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8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9 **COMMISSIONERS**

10 **GARY PIERCE, Chairman**
11 **SANDRA D. KENNEDY**
12 **PAUL NEWMAN**
13 **BOB STUMP**
14 **BRENDA BURNS**

15 **IN THE MATTER OF THE APPLICATION**
16 **OF ARIZONA-AMERICAN WATER**
17 **COMPANY, AN ARIZONA**
18 **CORPORATION, FOR A**
19 **DETERMINATION OF THE CURRENT**
20 **FAIR VALUE OF ITS UTILITY PLANT**
21 **AND PROPERTY AND FOR INCREASES**
22 **IN ITS RATES AND CHARGES BASED**
23 **THEREON FOR UTILITY SERVICE BY**
24 **ITS ANTHEM/AGUA FRIA**
25 **WASTEWATER DISTRICT, SUN CITY**
26 **WASTEWATER DISTRICT, AND SUN**
27 **CITY WEST WASTEWATER DISTRICT**

Docket No. W-01303A-09-0343
SW-01303A-09-0343

DMB White Tank, LLC's
Direct Testimony

28 DMB White Tank, LLC through its undersigned counsel, hereby provides notice of filing the Direct Testimony of David Nilsen in the above-referenced matter.

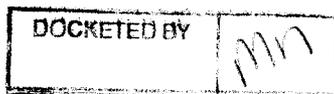
DATED this 16th day of August 2011.

RYLEY CARLOCK & APPLEWHITE

Arizona Corporation Commission

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AUG 16 2011



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1 ORIGINAL and 13 copies of the foregoing
2 filed this 16th day of August, 2011, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

7 COPY of the foregoing mailed this
8 16th day of August, 2011, to:

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By 

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

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3 GARY PIERCE, Chairman
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18 WASTEWATER DISTRICT, SUN CITY
19 WASTEWATER DISTRICT, AND SUN
20 CITY WEST WASTEWATER DISTRICT

21 **Direct Testimony**

22 **of**

23 **David Nilsen**

24 **on behalf of DMB White Tank, LLC**

25 **August 16, 2011**

1 **Q. Please state your name, position, business address, and telephone number.**

2 A. My name is David Nilsen. I am Director of Development for DMB Associates. I am
3 responsible for development activities in the Verrado master planned community, and the
4 operation of subsidiary entities relating to Verrado, including DMB White Tank, LLC
5 (collectively "DMB"). My business address is 7600 E. Doubletree Ranch Road, Suite
6 300, Scottsdale, Arizona 85258-2137. My telephone number is (480) 367-7000.

7 **Q. Have you previously testified before the Commission?**

8 A. Yes. I testified in Arizona-American Water Company's ("Arizona-American's") ongoing
9 water rate case, case number W-01303A-10-0448.

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is to describe DMB's interest as an Intervenor in this case.
12 In particular, I am describing DMB's understandings regarding the sewer rates it pays in
13 Arizona-American's Anthem/Agua Fria Wastewater District.
14

15 **Q. Please describe the business of DMB as it relates to this case.**

16 A. DMB is developing the Verrado master planned community, including contracting for
17 construction of much of the major infrastructure. DMB is a customer of Arizona-
18 American's Anthem/Agua Fria Wastewater District in that it pays for sewer service and
19 purchases effluent generated by the Verrado Wastewater Plant for use on the Raven Golf
20 Club at Verrado golf course and for construction uses.

21 **Q. Does DMB have an opinion regarding the effluent rate in this case?**

22 A. Yes. DMB requests that the effluent rate remain at the current amount set in the earlier
23 Decision in this matter, Decision No. 72047 (\$250 per acre-foot), for all the reasons cited
24 in DMB's earlier testimony and filings in this case. *See, for example, DMB's closing*
25 *briefs filed on July 16, 2010 and August 6, 2010.* Arizona-American's April 1, 2011
26
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1 compliance application proposes the effluent rate remain at \$250 per acre-foot, and we
2 agree.

3 **Q. Does DMB have an opinion regarding the proposed deconsolidation of the**
4 **Anthem/Agua Fria Wastewater District in this case?**

5 A. Yes. DMB agrees with the Verrado Community Association, Inc. that the Anthem/Agua
6 Fria Wastewater District should remain consolidated at least until a future rate case where
7 the parties will have the opportunity to fully evaluate the proposed rate increase and
8 further consolidation proposals.

9 **Q. Does this conclude your testimony in this case?**

10 A. Yes.
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