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AZ CORP COMMISSION
DOCKET CONTROL

August 24, 2015

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Red Rock Utilities, LLC's
Docket No. WS -04245A-~~2~~_____

07-0363

To Whom It May Concern:

Enclosed for filing in the above-referenced proceeding are the original and (13) copies of Motion for Further Extension of Compliance Filing Date Deadline on behalf of Red Rock Utilities, LLC's.

Thank you in advance for your assistance. Please advise me if you have any questions.

Sincerely,

Laura Moreno
Assistant to
Lawrence V. Robertson, Jr.

Arizona Corporation Commission
DOCKETED

AUG 25 2015

DOCKETED BY

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BEFORE THE ARIZONA CORPORATION COMMISSION

Commissioners

SUSAN BITTER SMITH, Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

IN THE MATTER OF THE APPLICATION
OF RED ROCK UTILITIES, LLC, FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER
SERVICE IN PIMA COUNTY, ARIZONA.

)
)
) DOCKET NO: WS-04245A-15-
)
) RED ROCK UTILITIES, LLC'S
) MOTION FOR FURTHER
) EXTENSION OF COMPLIANCE
) FILING DATE DEADLINE
)

LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW
P. O. Box 1448
Tubac, Arizona 85646

I.

**MOTION FOR FURTHER EXTENSION OF COMPLIANCE FILING DATE
DEADLINE**

Pursuant to A.A.C. R14-3-106(K), Red Rock Utilities, LLC ("Red Rock") hereby moves the Commission for an appropriate form of order or decision further extending from December 4, 2015 to December 4, 2017 the deadline by which Red Rock is required to file an Approval To Construct ("ATC") from the Pima County Department of Environmental Quality ("PDEQ") for Phase I of the Verano master-planned community ("Verano"). In that regard, with respect to the issuance of the ATC, PDEQ is functioning as the delegate of the Arizona

1 Department of Environmental Quality. The circumstances surrounding the instant Motion are as
2 follows.

3
4 **II.**

5 **CIRCUMSTANCES SURROUNDING MOTION**

6
7 On December 4, 2007, the Commission issued its Decision No. 70030 in which it granted
8 Red Rock a certificate of convenience and necessity ("CC&N") to provide water service to and
9 within Verano. A compliance condition contained within that decision was that Verano file the
10 aforesaid ATC with the Commission's Docket Control on or before December 4, 2009.

11 The financial crisis of 2008 and the related and subsequent severe and prolonged
12 recession in southern Arizona and the metropolitan Tucson area precluded the developer (South
13 Wilmot Land Investors, LLC or "SWLI") of Verano from implementing the original timeline for
14 development of Verano. This circumstance was recognized by the Commission in Decision No.
15 71226 when it extended the aforesaid deadline for filing the ATC from December 4, 2009 to
16 December 4, 2011.

17
18 The aforesaid adverse effects on new home development and construction continued
19 thereafter, thereby delaying the initiation of such development in Verano. In addition, SWLI's
20 timeline for development also became influenced by its collaboration with Pima County in
21 connection with the anticipated development of both Verano and the surrounding area. Those
22 circumstances were expressly recognized by the Commission on August 17, 2011 when it issued
23 its Decision No. 72532 extending the deadline for filing the ATC from December 4, 2011 to
24 December 4, 2013. In addition, the Commission observed in that decision that Red Rock had plans
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1 to construct two (2) wells within its Verano CC&N that could be used in the future to provide
2 potable water service.

3 Subsequently on March 19, 2014, the Commission issued its Decision No. 74392 further
4 extending the aforesaid compliance filing deadline date from December 4, 2013 to December 4,
5 2015. This decision was issued in response to and following consideration of an October 3, 2013
6 motion by Red Rock requesting such further extension. In Decision No. 74392, the Commission
7 noted that (i) the aforementioned collaboration between SWLI and Pima County was intended " to
8 ensure timely and compatible coordination and integration of land uses associated with Pima
9 County's 'Aerospace and Defense Corridor Economic Development Initiative"; and, (ii) "Verano
10 has the potential to be a short commute residential community for individuals who will be
11 employed at the contemplated Aerospace/Defense Research and Defense Park." Decision No.
12 74392 also noted that since the issuance of Decision No. 72532 Red Rock had expended \$646,527
13 completing construction of the two (2) wells referred to in the latter decision; and, that SWLI and
14 Red Rock had " temporarily postponed constructing the water system facilities needed to serve
15 Phase I of Verano pending further discussions with Pima County."
16

17
18 In the seventeen (17) months since Decision No. 74392 was issued, activity on the
19 aforementioned Aerospace and Defense Corridor has tangibly progressed with Pima County's
20 initiation of construction on the Aerospace Parkway immediately south of Raytheon's defense
21 industry plant in Tucson and the Tucson International Airport, which is one (1) mile northwest of
22 the Verano acreage. In that regard, completion of construction of the Aerospace Parkway is
23 anticipated before the end of this year. In addition, plans are now moving forward for the Sonoran
24 Corridor, an auxiliary interstate highway, which will interconnect Interstate 10 and Interstate 19.
25 Significantly, the currently contemplated route for the Sonoran Corridor will be immediately
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1 adjacent to the western boundary of the Verano acreage. Illustrative of the proximity of Verano to
2 both the Aerospace Parkway and the Sonoran Corridor is the map attached hereto as Appendix
3 "A," which is incorporated herein by this reference. In addition, attached hereto as Appendices "B"
4 and "C" are copies of articles from the June 2015 issue of TREND and the summer issue of BIZ
5 TUCSON, respectively, which discuss the economic importance of the Aerospace Parkway, the
6 Sonoran Corridor and the Aerospace Defense Research and Business Park to the near- and long-
7 term economic future of the metropolitan Tucson area and the State of Arizona. Finally, attached
8 hereto as Appendix "D" and incorporated herein by this reference is a map which illustrates the
9 close geographic proximity of Verano to the Aerospace Defense Research and Business Park,
10 clearly confirming the future "short commute" role of Verano referred to in Decision No. 74392.

11
12 In view of the foregoing, it is readily apparent why SWLI and Rock have elected to
13 collaborate with Pima County, and indirectly with other entities, in connection with the dramatic
14 and substantial integrated land use development planned for the area in which Verano is located.
15 In that regard, it is not a question of whether Verano will be developed...it will be, without a doubt.
16 Rather, the question has been one of "when" and, the circumstances and events that will affect that
17 timeline are becoming increasingly apparent and beginning to occur in tangible form.

18
19 In that regard, attached hereto as Appendix "E" and incorporated herein by this reference
20 is an August ____, 2015 letter from SWLI reiterating its desire that Red Rock continue to be the
21 certificated water service provider for Verano. Further, as evidenced by the instant Motion, Red
22 Rock continues in its desire to be authorized to perform that role.
23

24
25 **III.**

26 **REQUEST FOR RELIEF**

LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW
P. O. Box 1448
Tubac, Arizona 85646

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Accordingly, by means of this Motion, Red Rock is hereby requesting that the Commission issue an appropriate form of order or decision extending the deadline date for filing the aforementioned ATC for the remaining water system facilities needed to serve Phase I of Verano from December 4, 2015 to December 4, 2017. In that regard, current ratepayers of Red Rock would not be adversely affected by the extension herein requested.

DATED this 24 day of August, 2015.

RESPECTFULLY SUBMITTED,

By Lawrence V. Robertson, Jr.

Lawrence V. Robertson, Jr.
P. O. Box 1448
2247 E. Frontage Road, Suite 1
Tubac, Arizona 85646
Attorney for Red Rock Utilities, LLC

ORIGINAL and thirteen (13) copies of the foregoing will be mailed this 24 day of August 2015, to:

LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW
P. O. Box 1448
Tubac, Arizona 85646

1 Docket Control
2 Arizona Corporation Commission
3 1200 W. Washington St.
4 Phoenix, AZ 85007

5 A copy of the same served by e-mail
6 or first class mail that same date to:

7 Dwight Nodes, Chief Administrative Law Judge
8 Hearing Division
9 Arizona Corporation Commission
10 400 West Congress, Suite 218
11 Tucson, Arizona 85701

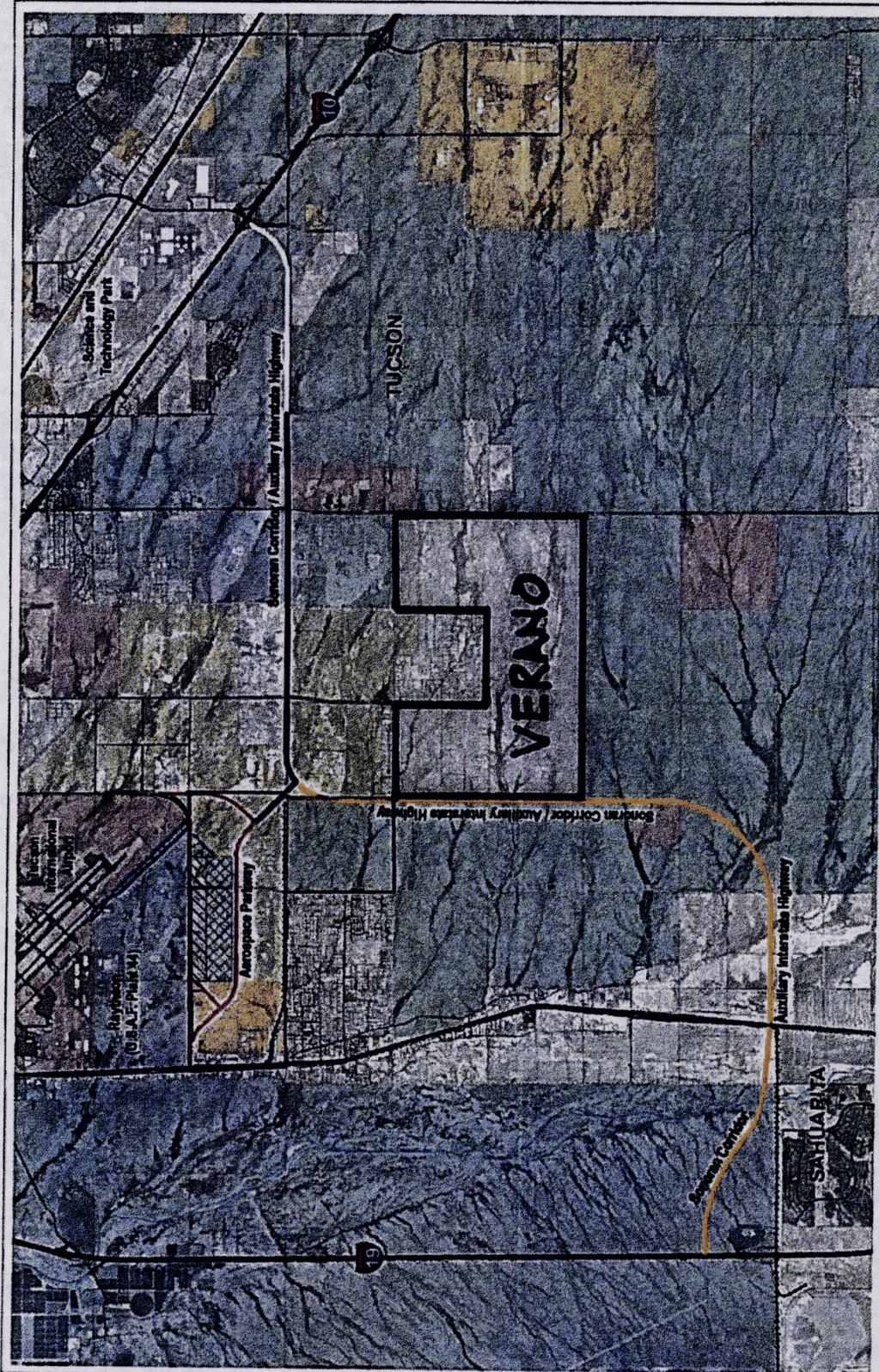
12 Janice Alward, Chief Counsel
13 Legal Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 Thomas Broderick, Director
18 Utilities Division
19 Arizona Corporation Commission
20 1200 West Washington Street
21 Phoenix, Arizona 85007

22 Mark Weinberg, Manager
23 Red Rock Utilities, LLC
24 2200 East River Road, Suite 115
25 Tucson, Arizona, 855718

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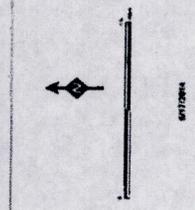
Appendix "A"



PIMA COUNTY
 GEOGRAPHIC INFORMATION SYSTEMS
 1000 N. GARDNER ROAD
 TUCSON, ARIZONA 85724
 PHONE: 520-795-3000
 FAX: 520-795-3001
 WWW: WWW.PIMACOUNTY.AZ.GOV

- Future Railroad Spur
- Phase 1 - Aerospace Parkway Negotiated by to Ahmen
- Phase 2 - Old Vail Connection to Kubi
- Phase 3 - Old Vail Connection Kubi to I-10
- Phase 4 - Old Vail Connection at Ahmen to Pima Mine Road and I-19

- Aerospace Park Boundary
 - TAMAFPM Boundary Change
 - AFPM4 Butler for Existing Facilities
 - AFPM4 Butler for Future Facilities
- Ownership**
- City of Tucson
 - Pima County
 - State of Arizona
 - United States of America
 - Private
 - Tucson Airport Authority INC
 - Union Pacific Railroad



5/17/94

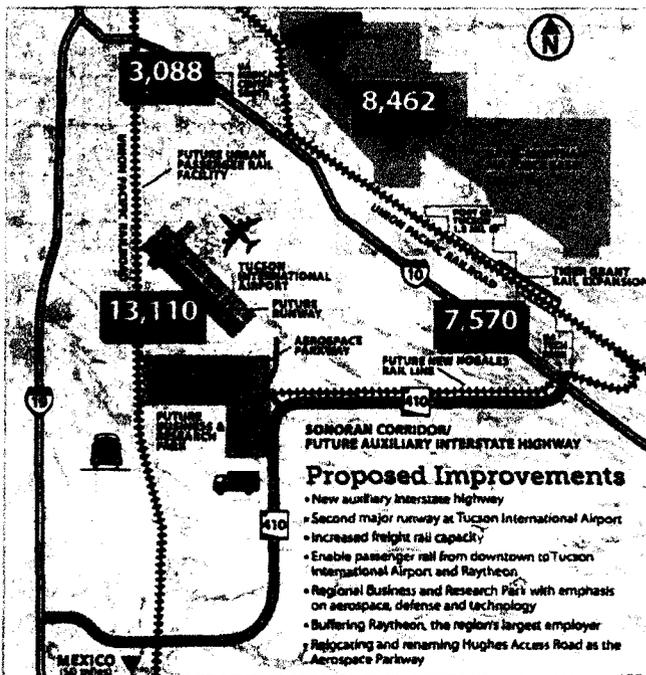
Appendix “B”

AEROSPACE PARKWAY AND THE SONORAN CORRIDOR

» by John Moffat

The Sonoran Corridor is a multilevel, multistep, multiyear economic development initiative for Pima County and Southern Arizona.

The Corridor is best described as a 40-square-mile area surrounding the Tucson International Airport that includes some of Pima County's largest employers, among them Raytheon Missile Systems, Davis-Monthan Air Force Base, the University of Arizona Tech Park and Banner University Medical Center South. The area has a unique nexus of rail, highway and air transportation infrastructure that is desirable for a whole host of industries. A statewide transportation infrastructure planning body described the Corridor as ideally situated to serve as an import distribution center for all of the Sun Corridor, which is the economic development zone stretching from the



Mexican border north through Tucson and Phoenix to the Prescott valley.

Mexico's burgeoning manufacturing economy and expansion of its Pacific ports is creating an historic opportunity for Southern Arizona. According to a study by the Joint Planning Advisory Council, a Sun Corridor planning group from Pima, Pinal and Maricopa counties, the Sonoran Corridor is not only "well-placed geographically to capitalize on the flow of goods from the Mexico and the gulf coast ports, but it has in place the necessary elements for import distribution—rail, air, and interstate access—all conveniently located."

Because of this, the Corridor is often described as an import/export logistics hub. While accurate, what the Sonoran Corridor is really all about is jobs. The goal of the county's and the regional and state efforts to develop the transportation infrastructure in the corridor is to support and expand the major employers already there and to attract and foster new employers in the future.

There are many aspects to the overall Corridor plan. The first, which is already underway, is to protect Raytheon from encroachment and set the stage for its possible expansion. This has been mostly accomplished by purchasing land to the south of the missile manufacturer and relocating a road a half-mile

south. Construction on the Hughes Access Road relocation is underway and should be completed by Thanksgiving.

It is intended that this action by the county will set in motion a cascade of beneficial economic effects. The buffer lands and the road relocation gives Raytheon room to move some of its smaller outbuildings and bunkers around, giving it room for plant expansion that does not exist on its current campus. Additional space created by the road relocation creates room for Raytheon to move some of its storage bunkers, which then creates room for a badly needed second runway at Tucson International Airport.

The second runway creates a much safer operating environment and allows for expanded passenger and airfreight service at the airport, which would be another infrastructure improvement to the Corridor's logistics interconnectivity that should be a considerable draw for new employers.

The Hughes Road relocation, renamed the Aerospace Parkway, is the first phase of highway construction connecting Interstate 19 to Interstate 10 south of the airport. This will link by road Raytheon and other manufacturers to the Port of Tucson, an inland port and warehouse and international distribution center, and the nearby University of Arizona Tech Park and its numerous technology and research firms. Union Pacific Railroad also is considering adding through the corridor a connection from its north-south line to its east-west line, creating easier access to the Port of Tucson and movement of goods into and out of Mexico. Should this occur, it opens the door for a possible commuter rail connection between downtown Tucson and the airport and the major employers nearby.

Another aspect of the Sonoran Corridor that isn't as often discussed as the transportation and logistics part of the plan, is the county's plan to create a regional business and research park south of Raytheon (and well distant of Raytheon's necessary safety buffers). The park will have an emphasis on aerospace, defense and technology. It is hoped that this nearly 2,000-acre business park located in the center of all this transportation and logistics infrastructure will become one of Southern Arizona's largest high-wage employment zones.

To make the Sonoran Corridor a reality will require many years of hard work, many public-private partnerships, voter-approved public investment and the cooperation and funding from every level of government in the region—local, state and federal.

Pima County has taken the lead in master planning the Corridor, protecting Raytheon and securing regional funding to relocate Hughes Access Road.

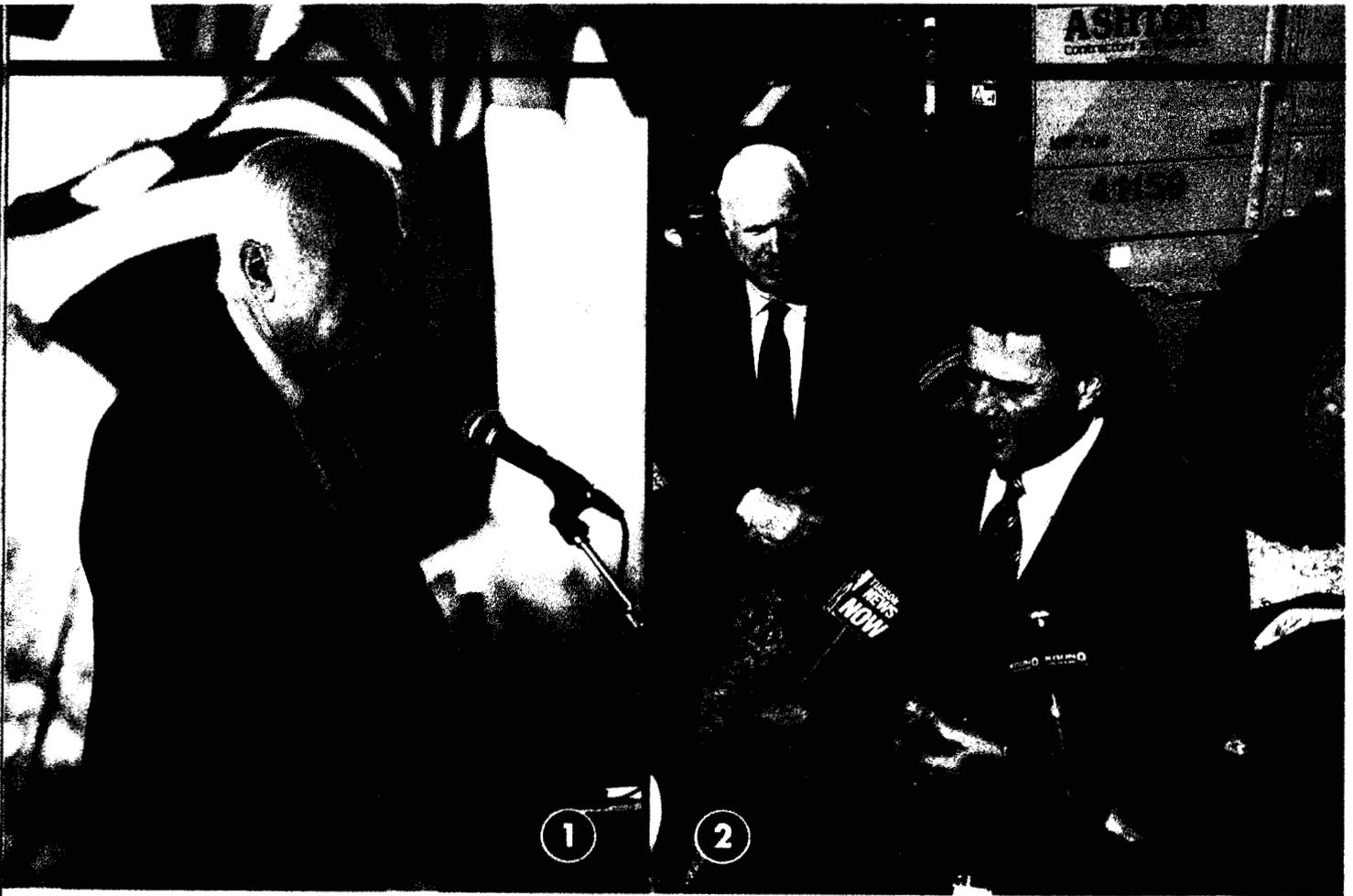
There is still a lot to do and a long way to go but the opportunity to create one of the nation's largest import and export distribution hubs and one of the state's largest high-wage employment zones that fundamentally transforms the metro Tucson economy is before us.

Pima County is working hard to turn that opportunity into a reality.

John Moffat is Director of the Pima County Strategic Planning Office, a position he has held since 2001. His current primary role is economic development and the conceptual development of the Aerospace, Defense & Technology Business and Research Park. He can be reached at John.Moffat@pima.gov.



Appendix “C”



1. U.S. Sen. John McCain 2. Arizona Gov. Doug Ducey and McCain 3. Aerospace Parkway Groundbreaking 4. Pima Co Supervisor Ray Carroll, Congresswoman Martha McSally, McCain and Pima County Supervisor Ramón Valadez 5. Taylor Lawrence, President of Raytheon Missile Systems 6. Valadez 7. Ted Maxwell, VP of Southern Arizona Leadership Council, Pima County Administrator Chuck Huckelberry with Rothschild



Aerospace Parkway Project Underway

By David Pittman

Though the Aerospace Parkway on Tucson's far southside will be only 4½ miles long when completed, high-ranking city, county, state and federal political and government officials all rejoiced at its recent groundbreaking.

That's because the parkway is viewed by those leaders as simply the opening salvo in a transformational economic development vision they hope will bring increased aerospace, defense and manufacturing operations to the area and build upon existing transportation and logistics advantages to make Tucson a regional hub for national and international trade.

U.S. Sen. John McCain, Congresswoman Martha McSally, Arizona Gov. Doug Ducey, Tucson Mayor Jonathan Rothschild and Pima County Supervisors Sharon Bronson, Ramón Valadez and Ray Carroll all praised the parkway as the beginning of what could become a wave of high-tech manufacturing development on the city's southside.

"Today is a great day for Tucson and a great day for economic development in Southern Arizona," said Ducey at the March 31 groundbreaking ceremony.

"This is the beginning of the road to Pima County's economic recovery," said Bronson, who chairs the Board of Supervisors.

Construction of the parkway is on a fast track and is expected to be open to traffic in December. Pima County Administrator Chuck Huckelberry said that ambitious schedule will be met "because this is a new road and there is not a car on it. You just have to connect the two ends. The contractor is in heaven."

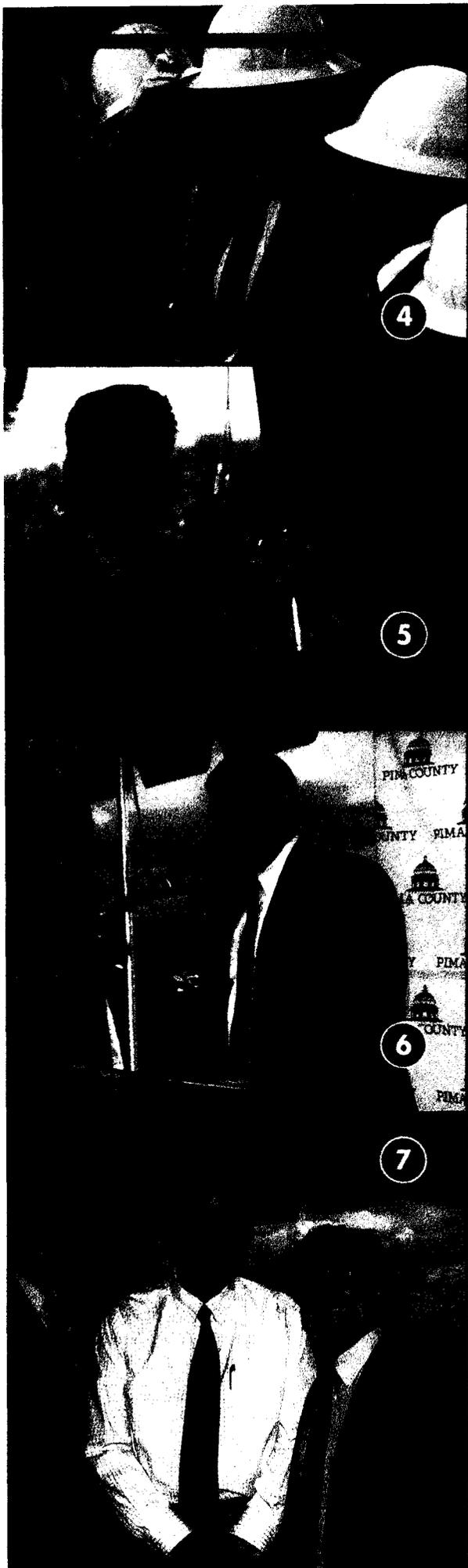
That contractor is The Ashton Company. The county has already committed \$6.6 million provided by the Regional Transportation Authority to the project. The parkway will initially be two lanes, but will eventually be upgraded to four.

The parkway was first proposed by Huckelberry to replace Hughes Access Road to create a larger buffer area surrounding Raytheon Missile Systems' airport campus. In 2010, Raytheon chose to build a new manufacturing facility in Huntsville, Ala., rather than in Tucson in part because of the lack of adequate buffer space here.

Raytheon is Southern Arizona's largest private employer.

The realignment provided by the parkway also creates room for construction of a second runway at Tucson International Airport, enables expansion for the Air National Guard's 162nd

continued on page 170 >>>



continued from page 169

Fighter Wing at TIA, and provides the ability to begin planning and installing needed infrastructure improvements (such as electricity, gas, water and fiber-optic cable access) for a future Aerospace, Defense and Technology Research and Business Park along the new parkway.

"We have reached the point where we want to grow even further," said Taylor W. Lawrence, president of Raytheon Missile Systems, at the parkway's groundbreaking. "That is about having the right infrastructure and the right connectivity."

Lawrence said Raytheon "is proud to be a part of Tucson and Southern Arizona" and is very pleased with efforts to make future Raytheon expansion in Tucson possible.

McCain, a former Navy pilot and Vietnam POW who serves as chairman of the Senate Armed Services Committee, and McSally, a former Air Force colonel who was the first woman in U.S. history to fly in combat and the first to

command a fighter squadron, each emphasized the critical importance of Raytheon to both the national defense and the Arizona economy.

"Raytheon is wonderful for Southern Arizona and for America," McCain said.

"I know firsthand the advantages Raytheon brings to the fight," McSally said. "Raytheon is an integral part of the U.S. defense system and our local economy."

However, the long-range economic development plans for the area around the airport region have grown well beyond a parkway to enable expansion at Raytheon and create a military/defense/high-tech business and research park. The parkway is also viewed as a first step in creating a transportation and trade hub dubbed the Sonoran Corridor.

The leading architect of the Sonoran Corridor plan is Huckelberry. In his remarks, Rothschild commended Huckelberry and the county Board of Supervisors, conceding the Sonoran Corridor "is really their vision."

The corridor - which when fully completed would include a four-lane, controlled-access highway - would connect Interstate 10 at Rita Road near the UA Tech Park with Interstate 19 somewhere north of Pima Mine Road. The 16-mile highway would pass through undeveloped land south of TIA, link up with Aerospace Parkway and allow for creation of a southern entrance to TIA. In addition, the corridor runs near rail lines going both east and west and north and south.

"We have many key logistical components - surface transportation, air transportation, rail transportation and the Port of Tucson - coming together in a very contained area that is largely undeveloped," Huckelberry said. "It is a location that splits between two large population markets, California and Texas, and is connected by rail and by I-19 to Mexico."

Port of Tucson/Century Park Research is a full-service inland port, rail yard and intermodal facility owned by Alan Levin that is located adjacent to Union Pacific rail lines and I-10. Huck-



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elberry said a proposal to build new track linking the Nogales rail line to the Port of Tucson by running it along the Aerospace Parkway and the northern portion of the Sonoran Corridor could increase the efficiency of freight travel from Mexico and allow traditional rail passenger service from downtown Tucson to TIA and the aerospace/defense park.

Huckelberry said Tucson's connection to Mexico could prove very important in attracting increased U.S. aerospace and defense contractors "because there is a very high concentration of suppliers in Sonora, Mexico, making component parts and supporting systems for high-tech industrial usage in the United States."

The first phases of the Sonoran Corridor could be funded through \$30 million included in the upcoming county bond proposal, approved by the Board of Supervisors in April.

Because of the national highway and international trade implications contained in the Sonoran Corridor plan, Huckelberry said efforts will be under-

taken to obtain federal money for the project. "I've had conversations with Senator McCain and there is a clear

“We have many key logistical components – surface transportation, air transportation, rail transportation and the Port of Tucson – coming together in a very contained area that is largely undeveloped.”

– Chuck Huckelberry
Administrator, Pima County

standing that this has national significance," Huckelberry said.

Huckelberry placed the entire cost of highway improvements contained in

the Sonoran Corridor plan at around \$600 million. He said construction of the new rail line and utility investments necessary to create the aerospace and defense research center would likely push total cost to about \$1 billion.

"But that billion dollars may result in taxable values of multiple billions of dollars," he said. "The primary objective of the county is to create jobs and increase the tax base."

Many Southern Arizona business leaders are supportive not only of the Aerospace Parkway, but high-tech research and defense recruitment and the entire package of Sonoran Corridor infrastructure improvements.

"You can never do too much for Raytheon, your largest private employer," said Ron Shoopman, president and CEO of Southern Arizona Leadership Council and a former Air Force brigadier general. "There is also great potential for economic growth by increasing our already highly successful aerospace and defense sector, much of which is already concentrated around the airport."

Biz

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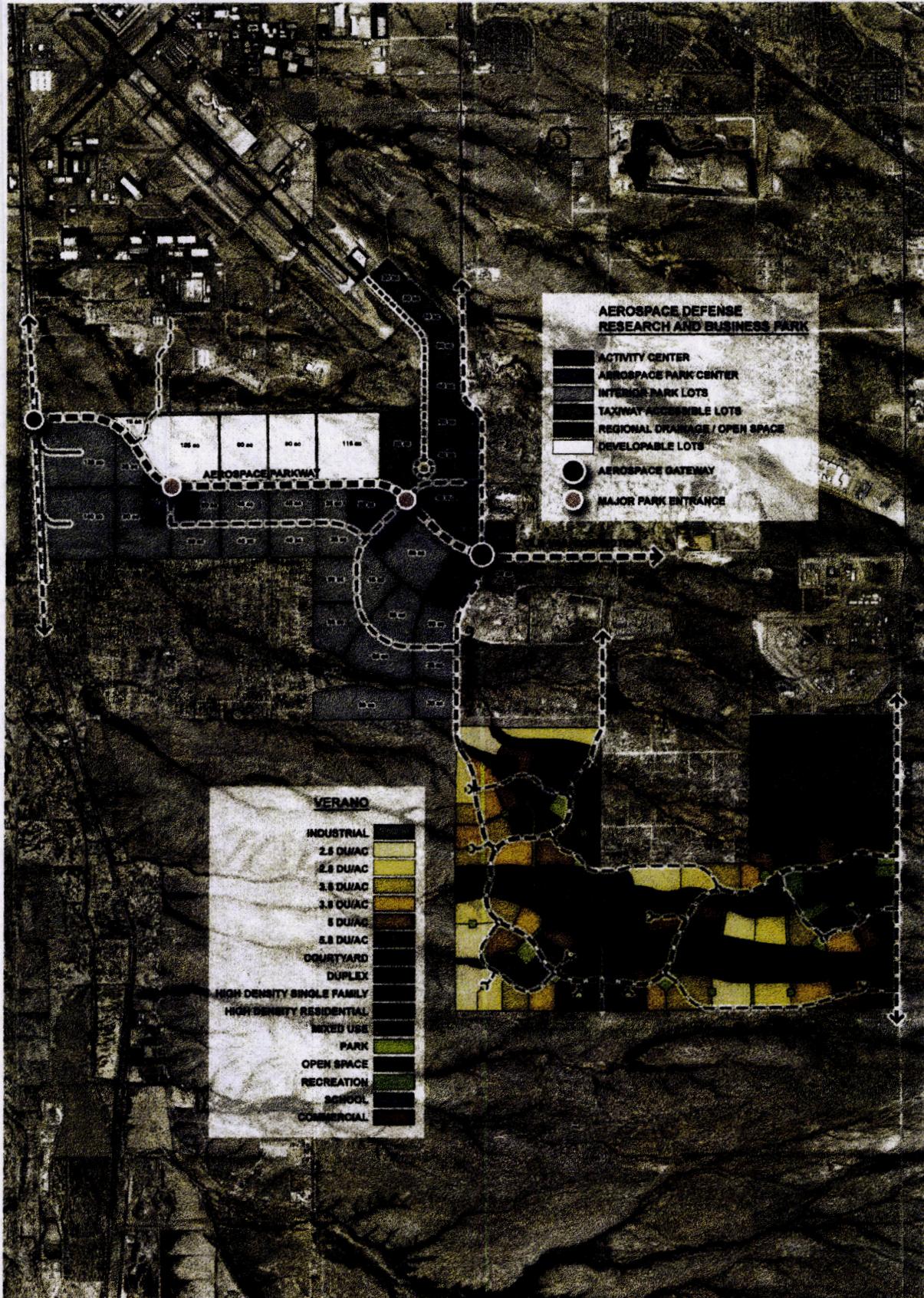


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Appendix “D”

VERANO & AEROSPACE RESEARCH PARK CONTEXT MAP (B)



VERANO

Appendix “E”

South Wilmot Land Investors, LLC
2200 E. River Road, Suite 115
Tucson, AZ 85718
(520) 577-0200

August 19, 2015

Lawrence V. Robertson, Jr.
Attorney-At-Law
P.O. Box 1448
Tubac, AZ 85646

Re: Red Rock Utilities, LLC
Docket No. WS-04245A-07-0363
Decision No. 71226

Dear Mr. Robertson:

This letter is written in support of the Motion For Further Extension of Compliance Filing Date Deadline ("Motion") that Red Rock Utilities, LLC ("Red Rock") intends to file in the above referenced docket by means of which Red Rock will request a two (2)-year extension of the current date for filing in Approval to Construct ("ATC") for Phase 1 of the Verano Master Planned Community.

South Wilmot Land Investors ("SWLI") is the developer of the Verano Master Planned Community. SWLI has had an opportunity to review the Motion that Red Rock intends to file with the ACC; and, SWLI hereby confirms the correctness and completeness of the Motion's description of those economic circumstances that have affected and delayed SWLI's original timeline for development of the Verano Master Planned Community. The Motion also accurately describes infrastructure, construction and planning efforts in the vicinity of the Verano Project that will accelerate development of the property.

In addition, by means of this letter in support of the Motion, SWLI also wishes to reiterate its desire that Red Rock be the authorized provider of potable water service to and within the Verano Master Planned Community. Please let me know if you have any questions regarding the above or would like additional information.

Sincerely,

SOUTH WILMOT LAND INVESTORS, LLC,
an Arizona limited liability company

By: DVI Wilmot Investors, LLC,
an Arizona limited liability company

By: Diamond Ventures, Inc.
It's: Manager

By: 
Name: Dan. of Goldstein
Its: President