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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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2012 FEB - 1 P 4: 15

AZ CORP COMMISSION
DOCKET CONTROL

FEB - 7 2012

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IN THE MATTER OF THE APPLICATION OF
BALTERRA SEWER CORP. FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WASTEWATER
SERVICE IN MARICOPA COUNTY, ARIZONA.

DOCKET NO. SW-20403A-05-0586

**NOTICE OF FILING
(COMPLIANCE)**

Decision No. 68742 (June 5, 2006) requires Balterra Sewer Corp. ("Balterra") to file annual reports describing Balterra's "progress toward working with the water company for the requested area, Water Utility of Greater Tonopah, to increase the use of effluent specifically as it pertains to golf courses, ornamental lakes or other aesthetic water features."¹ These annual reports continue until the Balterra's next general rate case. Accordingly, Balterra provides this report.

The Commission required this report because, at the time Balterra's CC&N was issued, Balterra was a developer-controlled entity that was not affiliated with Water Utility of Greater Tonopah ("Greater Tonopah"). The Commission was concerned that the recycled water (effluent) generated by Balterra might not be used to reduce water use by Greater Tonopah, because there was no relationship between the water utility and the wastewater utility. This condition was proposed by Mayes Proposed Amendment No. 1, filed in this docket on May 30, 2006. The order was considered at the May 31, 2006 open meeting; during this meeting the Commission adopted Mayes Proposed Amendment No. 1 as part of Decision No. 68742.

The separate ownership that concerned the Commission no longer exists. Global Water, Inc. acquired the stock of Balterra Sewer Corp in a transaction that was approved by the Commission in April 2008. Global Water, Inc. also owns the stock of Greater Tonopah. Greater

¹ Decision No. 68742 at page 12, lines 7 to 9.

1 Tonopah holds the certificate of convenience and necessity (CC&N) for water service for the area
2 covered by Balterra's wastewater CC&N. Thus, Balterra and Greater Tonopah are now under
3 common ownership and management, and they will provide integrated water, wastewater, and
4 recycled water service. In its order approving Global's acquisition of Balterra's stock, the
5 Commission explained that "[h]aving the same company provide both water and wastewater
6 service in the same service area is advantageous to all parties and the Commission should approve
7 the acquisition...."²

8 As noted in Balterra's May 8, 2009 compliance filing, Balterra and Greater Tonopah will
9 use Global's "Total Water Management" approach for the WUGT / Balterra service area. This
10 approach includes extensive use of recycled water. For more information about Total Water
11 Management, please see Global's Total Water Management White Paper, which can be found at
12 this link: <http://www.gwresources.com/pdf/twm.pdf>. Global also provided information about its
13 Total Water Management plan in the pending Global rate case (SW-20445A-09-0077 et al), and in
14 the large CC&N case for the area adjacent to Balterra (W-02450A-06-0626 et al). Total Water
15 Management includes providing recycled water for "golf courses, ornamental lakes or other
16 aesthetic water features" as contemplated by Decision No. 68742.³

17 Balterra's service area is located in the Hassayampa Sub-Basin. A coordinated regional
18 water resources management plan is needed for this area, including the extensive use of recycled
19 water. Global's acquisition of Balterra's stock allows Global to extend Total Water Management
20 to Balterra's service area. In conjunction with the Hassayampa Utility Company (also owned by
21 Global Water, Inc.) and Greater Tonopah, Global has prepared a detailed water resources plan that
22 includes extensive use of recycled water for the service areas of Balterra, Greater Tonopah and
23 Hassayampa Utility Company. This plan was prepared as part of Tonopah's pending application
24 for a Designation of Assured Water Supply from the Arizona Department of Water Resources
25

26 _____
27 ² Decision No. 70310 (April 24, 2008) at page 4, lines 21 to 23.

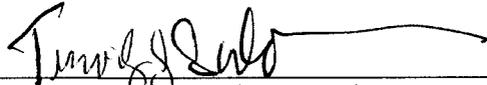
³ Decision No. 68742 at page 12, lines 7 to 9.

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1 (ADWR). ADWR is conducting an extensive, regional planning process for the Hassayampa Sub-
2 Basin.

3 RESPECTFULLY SUBMITTED this 7th day of February 2012.

4 ROSHKA DEWULF & PATTEN, PLC

5
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12 Original + 13 copies of the foregoing
13 filed this 7th day of February 2012, with:

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By *Brian Bozzo*