatment facility and sewer collection system to service
 14 its CC&N service area, required to be filed under Decision No. 68922, as amended by Decision No.
 15 70613, is reasonable and should be followed.

ORDER

17 IT IS THEREFORE ORDERED that Hassayampa Utilities Company, Inc. is hereby granted
 18 the following extensions of time to file with the Commission's Docket Control, as compliance items
 19 in this docket, the Approvals to Construct and Approvals of Construction required to be filed by
 20 Decision No. 68922 (August 29, 2006), as amended by Decision No. 70613 (November 19, 2008):

Document	Current Deadline	Extended Deadline
22 Approval to Construct for 23 Phase I Wastewater Treatment 24 Facility	December 31, 2010	December 31, 2012
25 Approval to Construct for 26 Phase I Collection System	December 31, 2010	December 31, 2012
27 Approval of Construction for 28 Phase I Wastewater Treatment Facility	December 31, 2011	December 31, 2013
Approval of Construction for Phase I Collection System	December 31, 2011	December 31, 2013

1 IT IS FURTHER ORDERED that all other requirements of Decision No. 68922, as previously
2 amended by the Commission, shall remain in effect.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
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6

7 CHAIRMAN _____ COMMISSIONER

8
9 COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER

10 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
11 Executive Director of the Arizona Corporation Commission,
12 have hereunto set my hand and caused the official seal of the
13 Commission to be affixed at the Capitol, in the City of Phoenix,
14 this _____ day of _____, 2011.

15 _____
16 ERNEST G. JOHNSON
17 EXECUTIVE DIRECTOR

18 DISSENT _____

19 DISSENT _____
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1 SERVICE LIST FOR: HASSAYAMPA UTILITIES COMPANY, INC.

2
3 DOCKET NO.: SW-20422A-05-0659

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