

OPEN MEETING ITEM



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COMMISSIONERS
BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

ARIZONA CORPORATION COMMISSION

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DOCKET CONTROL

DATE: JUNE 25, 2014
DOCKET NO.: SW-20422A-05-0659

2014 JUN 25 PM 1 40

TO ALL PARTIES:

ORIGINAL

Enclosed please find the recommendation of Administrative Law Judge Sarah Harpring. The recommendation has been filed in the form of an Order on:

HASSAYAMPA UTILITIES COMPANY, INC.
(ORDER EXTENDING DEADLINE CONTAINED IN DECISION NO. 68922 AND AMENDED IN DECISION NOS. 70613 AND 72293)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

JULY 7, 2014

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

JULY 22, 2014 and JULY 23, 2014

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission
DOCKETED

JUN 25 2014

DOCKETED BY 


JODI JERICH
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701-1347
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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 BOB STUMP - Chairman
4 GARY PIERCE
5 BRENDA BURNS
6 BOB BURNS
7 SUSAN BITTER SMITH

8 IN THE MATTER OF THE APPLICATION
9 OF HASSAYAMPA UTILITIES COMPANY,
10 INC. FOR A CERTIFICATE OF CONVENIENCE
11 AND NECESSITY.

DOCKET NO. SW-20422A-05-0659

DECISION NO. _____

**ORDER EXTENDING DEADLINE
CONTAINED IN DECISION NO.
68922 AND AMENDED IN DECISION
NOS. 70613 AND 72293**

12 Open Meeting
13 July 22 and 23, 2014
14 Phoenix, Arizona

15 **BY THE COMMISSION:**

16 Having considered the entire record herein and being fully advised in the premises, the
17 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

18 * * * * *

19 **FINDINGS OF FACT**

20 **Background**

21 1. In Decision No. 68922 (August 29, 2006), Hassayampa Utilities Company, Inc.
22 ("Hassayampa") was granted a Certificate of Convenience and Necessity ("CC&N") to provide
23 public wastewater utility service to the Hassayampa Ranch subdivision ("Hassayampa Ranch"), to be
24 developed in Maricopa County in an area west of the Town of Buckeye and approximately three
25 miles north of Interstate 10.

26 2. Hassayampa was formed as a wholly owned subsidiary of Global Water Resources,
27 Inc. ("Global"), for the express purpose of providing wastewater utility service to Hassayampa
28 Ranch. (Decision No. 68922 at 2.) Water utility service in Hassayampa Ranch was to be provided
by Water Utility of Greater Tonopah ("WUGT"), another Global subsidiary.

1 3. In Decision No. 68922, the Commission ordered Hassayampa to file with the
2 Commission's Docket Control, by July 31, 2007, as a compliance item in this docket, copies of the
3 Approval to Construct ("ATC") issued by the Maricopa County Environmental Services Department
4 ("MCESD") for the proposed Phase I treatment plant and sewer collection system.

5 4. In Decision No. 68922, the Commission also ordered Hassayampa to file with the
6 Commission's Docket Control, by April 30, 2008, as a compliance item in this docket, copies of the
7 Approval of Construction ("AOC") issued by MCESD for the proposed Phase I treatment plant and
8 sewer collection system.

9 5. On April 30, 2007, Hassayampa filed a Motion requesting, *inter alia*, that the
10 compliance filing deadlines for the ATC and AOC be extended by one year. Hassayampa's Motion
11 was granted through a Procedural Order issued on June 18, 2007.

12 6. On July 31, 2008, Hassayampa filed a second Motion for an extension of time, which
13 was ultimately amended to request that the filing deadlines for the ATC and AOC be extended to
14 December 31, 2010, and December 31, 2011, respectively. Hassayampa informed the Commission's
15 Utilities Division ("Staff") during the pendency of its second Motion that it would be receiving
16 separate ATCs and AOCs for the Phase I wastewater treatment plant and the Phase I collection
17 system.

18 7. In Decision No. 70613 (November 19, 2008), consistent with recommendations from
19 Staff, the Commission granted Hassayampa the extensions requested in the second Motion. The
20 Commission found that the slump in real estate sales and housing construction had restricted
21 Hassayampa's ability to design and construct the collection system because it was unclear where the
22 first phase of Hassayampa Ranch would be built. The Commission also found that Hassayampa had
23 spent more than \$995,000 toward the permitting and completion for the Phase I development of
24 wastewater facilities. The Commission ordered that any further extensions of time to file the ATCs
25 and AOCs would not be granted absent extraordinary circumstances.

26 8. On December 30, 2010, Hassayampa filed a third Motion for Extension of Time
27 ("third Motion"), requesting that the deadlines for filing the ATCs and AOCs be extended by two
28 years, to December 31, 2012, and December 31, 2013, respectively. Hassayampa explained that the

1 extensions were necessary because of the “well-known downturn in Arizona’s real estate market,”
2 which Hassayampa characterized as especially hard on the west valley area of metropolitan Phoenix.
3 Hassayampa asserted that the Commission had granted numerous similar extensions due to the real-
4 estate downturn, including one to WUGT for Hassayampa Ranch in Decision No. 71711 (June 3,
5 2010).¹ Hassayampa further stated that because Hassayampa and WUGT would provide integrated
6 water, wastewater, and recycled water services to Hassayampa Ranch and would closely coordinate
7 their operations and construction schedules, it made sense to extend Hassayampa’s deadlines to
8 match WUGT’s remaining deadline from Decision No. 71711, which was December 31, 2012.

9 9. On May 4, 2011, in Decision No. 72293, the Commission granted Hassayampa’s third
10 Motion and extended the ATC filing deadlines to December 31, 2012, and the AOC filing deadlines
11 to December 31, 2013. In granting the extensions, the Commission cited the severe economic
12 downturn that had affected development in Arizona for the past several years; the developer’s
13 continued intent to complete the Hassayampa Ranch development and continued desire for
14 Hassayampa to provide wastewater utility service to Hassayampa Ranch; and the extension, to
15 December 31, 2012, of WUGT’s compliance filing deadline for Hassayampa Ranch.

16 Procedural History

17 10. On February 12, 2013, Hassayampa filed a Motion for Extension of Time (“fourth
18 Motion-Part I”), requesting that the deadline for filing the ATCs for Phase I of the wastewater
19 treatment facility and collection system be extended to December 15, 2015. Hassayampa that it had
20 not filed the fourth Motion-Part I sooner due to an oversight, as it had intended to do so when WUGT
21 filed the extension request for Hassayampa Ranch on December 31, 2012. Hassayampa apologized
22 for its error.

23 11. On February 13, 2013, Hassayampa filed a Notice of Filing Request for Service,
24 including a February 12, 2013, letter from Hassayampa Management, LLC to WUGT requesting
25

26 ¹ In Decision No. 71711, issued in the docket for WUGT’s CC&N extension to provide water utility service to
27 Hassayampa Ranch, the Commission granted WUGT a third extension of time, until December 31, 2012, to file a copy of
28 the developer’s Certificate of Assured Water Supply for the Hassayampa Ranch area, originally required (by Decision
No. 68307 (November 14, 2005)) to be filed by November 14, 2006, and previously extended to be due by September 23,
2008, and then by May 16, 2010.

1 wastewater and reclaimed water service for Hassayampa Ranch.²

2 12. On December 31, 2013, Hassayampa filed a Motion for Extension of Time (“fourth
3 Motion-Part II”), requesting that the deadline for filing the AOCs for Hassayampa Ranch be extended
4 by two years, to December 15, 2016. Hassayampa explained that the developer of Hassayampa
5 Ranch still needed wastewater service, and Hassayampa again cited delays in development resulting
6 from the economic downturn that began in 2008.

7 13. On April 3, 2014, Hassayampa filed a Notice of Filing Request for Service, including
8 two April 1, 2014, letters from Hassayampa Management, LLC, one to Hassayampa and one to
9 WUGT, requesting wastewater and water service for Hassayampa Ranch.

10 14. On June 6, 2014, Staff filed a Memorandum stating that Staff does not object to
11 Hassayampa’s fourth Motion-Parts I and II, which Hassayampa had revised in communications with
12 Staff to request that the ATCs and AOCs all have the same filing deadline of December 15, 2016.
13 Staff also recommended that Hassayampa be directed to file any requests for extension of time at
14 least 90 days before the existing deadline and, further, that no additional extensions of time be
15 granted in this matter, especially if the extension application is filed after the filing deadline.

16 **Resolution**

17 15. Under the circumstances, it is just and reasonable to grant Hassayampa’s fourth
18 Motion-Parts I and II, as revised to request a due date of December 15, 2016, for both the ATCs and
19 AOCs for Hassayampa Ranch.

20 16. Further, it is just and reasonable to require that any future request for an extension of a
21 filing deadline extended herein shall be filed at least 90 days before the deadline and shall be
22 accompanied by documentation of tangible progress in the development of Hassayampa Ranch and
23 the creation of the wastewater system to serve Hassayampa Ranch.

24 **CONCLUSIONS OF LAW**

25 1. Hassayampa is a public service corporation within the meaning of Article XV of the
26 Arizona Constitution and A.R.S. §§ 40-252, 40-281, and 40-282.

27

28 ² It appears that this letter was intended for Hassayampa rather than WUGT.

1 IT IS FURTHER ORDERED that that any future request for an extension of a filing deadline
2 extended herein shall be filed at least 90 days before the deadline and shall be accompanied by
3 documentation of tangible progress in the development of Hassayampa Ranch and the creation of the
4 wastewater system to serve Hassayampa Ranch.

5 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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8
9 CHAIRMAN _____ COMMISSIONER

10
11 COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER

12
13 IN WITNESS WHEREOF, I, JODI JERICH, Executive
14 Director of the Arizona Corporation Commission, have
15 hereunto set my hand and caused the official seal of the
16 Commission to be affixed at the Capitol, in the City of Phoenix,
17 this _____ day of _____ 2014.

18
19 JODI JERICH
20 EXECUTIVE DIRECTOR

21 DISSENT _____

22 DISSENT _____
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1 SERVICE LIST FOR:

HASSAYAMPA UTILITIES COMPANY, INC.

2 DOCKET NO.:

SW-20422A-05-0659

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