

ORIGINAL



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2014 APR 22 P 3: 34
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Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORATION COMMISSION

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

DOCKET NO. SW-20403A-05-0586
**STATUS REPORT AND RESPONSE
TO STAFF MEMORANDUM**

11 Balterra Sewer Corp. (BSC) files this Status Report and Response to the Staff
12 Memorandum filed on April 7, 2014 in this docket.

13 I. **The Pending Motion for Extension of Time**

14 On September 30, 2013, BSC filed a motion for extension of time regarding the
15 requirement to file an "Approval of Construction for its Phase I wastewater collection system".
16 The requirement is set forth in Decision No. 71474 (January 26, 2010.)

17 BSC's Certificate of Convenience and Necessity ("CC&N") was granted in Decision No.
18 68742 (June 5, 2006), and covers an area in western Maricopa County. BSC was originally
19 formed by a developer, but after its CC&N was granted, it was subsequently acquired by Global
20 Water Resources, Inc. That transaction was approved in Decision No. 70310 (April 24, 2008).

21 The motion notes that Global Water Resources, Inc. made a substantial investment in BSC
22 and has made substantial efforts to comply with its CC&N requirements, pointing to the following
23 nine items:

- 24 (1) In Decision No. 68742, the Commission indicated that BSC should work closely with
25 the water utility for the area, Water Utility of Greater Tonopah (WUGT), and
26 required BSC to file detailed annual reports on its cooperation with WUGT on water
27 conservation and the use of recycle water. Global Water Resources, Inc. previously
acquired WUGT, and then invested a sizable amount to purchase BSC. The purchase
of BSC allows WUGT and BSC to jointly offer integrated water, wastewater and
recycled water services in this area.

- 1 (2) After a lengthy and expensive process, BSC obtained approval of its Section 208 plan
2 amendment under the Clean Water Act. The Section 208 plan amendment was filed
3 with the Commission on July 6, 2007.
- 4 (3) BSC obtained its Arizona Department of Environmental Quality ("ADEQ") Arizona
5 Pollutant Discharge Elimination System ("AZPDES") permit. BSC filed the
6 AZPDES permit with Commission on November 26, 2008.
- 7 (4) BSC obtained the Approval to Construct (ATC) for its wastewater treatment plant,
8 and filed the ATC with the Commission on July 19, 2007.
- 9 (5) BSC obtained a Maricopa County Franchise and filed the franchise with the
10 Commission on July 25, 2006.
- 11 (6) Together with its sister companies, WUGT and Hassayampa Utilities Company, BSC
12 has participated in the extensive and long-running Arizona Department of Water
13 Resources assured water supply review for the Lower Hassayampa Sub-basin.
- 14 (7) BSC obtained a renewal of the Special Use Permit for its wastewater plant site on
15 January 15, 2013.
- 16 (9) BSC has made numerous other compliance filings in this docket.

17 In addition, Global Water Resources, Inc. paid a significant purchase price to buy the stock of
18 BSC.

19 In order to demonstrate landowner support for BSC, the motion included the renewal of the
20 Designated Master Plan (DMP) for the Balterra development from Maricopa County. (See
21 Attachment B). The landowners listed Global Water as their provider of water and wastewater
22 service. The DMP renewal demonstrated that the landowners continue to pursue development,
23 and that they continue to need wastewater service from BSC.

24 **II. Staff Memorandum.**

25 Staff filed a Memorandum on April 7, 2014. The Staff Memorandum recommended that
26 Balterra's motion for extension of time be denied, because BSC failed to file requests for service
27 from the landowners. The Memorandum states, without explanation, that "While the Company
did include a Designated Master Plan ("DMP") in lieu of those service letters, the DMP is not the
information Staff needs for the processing of requests for extension of time applications."

1 **III. Status Report.**

2 No Commission rule or written policy requires renewed request for service letters to
3 support a motion for extension of time. However, in an effort to work with Staff, BSC contacted
4 the landowners to see if they would provide request for service letters.

5 BSC was able to obtain request for service letters representing the vast majority of the
6 parcels. On April 11, 2014, BSC filed requests for service representing 22 of the 24 parcels, as
7 well as a map showing the location of the parcels.

8 The two remaining parcels are Parcel 506-45-032T (shown as Parcel 24 on the map),
9 which is owned by Ruth Fisher Elementary School District No. 90, and Parcel 506-34-008A
10 (shown as Parcel 1 on the map), which is or was owned by Balterra Holdings, LLC.

11 BSC has been in contact with the School District, and the School District has now notified
12 BSC that they do not request service at this time. The School District indicates that they have
13 their own package plant which provides wastewater service to their parcel. Accordingly, BSC
14 recommends that the School District parcel (Parcel 506-45-032T) be removed from BSC's
15 Certificate of Convenience and Necessity.

16 Regarding the Balterra Holdings, LLC property (Parcel 506-34-008A), BSC has been
17 attempting to contact Balterra Holdings, LLC. On April 21, 2014, undersigned counsel spoke to
18 R. Neil Irwin, Esq. of Bryan Cave, LLP. Mr. Irwin is listed as the statutory agent for Balterra
19 Holdings, LLC. Mr. Irwin stated that Balterra Holdings, LLC has been sold. He noted that he was
20 in contact with the former owner, and that they would contact the new owner. He requested
21 additional time to contact new owner. Due to the change in ownership, the new owner has not had
22 an opportunity to decide whether to submit a request for service letter. Accordingly, BSC requests
23 that it be given until May 12, 2014 to provide the request for service for this parcel. BSC will
24 notify the Commission as soon as a decision is made by the new owner of this parcel.

25 **IV. Conclusion.**

26 BSC requests additional time to obtain the request for service for Parcel 506-34-008A.
27 The School District property (Parcel 506-45-032T) should be removed from BSC's Certificate of

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1 Convenience and Necessity. The remaining 22 (of 24) parcels have submitted request for service
2 letters.

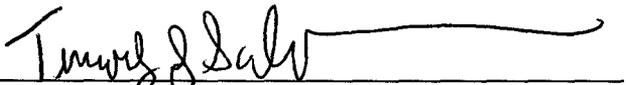
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RESPECTFULLY SUBMITTED this 22nd day of April 2014.

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Original + 13 copies of the foregoing
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Copies of the foregoing hand-delivered/mailed
this 22nd day of April 2014 to:

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