

ORIGINAL

MEMORANDUM



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TO: Docket Control Center

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FROM: Steven M. Olea  
Director  
Utilities Division

2012 APR 30 A 11: 23

Arizona Corporation Commission

DOCKETED

APR 30 2012

DATE: April 30, 2012

DOCKETED BY  
TJM

RE: BACA FLOAT WATER COMPANY (SEWER DIVISION) – REQUEST FOR SECOND EXTENSION OF COMPLIANCE DEADLINE (DOCKET NO. WS-01678A-07-0459)

In Decision No. 70290, dated April 24, 2008, the Arizona Corporation Commission (“Commission”) approved the application of Baca Float Water Company – Sewer Division (“Baca Float” or “Company”) for an extension of its wastewater Certificate of Convenience and Necessity (“CC&N”) in Santa Cruz, County.

As part of Decision No. 70290, the Commission ordered Baca Float to do the following:

“... file with Docket Control, as a compliance item in this docket, within two years of the effective date of the Decision in this matter, copies of the General Permits for the wetland treatment facility and the collection system for the development in the requested area.”

Based on the April 24, 2008 docket date of Decision No. 70290, the original due date for this item was on or about April 24, 2010.

On April 9, 2010, Boca Float docketed a “motion for extension of time to file compliance item”, in which they requested a two year extension of time, until April 24, 2012 for provision of the General Permits outlined above. Staff docketed its response on April 23, 2010, and did not object to the Company motion. On June 3, 2010, the Commission issued Decision No. 71709 approving the Company’s request to extend the due date on the General Permits until April 24, 2012.

On March 27, 2012, Baca Float filed a letter requesting a subsequent extension of time, until April 24, 2014, for the provision of the General Permits. According to the application, Baca Float was originally contacted in 2007 by Tubac 40, L.L.C. (“Tubac 40”), a property owner in and around Tubac, Arizona for the provision of sewer service. Tubac 40 had a development project covering approximately 82 lots on approximately 40 acres of land and Baca Float subsequently filed to extend its CC&N to include the development area. The Commission ultimately approved the extension of Baca Float’s CC&N in Decision No. 70290 and the Company thereby intended to construct a new facility for the development. However, Baca Float has continued to face a difficult development marketplace. As shown below, the application discussed very specifically that the development has not occurred due to the economic landscape:

“Due to the economic situation throughout the nation and continued slowing of the real estate market, Tubac 40 has further delayed its plans to begin constructing the sewer facilities ... Due to these economic conditions, Tubac 40, developers of the project have put their plans on hold until financing can be arranged to continue the development. The Tubac 40 Company notes that the situation in Santa Cruz County is so extreme, the Board of Supervisors have agreed to waive the annual “project renewal application process and fees” for all developments which have been approved by the board, but which have not begun development yet. The county has recognized that this current economic slowdown has rivaled some of the worst ever seen in the United States and is most likely the worse ever experienced here in Santa Cruz County.”

On April 24, 2012, Staff contacted the Company’s finance officer regarding the filing. He indicated that the Company has put a great amount of work into the development and expects to develop within a two year period. He further stated that the economy will have to move forward in order to spark the development landscape, but once that happens and the Tucson market rebounds, the Tubac area should follow within a short period of time and the infrastructure can then be constructed. Staff concludes that the current application for extension of time was timely filed and includes an updated request for service from the developer, Tubac 40.

Based on the application and all of the above, Staff does not object to Baca Float’s request for an extension of time to provide the General Permits for the wetland treatment facility and the collection system for the development in the requested area. Staff therefore recommends that the Commission due date for filing the required General Permits be extended until April 24, 2014.

SMO:BKB:lh

Originator: Brian K. Bozzo

SERVICE LIST FOR:  
DOCKET NO.

BACA FLOAT WATER COMPANY  
WS-01678A-07-0459

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