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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF  
BLACK MOUNTAIN SEWER CORPORATION,  
AN ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANT AND PROPERTY AND  
FOR INCREASES IN ITS RATES AND  
CHARGES FOR UTILITY SERVICE BASED  
THEREON

Docket No. SW-02361A-08-0609

**Notice of Filing Testimony in Response  
to Direct Testimony**

Wind P1 Mortgage Borrower L.L.C., doing business as The Boulders Resort and Golden Door Spa (the "Resort"), by and through its undersigned attorneys, respectfully submits the attached Responsive Testimony of Dean Hunter pursuant to the Procedural Order docketed March 8, 2012, for consideration by the Commission.

DATED this 6<sup>th</sup> day of April, 2012.

RYLEY CARLOCK & APPLEWHITE

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Arizona Corporation Commission  
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1 ORIGINAL and 13 copies of the foregoing  
2 filed this 6<sup>th</sup> day of April, 2012, with:

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

7 COPY of the foregoing mailed this  
8 6<sup>th</sup> day of April, 2012, to:

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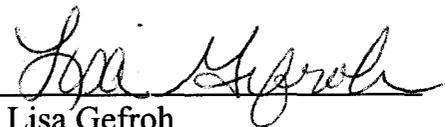
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Lisa Gefroh

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 GARY PIERCE, Chairman  
4 SANDRA D. KENNEDY  
5 PAUL NEWMAN  
6 BOB STUMP  
7 BRENDA BURNS

Docket No. SW-02361A-08-0609

7 IN THE MATTER OF THE APPLICATION  
8 OF BLACK MOUNTAIN SEWER  
9 CORPORATION, AN ARIZONA  
10 CORPORATION, FOR A  
11 DETERMINATION OF THE FAIR VALUE  
12 OF ITS UTILITY PLANT AND PROPERTY  
13 AND FOR INCREASES IN ITS RATES  
14 AND CHARGES FOR UTILITY SERVICE  
15 BASED THEREON

13 **Responsive Testimony**

14 **of**

15 **Dean Hunter**

16 **on behalf of Wind P1 Mortgage Borrower, L.L.C.**

17 **d/b/a The Boulders Resort and Golden Door Spa**

18 **April 6, 2012**



1 **Q1. Please state your name, address, and occupation.**

2 A1. My name is Dean Hunter. My business address is 34361 N. Tom Darlington Drive,  
3 Carefree, Arizona. I am employed by Waldorf Astoria LLC, the manager of The  
4 Boulders Resort and Golden Door Spa (the "Resort"). I am the Golf Course  
5 Superintendent for the Resort.

6 **Q2. Have you previously testified before the Arizona Corporation Commission?**

7 A2. Yes, I provided written Direct Testimony in this matter on March 16, 2012.

8 **Q3. Please describe the purpose of your responsive testimony.**

9 A3. The purpose of my testimony is to respond to Mr. Sorenson's statements regarding the  
10 Resort's evaluation of storage alternatives, and respond to Mr. Sorenson's description of  
11 the intermittent plant operation alternative.

12 **Q4. Mr. Sorenson testified in his March 16, 2012 Direct Testimony that Black Mountain  
13 provided storage information to the Resort, but never heard anything further about  
14 that possible alternative. Why has storage not been pursued?**

15 A4. We have not identified a workable storage solution. The Resort's investigation of the  
16 various alternatives has been a learning process. Early in our discussions, we thought that  
17 we might be able to do without Black Mountain's effluent if the Resort had additional  
18 storage on the property to get through just two months of the year, and that is roughly  
19 when we looked at the options provided by Black Mountain's engineer. We were looking  
20 at at least a 28-day storage option to cover each of those two months, and identified very  
21 large storage basin with 28-day storage. Now that we have studied the historic water  
22 supply needs more, however, we understand that we would still likely experience periodic  
23 shortages even with the additional 28-day storage facility due to the variability in our  
24 watering needs from May through October. In other words, we would have instances  
25 where we would empty a new large storage facility, but the Resort would not have access  
26 to water to fill the facility to get through the next period. In order to make the potential  
27 for shortages manageable, we now believe that the Resort will need a consistent  
28

1 minimum of six months of additional water supply availability, approximately 11 acre-  
2 feet per month, in addition to our existing Scottsdale RWDS pipeline capacity. The  
3 storage capacity required to cover the longer period would be just huge, and we would  
4 still have all those other concerns such as where we get the additional water supply,  
5 evaporation, additional pumping and aeration costs, and smells and other management  
6 concerns associated with maintaining the storage facilities.

7 **Q5. Mr. Sorenson also testified that Black Mountain reviewed possibly keeping the**  
8 **Black Mountain wastewater treatment plant open for only two months a year.**  
9 **Would this work from the Resort's perspective?**

10 A5. No. As I stated in the previous response, we will need access to water in addition to our  
11 RWDS water for six months each year, so the plant would have to be open for as long as  
12 six months each year.

13 **Q6. Does this conclude your responsive testimony?**

14 A6. Yes.

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