

ORIGINAL

OPEN MEETING ITEM



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COMMISSIONERS
SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE



ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

DATE: NOVEMBER 23, 2015
DOCKET NOS.: SW-20494A-06-0769 and W-20495A-06-0769

TO ALL PARTIES:

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

GLOBAL WATER-PICACHO COVE UTILITIES COMPANY and
GLOBAL WATER-PICACHO COVE WATER COMPANY
(THIRD ORDER EXTENDING TIME DEADLINES CONTAINED
IN DECISION NO. 70312)

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:

DECEMBER 2, 2015

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:

DECEMBER 8, 2015 AND DECEMBER 9, 2015

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

NOV 23 2015

JODI JERICH
EXECUTIVE DIRECTOR

DOCKETED BY
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1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

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 SUSAN BITTER SMITH - Chairman
4 BOB STUMP
4 BOB BURNS
5 DOUG LITTLE
5 TOM FORESE

6
7 IN THE MATTER OF THE APPLICATION OF
7 GLOBAL WATER-PICACHO COVE UTILITIES
8 COMPANY FOR A CERTIFICATE OF
8 CONVENIENCE AND NECESSITY.

DOCKET NO. SW-20494A-06-0769

9 IN THE MATTER OF THE APPLICATION OF
10 GLOBAL WATER-PICACHO COVE WATER
10 COMPANY FOR A CERTIFICATE OF
11 CONVENIENCE AND NECESSITY.

DOCKET NO. W-20495A-06-0769

DECISION NO. _____

**THIRD ORDER EXTENDING
TIME DEADLINES CONTAINED IN
DECISION NO. 70312**

12
13 Open Meeting
13 December 8 and 9, 2015
14 Phoenix, Arizona

15 **BY THE COMMISSION:**

16 * * * * *

17 Having considered the entire record herein and being fully advised in the premises, the
18 Commission finds, concludes, and orders that:

19 **FINDINGS OF FACT**

20 1. Global Water-Picacho Cove Water Company ("Picacho Water") and Global Water-
21 Picacho Cove Utilities Company ("Picacho Utilities") are wholly owned subsidiaries of Global Water,
22 LLC, which is itself a wholly owned subsidiary of Global Water Resources, Inc.

23 2. On December 8, 2006, Picacho Water and Picacho Utilities (collectively "Picacho")
24 filed with the Arizona Corporation Commission ("Commission") a joint application for Certificates of
25 Convenience and Necessity ("CC&Ns") to provide water and wastewater service in two separate areas
26 totaling approximately 1,480 acres and located approximately 3 and 4 miles east of the City of Eloy in
27 Pinal County, Arizona ("CC&N area").

28 3. The owners of the properties in the CC&N area formally requested water and

1 wastewater service from Picacho in December 2007 and intended to develop the land primarily for
 2 single-family residential purposes, with development to begin within approximately one year after the
 3 Commission granted CC&Ns.¹

4 4. On April 24, 2008, the Commission issued Decision No. 70312, granting Picacho Water
 5 and Picacho Utilities CC&Ns to provide water and wastewater service in the CC&N area, subject, *inter*
 6 *alia*, to the following:

- 7 a. Picacho Utilities' filing, as a compliance item in this docket, within 30 days after
 8 the effective date of the Decision, a tariff containing specified wastewater
 9 service rates and charges;
- 10 b. Picacho Water's filing, as a compliance item in this docket, within 30 days after
 11 the effective date of the Decision, a tariff containing specified water service rates
 12 and charges;
- 13 c. Picacho's filing, as a compliance item in this docket, within 3 months after the
 14 effective date of the Decision, a copy of a bill or bills for both companies, in a
 15 form acceptable to Staff and including specified information;²
- 16 d. Picacho's filing, as a compliance item in this docket, within 365 days after the
 17 effective date of the Decision, copies of Picacho's Pinal County franchises;
- 18 e. Picacho Utilities' filing, as compliance items in this docket, within 2 years after
 19 the effective date of the Decision, the following:
- 20 i. Copies of Picacho Utilities' General Permits for the collection system
 21 for Phase 1 of the initial phase of the Picacho Citrus and Langley Picacho
 22 Views developments, and
- 23 ii. A copy of Picacho Utilities' Aquifer Protection Permit ("APP"); and
- 24 f. Picacho Water's filing, as compliance items in this docket, within 2 years after
 25 the effective date of the Decision, the following:
- 26 i. Copies of Picacho Water's Approval to Construct for Phase 1 of the

27
 28 ¹ Decision No. 70312 at 8, 11.

² It does not appear that this filing has been made in this docket.

1 initial phase of the Picacho Citrus and Langley Picacho Views
2 developments;

- 3 ii. Either a copy of Picacho Water's Approval to Construct for an arsenic
4 treatment system or a copy of Picacho Water's ADEQ approval of an
5 arsenic blending plan; and
6 iii. A copy of Picacho Water's Designation of Assured Water Supply
7 ("DAWS") for the CC&N area.

8 5. On May 19, 2008, Picacho Water and Picacho Utilities filed their tariffs for water utility
9 service and wastewater utility service. On July 23, 2008, the Commission's Utilities Division ("Staff")
10 issued Notices of Compliance stating that the tariffs filed had been approved as in compliance with
11 Decision No. 70312.

12 6. On April 24, 2009, Picacho Water and Picacho Utilities filed a Notice of Filing their
13 Pinal County water and wastewater franchises, which had been granted by the Pinal County Board of
14 Supervisors on April 15, 2009.

15 7. On April 23, 2010, Picacho Water and Picacho Utilities jointly filed a Motion for
16 Extension of Time, requesting that the April 24, 2010, deadline to file the items described in Findings
17 of Fact No. 4(e) and (f) herein be extended to October 30, 2012.

18 8. On July 19, 2010, Staff issued a Memorandum stating that it was not unreasonable for
19 Picacho to seek an extension of time based on postponed development in the real estate market and the
20 economic downturn. Staff noted that Picacho had provided Staff with an updated request for service
21 from the developer on July 2, 2010. Staff stated that it did not object to Picacho's request for an
22 extension of the filing deadlines until October 30, 2012.

23 9. On September 28, 2010, the Commission issued Decision No. 71900, which extended
24 to October 30, 2012, Picacho Utilities' and Picacho Water's respective deadlines to file copies of the
25 items described in Findings of Fact No. 4(e) and (f) herein. The Commission recognized that Picacho
26 had entered into a Memorandum of Understanding ("MOU") with the City of Eloy regarding regional
27 planning, water resources management, and economic development for the CC&N area and that
28 Picacho had also obtained CC&N authority for another area that was to include a planned regional

1 transportation hub expected to be developed before the properties in the CC&N area. The Commission
2 further recognized that a recession had been declared in the United States after Decision No. 70312
3 was issued, that development in Arizona had been severely impacted, and that “the expectations as to
4 the residential development that would occur in the CC&N area were based on a different economic
5 reality and were overly optimistic.” (Decision No. 70312 at 4.)

6 10. On October 30, 2012, Picacho filed a second Motion for Extension of Time (“2nd
7 Motion”), requesting that the deadlines extended by Decision No. 71900 again be extended, to October
8 30, 2015. Picacho stated that the MOU with the City of Eloy remained in effect and that it would be
9 inappropriate to proceed with the DAWS, APP, and other permits when they were not yet necessary.
10 Picacho attached to the 2nd Motion renewed request for service letters from the two landowners for
11 the CC&N area.³

12 11. On November 13, 2012, Staff filed a Memorandum addressing Picacho’s 2nd Motion.
13 Staff stated that based on the economic downturn and decline in housing construction in Arizona, as
14 well as the updated request for service letters from the two landowners, it recommended that Picacho
15 be granted a second extension of time. Because Picacho had already received a two-year extension of
16 time for the same compliance items, Staff recommended an additional two year extension of time, until
17 October 30, 2014.

18 12. On December 12, 2012, the Commission issued Decision No. 73618, extending to
19 October 30, 2015, the compliance filing deadlines for the items described in Findings of Fact No. 4(e)
20 and (f) herein.

21 13. On July 31, 2015, Picacho filed a third Motion for Extension of Time (“3rd Motion”).
22 Picacho expressed regret at having to seek a third extension of time, but stated that the extension is
23 needed because the development timetable for the two properties in the CC&N area has again been
24 delayed. Picacho did not include renewed request for service letters from the landowners, but stated
25 that it would file them upon receipt.

26 14. On August 13, 2015, Picacho filed July 1, 2015, and August 7, 2015, request for service
27

28 ³ Picacho Citrus 930, LLC and LLF Picacho Citrus, LLC and Langley Picacho Views 160, LLC.

1 letters from the landowners. Each landowner expressed the “intention to continue to pursue the
2 preliminary platting, rezoning and development of th[e] planned area development to serve single
3 family residential homes located within the [CC&N for Picacho Utilities and Picacho Water].”⁴

4 15. On November 13, 2015, Staff filed a Memorandum stating that Staff does not object to
5 Picacho’s 3rd Motion and, further, that a longer extension would be reasonable and more efficient.
6 Staff recommends that the Commission approve an extension until October 30, 2022.

7 16. Because the landowners for the CC&N area still intend to use the land for residential
8 development and desire service from Picacho, because it is unknown precisely when development will
9 commence, and for the reasons described in Decision No. 71900, it is reasonable and appropriate to
10 grant Picacho the longer extension of time recommended by Staff.

11 **CONCLUSIONS OF LAW**

12 1. Picacho Water and Picacho Utilities are public service corporations within the meaning
13 of Article XV of the Arizona Constitution and A.R.S. Title 40, Chapter 2.

14 2. The Commission has jurisdiction over Picacho Water and Picacho Utilities and the
15 subject matter of the 3rd Motion.

16 3. It is just and reasonable and in the public interest to extend, to October 30, 2022, the
17 deadlines for Picacho Water and Picacho Utilities to file the documents described in Findings of Fact
18 No. 4(e) and (f) herein.

19 4. It is not necessary for the Commission to hold an evidentiary hearing before extending
20 the deadlines for Picacho Water and Picacho Utilities to file the documents described in Findings of
21 Fact No. 4(e) and (f) herein.

22 **ORDER**

23 IT IS THEREFORE ORDERED that the deadline for Global Water-Picacho Cove Utilities
24 Company to file the following with the Commission’s Docket Control, as compliance items in this
25 docket, as required by Decision No. 70312, is hereby extended to October 30, 2022:

26 1. Copies of Picacho Utilities’ General Permits for the collection system for Phase 1 of the
27

28 ⁴ Notice of Filing filed August 13, 2015.

1 initial phase of the Picacho Citrus and Langley Picacho Views developments, and

2 2. A copy of Picacho Utilities' Aquifer Protection Permit.

3 IT IS FURTHER ORDERED that the deadline for Global Water-Picacho Cove Water Company
4 to file the following with the Commission's Docket Control, as compliance items in this docket, as
5 required by Decision No. 70312, is hereby extended to October 30, 2022:

6 1. Copies of Picacho Water's Approval to Construct for Phase 1 of the initial phase of the
7 Picacho Citrus and Langley Picacho Views developments,

8 2. Either a copy of Picacho Water's Approval to Construct for an arsenic treatment system
9 or a copy of Picacho Water's ADEQ approval of an arsenic blending plan, and

10 3. A copy of Picacho Water's Designation of Assured Water Supply for the CC&N area.

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1 IT IS FURTHER ORDERED that all other provisions of Decision No. 70312 shall remain in
2 effect.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
5
6

7 CHAIRMAN _____ COMMISSIONER

8
9 COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER

10
11 IN WITNESS WHEREOF, I, JODI JERICH, Executive Director
12 of the Arizona Corporation Commission, have hereunto set my
13 hand and caused the official seal of the Commission to be affixed
14 at the Capitol, in the City of Phoenix, this _____ day
15 of _____ 2015.

16 _____
17 JODI JERICH
18 EXECUTIVE DIRECTOR

19 DISSENT _____

20 DISSENT _____
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1 SERVICE LIST FOR:

GLOBAL WATER-PICACHO COVE UTILITIES
COMPANY and GLOBAL WATER-PICACHO COVE
WATER COMPANY

2
3 DOCKET NOS:

SW-20494A-06-0769 and W-20495A-06-0769

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