

# SIERRA NEGRA RANCH LLC

SNR MANAGEMENT LLC

June 26, 2006

Julie Hoffman, Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

**Re: Opposition of Sierra Negra Ranch et al to the proposed Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, Dated April 2006**

Dear Ms. Hoffman;

We are the owners of the 2757 acres of land located north and south of Interstate 10 in the Tonopah area currently known as Sierra Negra Ranch and as described in the attached legal description. Currently we are in the process of submitting Development Master Plans for our property.

It has come to our attention that the above-referenced proposed Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208") has been proposed to include and apply to our land. We hereby formally oppose such submission. In addition, we request that the submission be held for simultaneous consideration with any and all other competing applications including the pending filing by Global Water Resources. The ultimate decisions on these applications will effect a significant portion of the Tonopah and West Valley residents for many years and perhaps many lifetimes. Consequently we are hopeful that you will continue this matter as needed to schedule a combined or coordinated comprehensive hearing(s) for this and any and all other competing applications/submittals.

The Draft Balterra 208 has been submitted without our consent. Our opposition to this application includes the following additional reasons:

Sierra Negra and others have attempted to work with Balterra and create a regional solution. Instead of working together, the Balterra (a competing land owner and developer) principals decided that it was in their best interests, and the best interests of their development project, to create their own plan and include portions of Sierra Negra Ranch properties and others in their 208 application without the consent of us and other land owners.

Balterra has been non-responsive to our requests for information in spite of the time we spent on numerous occasions meeting with them and in otherwise attempting to communicate with them. They appear to have little sincere interest in creating a truly regional plan but rather only in controlling the

utilities that serve their own property so as not to have to rely on a third party for their own project and, at the same time, to create a competitive advantage for their project. This proposed Developer owned utility cannot truly act as a non-biased provider. Fortunately their lack of interest in a truly regional and potentially integrated public utility led us to work with Global Water Resources.

Currently we have requested service for Silver Water Ranch and Silver Springs Ranch from Hassayampa Utilities Company ("HUC"), owned by Global Water Resources, and as such formally support their HUC Consolidated Service Area 208 Plan Amendment ("HUC Consolidated 208") application filed on May 8, 2006. It is this application, as well as any others that might be pending, that we are requesting be considered at the same time as this Draft Balterra 208.

We believe that the regional plan for 175 sections as proposed in the Global Water Resources HUC Consolidated 208 is clearly regional and a potentially integrated solution as opposed to the plan as proposed in the Draft Balterra 208. The regional utility as proposed by Global is one that would allow those communities North and South of I-10 to be served (Balterra by comparison only proposed some lands north of I-10 be included in their Draft Balterra 208). The Global plan, unlike the Balterra plan, would therefore utilize the economies of scale to better serve the future residences of the Tonopah area and the West Valley. This truly regional plan should also prevent one property owner from having two or more utility providers of the same service.

Accordingly, once again we oppose the inclusion of any part of our 2757 acres now known as Sierra Negra Ranch as part of the Draft Balterra 208. We also encourage Maricopa County to evaluate all other submitted plans before proceeding any further with the Draft Balterra 208. To do otherwise could, we believe, create unfortunate and significant issues for the residents and property owners in Tonopah and West Valley areas.

Thank you in advance for your consideration of this important matter.

Sincerely,

Sierra Negra Ranch LLC, a Nevada limited liability company

By: SNR Management LLC, a Nevada limited liability company  
Its: Manager

By: Becker SNR LLC, a Nevada limited liability company  
Its: Manager

By:   
Barry W. Becker  
Its: Managing Member

## LEGAL DESCRIPTIONS

### SILVER WATER RANCH

#### PARCEL NO. 4

THE WEST HALF OF SECTION 21, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA; EXCEPT THE EAST 200 ACRES THEREOF.

#### PARCEL NO. 5

THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

#### PARCEL NO. 6

THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THAT PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, WHICH LIES WITHIN A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIPTION LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 0 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 29;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 5470.76 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 0 DEGREES 03 MINUTES 23 SECONDS WEST, 243.12 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 29, AS CONVEYED TO THE STATE OF ARIZONA BY AND THROUGH ITS HIGHWAY COMMISSION BY WARRANTY DEED RECORDED IN DOCKET 6586, PAGE 69.

#### PARCEL NO. 1

THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; AND

THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; AND

THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

PARCEL NO. 2

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

PARCEL NO. 3

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

PARCEL NO. 4

THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; AND

THE EAST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA  
**SILVER SPRINGS RANCH**

PARCEL NO. 7

ALL OF SECTION 32, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT ALL MINERAL RESERVED UNTO THE STATE OF ARIZONA IN BOOK 334 OF DEEDS, PAGE 248 (AS TO THE SOUTHEAST QUARTER) AND IN BOOK 360 OF DEEDS, PAGE 10 (AS TO THE NORTH HALF AND THE SOUTHWEST QUARTER)

PARCEL NO. 8

THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 1

THE WEST HALF OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 1 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL OF LAND LYING WITHIN A 200 FOOT STRIP, BEING 100 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT N 07° 7' 30" E, 1223.03 FEET FROM THE SOUTHEAST CORNER OF SECTION 16, MERIDIAN, MARICOPA COUNTY, ARIZONA;  
THENCE N 56° 07' 30" W, 1783.55 FEET TO THE POINT OF CURVE OF A 0° 15' CURVE TO THE RIGHT, HAVING A RADIUS OF 22,918.3 FEET;

THENCE ALONG THE ARC OF SAID CURVE, A DISTANCE OF 433.33 FEET TO THE POINT OF TANGENT OF SAID CURVE;

THENCE N 55° 02' 30" W, 9949.29 FEET TO THE POINT OF CURVE OF A 4° 00' CURVE TO THE LEFT, HAVING A RADIUS OF 1432.69 FEET;

THENCE ALONG THE ARC OF SAID CURVE, 417.29 FEET TO THE POINT OF TANGENT OF SAID CURVE;

THENCE N 71° 44' W, 4963.49 FEET TO THE POINT OF CURVE OF A 2° 00' CURVE TO THE RIGHT HAVING A RADIUS OF 2864.79 FEET.

THENCE ALONG THE ARC OF SAID CURVE, 489.17 FEET TO THE POINT OF TANGENT OF SAID CURVE;

THENCE N 61° 57' W, 211.49 FEET TO A POINT ON THE WEST LINE SECTION 7, TOWNSHIP 1 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, SAID POINT S 0° 16' W, 394.03 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 7;

THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 1 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS CONVEYED TO MARICOPA COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA BY QUIT CLAIM DEED RECORDED ON DOCKET 2747, PAGE 161.

PARCEL NO. 2

ALL OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 3

THE SOUTH HALF AND THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT FROM LOTS 1 AND 2 AND THE EAST HALF OF THE NORTHWEST QUARTER THEREOF, ALL MINERALS AS RESERVED UNTO THE UNITED STATES IN THE RECORDED PATENT TO SAID LAND RECORDED IN DOCKET 2623, PAGE 394.

PARCEL NO. 9

THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 2 NORTH, RANGE 6 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

STATE TRUST LAND PARCEL

THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.



June 26, 2006

Julie Hoffman, Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

**Re: Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208  
Amendment, Dated April 2006**

Dear Ms. Hoffman;

We appreciate the opportunity to review and comment on the referenced Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208"). The Draft Balterra 208 proposes to serve a 24 square mile service area shown in Figure 2A in blue, labeled as the North Tonopah's Southeast Planning Area (NTSEPA).

You will see in the enclosed letter dated May 22, 2006 that we as the owner of AZ-10 parcel # 504-34-015-M have requested service from Hassayampa Utilities Company ("HUC"), owned by Global Water Resources, and as such formally support their HUC Consolidated Service Area 208 Plan Amendment ("HUC Consolidated 208") application filed on May 8, 2006. We believe that the regional plan for 175 sections as proposed in the HUC Consolidated 208 is far superior to that proposed in the Draft Balterra 208.

Accordingly, we strongly oppose the inclusion of our 67 acres, known as AZ-10 etal, as described in the attached legal description, in the Draft Balterra 208.

Thank you in advance for your consideration of this important matter.

Sincerely,

J. Mario Sanchez  
Managing Member AZ-10

cc: Ken James, P.E., MCESD  
Trevor Hill, Global Water Resources

The South 132 feet of the West half of the Northwest quarter of Section 24, Township 2 North Range 7 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 2:

The North half the Southwest quarter of Section 24, Township 2 North, Range 7 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT those portions conveyed to the State of Arizona, as follows:

(A) Beginning at a point on the West line of said Section 24, which point bears South 0 degrees 02 minutes 20 seconds East 210.50 feet from the West quarter corner of said Section 24;

Thence North 89 degrees 57 minutes 40 seconds East 40.00 feet;  
Thence South 0 degrees 02 minutes 20 seconds East 24.55 feet;  
Thence South 15 degrees 57 minutes 00 seconds East 144.98 feet;  
Thence South 75 degrees 07 minutes 10 seconds East 335.00 feet;  
Thence South 50 degrees 12 minutes 53 seconds East 308.71 feet;  
Thence South 27 degrees 28 minutes 37 seconds East 460.11 feet;  
Thence South 53 degrees 13 minutes 10 seconds East to the South line of said North half of the Southwest quarter of Section 24;  
Thence Westerly along said South line of the North half of the Southwest quarter to the aforesaid West line of Section 24;  
Thence North 0 degrees 02 minutes 20 seconds West along said West line to the Point of Beginning.

(B) Beginning at a point on the West line of said Section 24, which point bears South 0 degrees 02 minutes 20 seconds East 210.50 feet from the quarter corner thereof;

Thence North 89 degrees 57 minutes 40 seconds East 60.00 feet;  
Thence South 5 degrees 16 minutes 54 seconds East 140.25 feet;  
Thence South 75 degrees 07 minutes 10 seconds East 301.20 feet;  
Thence South 50 degrees 12 minutes 53 seconds East 51.55 feet to the existing Northerly Right of way line of Interstate Highway 10 (Ehrenberg-Phoenix Highway);  
Thence North 75 degrees 07 minutes 10 seconds West along said Right of way line 335.00 feet;  
Thence South 89 degrees 57 minutes 40 seconds West to the aforesaid West line of Section 24;  
Thence North 0 degrees 02 minutes 20 seconds West along said West section line to the Point of Beginning.



June 26, 2006

Julie Hoffman, Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

**Re: Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208  
Amendment, Dated April 2006**

Dear Ms. Hoffman;

We appreciate the opportunity to review and comment on the referenced Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208"). The Draft Balterra 208 proposes to serve a 24 square mile service area shown in Figure 2A in blue, labeled as the North Tonopah's Southeast Planning Area (NTSEPA).

You will see in the enclosed letter dated May 22, 2006 that we as the owner of AZ-10 parcel # 504-34-015-M have requested service from Hassayampa Utilities Company ("HUC"), owned by Global Water Resources, and as such formally support their HUC Consolidated Service Area 208 Plan Amendment ("HUC Consolidated 208") application filed on May 8, 2006. We believe that the regional plan for 175 sections as proposed in the HUC Consolidated 208 is far superior to that proposed in the Draft Balterra 208.

Accordingly, we strongly oppose the inclusion of our 67 acres, known as AZ-10 etal, as described in the attached legal description, in the Draft Balterra 208.

Thank you in advance for your consideration of this important matter.

Sincerely,

J. Mario Sanchez  
Managing Member AZ-10

cc: Ken James, P.E., MCESD  
Trevor Hill, Global Water Resources

May 22, 2006

Ms. Cindy Liles  
Senior Vice President of Growth Management  
Hassayampa Utilities Company, Inc.  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

Re: MAG 208 Areawide Water Quality Management Plan Amendment  
Belmont/Tonopah Regional Area

Dear Ms. Liles:

We understand that Global Water Resources, Inc. ("Global") is in the process of filing an application for an amendment to the MAG 208 Areawide Water Quality Management Plan ("208 Plan") for its subsidiary, Hassayampa Utilities Company, Inc. ("HUC") to provide wastewater and reclaimed water services west of the Hassayampa River in unincorporated Maricopa County, in an area known as the Belmont/Tonopah Regional Area.

We do not oppose now, nor will oppose in the future, any filing by HUC and/or Global or its subsidiaries to establish or expand their service area in the MAG 208 Plan over our property. Further, we desire for our property to be included in the first available CC&N expansion. The legal description of our subject property is enclosed as Exhibit A.

If you have any questions or need additional information please contact me at 702-296-8880.

Name of Authorized Owner

By: JMS  
J. Mario Sanchez  
Real Estate Investment Group  
Its: Managing Member

Date: May 22, 2006



# Triyar

MANAGEMENT OF AZ, LLC  
An Affiliate of Triyar Companies, LLC

2800 N. 44th Street, Suite 150 Phone 602.748.8888  
Phoenix, Arizona 85008 Fax 602.748.8889

Maricopa Association of Governments  
Phoenix

June 26, 2006

June 26, 2006

Julie Hoffman, Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

**Re: Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, Dated April 2006**

Dear Ms. Hoffman;

We have reviewed the referenced Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208"). The Draft Balterra 208 proposes to serve a 24 square mile service area shown in Figure 2A in blue, labeled as the North Tonopah's Southeast Planning Area (NTSEPA).

We believe the Balterra proposal does not adequately address the service needs for the greater Tonopah area. Our property encompasses approximately 1400 acres bisected by I-10. The Balterra 208 plan only addresses property north of I-10. We are planning to develop, "Vaquero", a single cohesive master plan for our property and do not believe it is in our best interest to have two separate service providers. Additionally, we are concerned that as a developer controlled utility, Balterra, will use its position as a provider to gain unearned competitive advantage in the marketplace. We believe that the plan proposed by Hassayampa Utilities Company ("HUC"), owned by Global Water Resources, HUC Consolidated Service Area 208 Plan Amendment ("HUC Consolidated 208") application filed on May 8, 2006, is far superior in providing for a regional wastewater solution for the entire Tonopah valley.

Accordingly, we oppose the inclusion of our 1400 acres, known as Vaquero, as described in the attached legal description, in the Draft Balterra 208.

Thank you in advance for your consideration of this important matter.

Sincerely,

Bob Agahi  
Triyar Tonopah Investments, LLC

cc: Ken James, P.E., MCESD  
Trevor Hill, Global Water Resources

LEGAL DESCRIPTION

PARCEL 1:

THE NORTHEAST QUARTER, THE EAST HALF OF THE NORTHWEST QUARTER, AND THE SOUTH HALF OF SECTION 17, TOWNSHIP 2 NORTH, RANGE 7 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL 2:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 2 NORTH, RANGE 7 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

PARCEL 3:

THE NORTH HALF OF SECTION 21, TOWNSHIP 2 NORTH, RANGE 7 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

**EXCEPT ANY PORTION LYING WITHIN INTERSTATE 10 HIGHWAY.**

PARCEL 4:

THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 2 NORTH, RANGE 7 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL 5:

THE EAST HALF OF THE SECTION 20, TOWNSHIP 2 NORTH, RANGE 7 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

**EXCEPT ANY PORTION LYING WITHIN INTERSTTE 10 HIGHWAY.**



Maricopa Association of Govern  
Received

JUN 27 2006

New World Properties, Inc.

June 26, 2006

Julie Hoffman, Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

**Re: Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, Dated April 2006**

Dear Ms. Hoffman;

We appreciate the opportunity to review and comment on the referenced Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208"). The Draft Balterra 208 proposes to serve a 24 square mile service area shown in Figure 2A in blue, labeled as the North Tonopah's Southeast Planning Area (NTSEPA).

You will see in the enclosed letter dated May 10, 2006 that we as the owner and/or developer of property located at 395<sup>th</sup> Ave. & I-10 referred to as "Copperleaf" have requested service from Hassayampa Utilities Company ("HUC"), owned by Global Water Resources, and as such formally support their HUC Consolidated Service Area 208 Plan Amendment ("HUC Consolidated 208") application filed on May 8, 2006. We believe that the regional plan for 175 sections as proposed in the HUC Consolidated 208 is far superior to that proposed in the Draft Balterra 208.

We believe the Draft Balterra 208 proposal does not adequately address the service needs for the greater Tonopah area. Our property encompasses approximately 1,200 acres bisected by I-10. The Draft Balterra 208 plan only addresses property north of I-10. We are planning to develop "Copperleaf" a mixed use master plan on our property and believe being forced to utilize two different service providers on our property will harm our efforts to create a viable plan. Additionally, we are concerned that the principals in the Balterra group, who are competing developers, will use their position as a utility provider to gain unearned competitive advantage in the marketplace.

Accordingly, we strongly oppose the inclusion of our 1,200 acres known as "Copperleaf", as described in the attached legal description, in the Draft Balterra 208.

Thank you in advance for your consideration of this important matter.

Sincerely,

New World Properties, Inc.

Mark C. Brown - President



New World Properties, Inc.

May 10, 2006

Cindy Liles  
Hassayampa Utility Company  
21410 N. 19<sup>th</sup> Avenue  
Suite 201  
Phoenix, AZ 85027

RE: Sewer, Water, and Reclaimed Water Service

Ms. Liles,

As we have progressed with the entitlement for our project at 395<sup>th</sup> & I-10, referred to as Copperleaf, it has become apparent that Hassayampa Utility Company provides a viable option for coordinated water, wastewater, and reclaimed water service for the area. We recognize the necessity for having all three services provided on a regional basis and welcome your entrance into this area as a regional provider.

We, therefore request to be included in your submittal for the MAG 208 filing in the region.

Regards,

Mark C. Brown  
President, New World Properties, Inc.

**EXHIBIT "A"**

PARCEL NO. 1:

THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT THAT PORTION OF SAID EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 29, WHICH LIES WITHIN AND SOUTH OF A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED LINE;

BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 29;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 5470.76 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 00 DEGREES 03 MINUTES 23 SECONDS WEST, 243.12 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 29.

PARCEL NO. 2:

THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 3:

THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 4:

THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 5:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT ALL MINERAL DEPOSITS AND RIGHTS AS RESERVED BY STATE OF ARIZONA IN DEED RECORDED AS BOOK 360 OF DEEDS, PAGE 10, RECORDS OF MARICOPA COUNTY, ARIZONA.

PARCEL NO. 6:

THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THE NORTH 282.91 FEET OF THE SOUTH 305.26 FEET OF THE EAST 154.00 FEET OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA; AND

EXCEPT THE SOUTH 282.91 FEET OF THE NORTH 478.97 FEET OF THE EAST 154.00 FEET OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA; AND

EXCEPT ALL MINERALS DEPOSITS AND RIGHTS AS RESERVED BY STATE OF ARIZONA IN DEED RECORDED AS BOOK 360 OF DEEDS, PAGE 10, RECORDS OF MARICOPA COUNTY, ARIZONA.

PARCEL NO. 7:

THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 8:

THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THEREFROM THOSE PORTIONS LYING WITH THE FOLLOWING DESCRIBED PARCELS OF LAND;

BEGINNING AT A POINT ON THE LINE COMMON TO SAID SECTION 29 AND 30, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 476.85 FEET FROM THE CORNER COMMON TO SECTIONS 19, 20, 29 AND 30;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET;

THENCE SOUTH 08 DEGREES 19 MINUTES 27 SECONDS WEST, 809.17 FEET TO THE

EXISTING NORTHERLY RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 10  
(EHRENBERG-PHOENIX HIGHWAY);

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, ALONG SAID RIGHT-  
OF-WAY LINE, A DISTANCE OF 310.42 FEET;

THENCE NORTH 04 DEGREES 29 MINUTES 47 SECONDS WEST, 381.77 FEET;

THENCE NORTH 09 DEGREES 51 MINUTES 36 SECONDS WEST, 507.51 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET TO THE  
POINT OF BEGINNING; AND

EXCEPT THAT PORTION OF SAID WEST HALF OF THE NORTHWEST QUARTER OF  
SAID SECTION 29, WHICH LIES WITHIN AND SOUTH OF A STRIP OF LAND 308 FEET  
IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED  
LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 29, WHICH POINT BEARS  
SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE  
NORTHWEST CORNER OF SAID SECTION 29;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 5470.76 FEET TO A  
POINT ON THE EAST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 00  
DEGREES 03 MINUTES 23 SECONDS WEST, 243.12 FEET FROM THE EAST QUARTER  
CORNER OF SAID SECTION 20.

PARCEL NO. 9:

THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 NORTH, RANGE 6 WEST  
OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY,  
ARIZONA;

EXCEPT THEREFROM THOSE PORTIONS LYING WITHIN THE FOLLOWING  
DESCRIBED PARCELS OF LAND:

BEGINNING AT A POINT ON THE LINE COMMON TO SAID SECTIONS 29 AND 30,  
WHICH POINT BEARS NORTH 00 DEGREES 00 MINUTES 38 SECONDS EAST, 2805.94  
FEET FROM THE CORNER COMMON TO SECTIONS 29, 30, 31 AND 32;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET;

THENCE NORTH 07 DEGREES 33 MINUTES 28 SECONDS WEST, 888.33 FEET TO THE  
EXISTING SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 10  
(EHRENBERG-PHOENIX HIGHWAY);

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, ALONG SAID RIGHT-  
OF-WAY LINE, A DISTANCE OF 310.42 FEET;

THENCE SOUTH 08 DEGREES 19 MINUTES 27 SECONDS WEST, 809.17 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET TO THE  
POINT OF BEGINNING; AND

EXCEPT THAT PORTION OF SAID NORTHWEST QUARTER OF SAID SECTION 29, WHICH LIES WITHIN AND NORTH OF A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 29;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 5470.76 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 00 DEGREES 03 MINUTES 23 SECONDS WEST, 243.12 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 20.

PARCEL NO. 10:

THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THEREFROM THAT PORTION WHICH LIES WITHIN AND NORTH OF A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 30, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 05 SECONDS WEST, 76.94 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 30;

THENCE SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST, 2990.74 FEET TO A BEARING EQUATION POINT, AT WHICH POINT SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST = SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 2445.44 FEET TO A POINT ON THE LINE COMMON TO SAID SECTION 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 WEST, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE SECTION CORNER COMMON TO SECTIONS 19, 20, 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 EAST;

THENCE CONTINUING SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, TO THE EAST LINE OF SAID WEST HALF OF THE NORTHWEST QUARTER OF SECTION 29;  
AND

EXCEPT THEREFROM THOSE PORTIONS LYING WITH THE FOLLOWING DESCRIBED PARCELS OF LAND:

BEGINNING AT A POINT ON THE LINE COMMON TO SAID SECTIONS 29 AND 30, WHICH POINT BEARS NORTH 00 DEGREES 00 MINUTES 38 SECONDS EAST, 2805.94 FEET FROM THE CORNER COMMON TO SECTIONS 29, 30, 31 AND 32;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET;

THENCE NORTH 07 DEGREES 33 MINUTES 28 SECONDS WEST, 888.33 FEET TO THE EXISTING SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 10

(EHRENBERG-PHOENIX HIGHWAY);

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 310.42 FEET;

THENCE SOUTH 08 DEGREES 19 MINUTES 27 SECONDS WEST, 809.17 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET TO THE POINT OF BEGINNING; AND

EXCEPT THEREFROM THOSE PORTIONS LYING WITHIN THE FOLLOWING DESCRIBED PARCELS OF LAND:

BEGINNING AT THE NORTHEAST CORNER OF SECTION 30;

THENCE WEST ALONG THE NORTH SECTION LINE 511 FEET;

THENCE SOUTH 90 FEET;

THENCE WEST 50 FEET;

THENCE SOUTH 1098 FEET;

THENCE EAST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 10 (EHRENBERG-PHOENIX HIGHWAY) TO A POINT COMMON TO SECTIONS 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 WEST;

THENCE NORTH ALONG THE EAST SECTION LINE TO THE POINT OF BEGINNING.

PARCEL NO. 11:

THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 12:

THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 13:

THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THEREFROM THAT PORTION WHICH LIES WITHIN AND NORTH OF A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 30, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 05 SECONDS WEST, 76.94 FEET FROM THE

NORTHWEST CORNER OF SAID SECTION 30;

THENCE SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST, 2990.74 FEET TO A BEARING EQUATION POINT, AT WHICH POINT SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST=SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 2445.44 FEET TO A POINT ON THE LINE COMMON TO SAID SECTION 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 WEST, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE SECTION CORNER COMMON TO SECTIONS 19, 20, 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 EAST;

THENCE CONTINUING SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST TO THE EAST LINE OF SAID WEST HALF OF THE NORTHWEST QUARTER OF SECTION 29.

PARCEL NO. 14:

THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THEREFROM THAT PORTION WHICH LIES WITHIN AND SOUTH OF A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 30, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 05 SECONDS WEST, 76.94 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 30;

THENCE SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST, 2990.74 FEET TO A BEARING EQUATION POINT, AT WHICH POINT SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST=SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 2445.44 FEET TO A POINT ON THE LINE COMMON TO SAID SECTION 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 WEST, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE SECTION CORNER COMMON TO SECTIONS 19, 20, 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 EAST;

THENCE CONTINUING SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST TO THE EAST LINE OF SAID WEST HALF OF THE NORTHWEST QUARTER OF SECTION 29;  
AND

EXCEPT THEREFROM THOSE PORTIONS LYING WITHIN THE FOLLOWING DESCRIBED PARCELS OF LAND:

BEGINNING AT A POINT ON THE LINE COMMON TO SAID SECTIONS 29 AND 30 WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 476.85 FEET FROM THE CORNER COMMON TO SECTIONS 19, 20, 29 AND 30;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET;

THENCE SOUTH 08 DEGREES 19 MINUTES 27 SECONDS WEST, 809.17 FEET TO THE

EXISTING NORTHERLY RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 10  
(EHRENBERG-PHOENIX HIGHWAY);

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, ALONG SAID RIGHT-  
OF-WAY LINE, A DISTANCE OF 310.42 FEET;

THENCE NORTH 04 DEGREES 29MINUTES 47 SECONDS WEST, 381.77 FEET;

THENCE NORTH 09 DEGREES 51 MINUTES 36 SECONDS WEST, 507.51 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET TO THE  
POINT OF BEGINNING.

PARCEL NO. 15:

THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 20,  
TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND  
MERIDIAN, MARICOPA COUNTY, ARIZONA.

# 411th & Camelback, LLC.

2151 E BROADWAY, STE 203 ♦ TEMPE, ARIZONA 85282 ♦ 480-557-7667

Maricopa Association of Governments  
Received

JUN 27 2006

June 27, 2006

Julie Hoffman, Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

**Re: Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment,  
Dated April 2006**

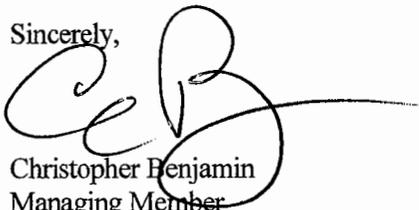
Dear Ms. Hoffman;

We appreciate the opportunity to review and comment on the referenced Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208").

We strongly object to the inclusion of our 18.257 acre parcel, as described in the attached legal description, in the Draft Balterra 208. We feel that this Draft Balterra 208 plan will not fully service the needs of the entire Tonopah Valley.

Thank you in advance for your consideration of this important matter.

Sincerely,



Christopher Benjamin  
Managing Member  
411<sup>th</sup> & Camelback, LLC.

cc: Ken James, P.E., MCESD  
Dale Bodiya, P.E., MCESD  
Trevor Hill, Global Water Resources

## **LEGAL DESCRIPTIONS**

THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST  
QUARTER OF SECTION 13, TOWNSHIP 2 NORTH, RANGE 7 WEST OF THE  
GILA AND SALT RIVER BASE MERIDIAN, MARICOPA COUNTY, ARIZONA

Maricopa Association of Governments  
Received

JUN 27 2006

June 27, 2006

Julie Hoffman, Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

**Re: Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment,  
Dated April 2006**

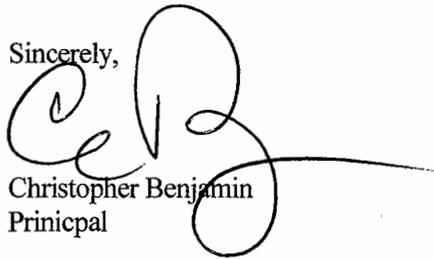
Dear Ms. Hoffman;

We appreciate the opportunity to review and comment on the referenced Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208").

We strongly object to the inclusion of our 58.315 acre parcel, as described in the attached legal description, in the Draft Balterra 208. We feel that this Draft Balterra 208 plan will not fully service the needs of the entire Tonopah Valley.

Thank you in advance for your consideration of this important matter.

Sincerely,



Christopher Benjamin  
Principal

cc: Ken James, P.E., MCESD  
Dale Bodiya, P.E., MCESD  
Trevor Hill, Global Water Resources

## **LEGAL DESCRIPTION**

THE SOUTH ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF SECTION THIRTEEN (13), TOWNSHIP TWO (2) NORTH, RANGE SEVEN (7) WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

**EXCEPT** THE WEST ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 13; AND EXCEPT THE SOUTH FORTY (40) FEET THEREOF.



Maricopa Association of Governments  
Received

JUN 27 2006

Our File: HUC\Regulatory\MAG208

June 27, 2006

Julie Hoffman  
Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

2:50 u

**Re: Draft Balterra Wastewater Treatment Facility, MAG 208 Amendment, Dated April 2006**

Dear Ms. Hoffman:

We appreciate the opportunity to review and comment on the referenced Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208"). In the final analysis, the concept of regionalization is what should drive the determination of plan conformance with the Regional Water Quality Management Plan. In this context, Maricopa County Environmental Services Department (MCESD) is definitely on the right track by desiring that regional treatment facilities be defined not by political or development boundaries but by geographic contours, or sewer sheds. As such, it is very important that Plan Amendments strive for and achieve this higher level of regionalization.

As you know, Hassayampa Utilities Company ("HUC"), a wholly-owned subsidiary of Global Water Resources, Inc. submitted its *HUC Consolidated Service Area 208 Plan Amendment ("HUC Consolidated 208")* application on May 8, 2006. We believe that the regional plan for 175 sections as proposed in the HUC Consolidated 208 succeeds in maximizing the regionalization approach to wastewater management. It incorporates regional collection systems, interconnected to allow for phased growth, and for the development of a reclaimed water distribution system that will not only supplant scarce water reserves in the State, but will also allow for an integrated approach to water supply: application of the appropriate water source to the appropriate use.

The HUC Consolidated 208 meets all the mandates for regional planning as required by the Clean Water Act. By enlarging the proposed service area, greater advantage of naturally occurring sewer sheds can be made, resulting in fewer treatment facilities and a more integrated servicing solution can be achieved.

The HUC Consolidated 208 represents that HUC is able to serve the Balterra development in addition to the 175 sections presently planned, and that its flows would be treated at the proposed water reclamation facility in Copper Leaf, labeled Campus 2, in the HUC Consolidated 208.

We also note that the Draft Balterra 208 proposes to supersede the previous amendments submitted by the Saddle Mountain Unified School District No. 90 which would allow the permitting for expansion of the 15,000 gpd Water Treatment Facility (WTF) at the Ruth Fisher School to 45,000 gpd to serve the adjacent Tonopah Valley High School. As shown in the HUC Consolidated 208, HUC is prepared to serve both schools as well as to provide reclaimed water for irrigation and other reuses. Attached is a copy of a letter from Roxanne Morris of the Saddle Mountain Unified School District No. 90 dated February 2006, which states, "SMUSD is interested in acquiring sewer services from a regional provider at which time, the plant currently operating the Ruth Fisher elementary campus and Tonopah Valley High School campus will be eliminated."



Accordingly, we believe that the HUC Consolidated 208 better represents the needs of the County and its residents. In the event that MAG feels compelled to permit the continuation of the Draft Balterra 208 application, it is suggested that its boundaries be limited to the 2 section Balterra development so as not to jeopardize future regional planning. Thank you in advance for your consideration of this important matter.

Sincerely,  
HASSAYAMPA UTILITIES COMPANY, INC.  
GLOBAL WATER RESOURCES, INC.



Trevor T. Hill, President and CEO

cc: Ken James, P.E., MCESD



**Saddle Mountain Unified School District #90**

38201 West Indian School Road

Tonopah, AZ 85354

Phone 623-474-5100

Fax 623-691-6757

[www.smusd.com](http://www.smusd.com)

*Roxanne Morris, Superintendent*

February, 2006

To Whom It May Concern:

RE: Certificate of Convenience and Necessity Application ("CC&N") and MAG 208 Amendment ("208 Amendment") –

Dear Sir/Madam:

Please consider the following information as it pertains to the above referenced documents related to the formation of a Regional Sewer System

Saddle Mountain Unified School District ("SMUSD") is currently working with it's neighbors in order to resolve regional sewer issues.

Currently SMUSD is constructing a small package plant for the new high school, Tonopah Valley High School.

The Silver Water Ranch CC&N and 208 Amendment proposes to design and construct as well as operate and maintain a regional wastewater treatment plant which will benefit both the Silver Water Ranch development as well as SMUSD. SMUSD is interested in acquiring sewer services from a regional provider at which time, the plant currently operating the Ruth Fisher elementary campus and Tonopah Valley High School campus will be eliminated.

Respectfully,

*Roxanne G. Morris*

Roxanne G. Morris  
Superintendent of Schools – SMUSD

**Governing Board Members**

Dan Blackson, President

Ken Blackson

Dan Blackson

Kathy Torres

Gary Burton, Clerk

Maricopa Association of Governments  
Received

JUL 06 2006

PUBLIC HEARING ON THE DRAFT MAG 208  
WATER QUALITY MANAGEMENT PLAN AMENDMENTS  
FOR THE BALTERRA WASTEWATER TREATMENT FACILITY,  
CITY OF SURPRISE SPECIAL PLANNING AREA 4  
REGIONAL WATER RECLAMATION FACILITY, AND  
CITY OF SURPRISE SPECIAL PLANNING AREA 5  
REGIONAL WATER RECLAMATION FACILITY

Phoenix, Arizona

June 27, 2006

3:11 p.m.

**Glennie**  
Reporting Services

5333 North 7th Street  
Suite B110  
Phoenix, Arizona 85014-2840

(602) 266-6535 Phone  
(602) 266-9661 Fax

Prepared by:  
Marianne S. Burton, RPR  
Arizona Certified  
Reporter No. 50519

(Original)

1                   The Public Hearing was taken on June 27, 2006,  
2 at 3:11 p.m., at the offices of the Maricopa Association  
3 of Governments, 302 North 1st Avenue, Suite 200,  
4 Phoenix, Arizona, before Marianne S. Burton, RPR, a  
5 Certified Reporter, Certificate No. 50519.

6

7 Committee Members Present:

8 Roger Klingler, City of Scottsdale, Chair  
9 Lucky Roberts, Town of Buckeye  
10 Chris Ochs, City of Glendale  
11 David Iwanski, City of Goodyear  
12 Robert Hollander, City of Phoenix  
13 Rich Williams, Sr., City of Surprise  
14 David McNeil, City of Tempe  
15 Dale Bodiya for John Power, Maricopa County  
16 Maria Mahar for John Boyer, Pinnacle West Capital  
17 Eugene Jensen, Citizen Representative

18

19 Committee Members Attending by Telephone Conference Call:

20 Jacqueline Strong, City of Chandler  
21 Bill Haney, City of Mesa

22

23 Others Present:

24 Edwina Vogan, Arizona Department of Environmental Quality  
25 Michael Salisbury, Town of Buckeye

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Others Present, Continued:

- Ken James, Maricopa County
- James Shano, City of Surprise
- Paul Gilbert, Beus Gilbert
- Felipe Zubia, Beus Gilbert
- John Tyldesley, CSA Engineering
- Peter Chan, CSA Engineering
- Mike Kocourek, Element Homes
- Garry Hays, Gallagher & Kennedy
- Robin Bain, Global Water/Hassayampa Utilities Company
- James Condit, JF Properties
- Keith Watkins, JF Properties
- Steve Owen, Pacific Environmental Resources Corporation
- Bryan O'Reilly, Sierra Negra Ranch
- Julie Hoffman, Maricopa Association of Governments
- Ann Wimmer, Maricopa Association of Governments

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MR. KLINGLER: Now we're going to open our public hearing on the Draft MAG 208 Plan Amendment for the -- we have three of them: One for the Balterra Wastewater Treatment Facility, one for the City of Surprise Special Planning Area 4 Regional Water Reclamation Facility, and the City of Surprise Special Planning Area 5 Regional Water Reclamation Facility.

What we'll do is begin on a briefing on each draft amendment, and then after that, any hearing participants are invited to make comment for the public record.

We do have a court reporter present to provide an official record of the hearing. Written comments are also welcome. For those that wish to speak on the draft amendments, please fill out a yellow card and hand it in to Julie, here, of the MAG staff. And I believe people have done that.

And what we will do is, we will hear presentations on all three, and then we'll go to the public comment. So we'll do it that way.

So I believe Paul Gilbert and Peter Chan of CSA are going to start with the Balterra amendment.

Correct, Paul? Are you going to do that?

MR. GILBERT: Sure.

1                   One minor change, we have Jim Condit instead  
2 of Peter. But Peter is here and available to answer  
3 questions.

4                   For your record, my name is Paul Gilbert,  
5 4800 North Scottsdale Road. I'm here on behalf of  
6 Balterra, and Jim will be assisting me in answering the  
7 technical questions.

8                   MR. CONDIT: Mr. Chair, my name is  
9 Jim Condit. I'm with JF Properties. I'm a  
10 water/wastewater engineer. I've been working in the  
11 Valley since the  
12 mid '80s.

13                   MR. GILBERT: This is a request to amend the  
14 MAG 208 plan. We're here basically because when we came  
15 in, we had a development. The County said: You need to  
16 expand and provide for a larger area; we did that. So  
17 we're here at the request of the County. They asked us  
18 to expand the service area to serve more than just our  
19 project, which we willingly did.

20                   And significantly -- and you may hear me say  
21 this several times -- we're here with the sponsorship of  
22 the County. They are basically sponsoring our request,  
23 and we're here fully in conformance to their request to  
24 include the new wastewater treatment plant and to pursue  
25 this MAG 208 amendment.

1           You've heard some of this before, so with  
2 your permission, Mr. Chairman, I'm going to go through  
3 this very quickly, not wanting to be redundant, although  
4 paid by the word, it's a temptation to do so. I'll wrap  
5 this up fairly quickly just because most of you have  
6 heard it before.

7           The ownership, operation, and financing is  
8 with JF Properties. The ownership will be Balterra Sewer  
9 Corporation, and the operation will be by Balterra Sewer  
10 Corporation, with a State certified operator.

11           Little bit about the Balterra Sewer  
12 Corporation: We'll provide a private utility company  
13 regulated by the Arizona Corporation Commission.

14           Significantly, the Arizona Corporation  
15 Commission has already issued a Certificate of  
16 Convenience and Necessity defining the initial area to be  
17 served, and that area is the Balterra development itself,  
18 as well as the Ruth Fisher School District. So we have  
19 the CC&N; that's already been issued. I can't emphasize  
20 that enough as we reason together on this application  
21 here today.

22           We will operate the facility in accordance  
23 with APP, and all permits will be issued by the Arizona  
24 Department of Environmental Quality.

25           The treatment facility is at the 90 percent

1 design phase. We have also received the Arizona  
2 Department of Water Resources' availability notice for  
3 groundwater, and we have submitted the application for  
4 the Aquifer Protection Permit with ADEQ.

5 If it appears to you we are well down the  
6 road, that is absolutely the case.

7 Our next PowerPoint shows basically the  
8 vicinity map and the precise discharge location. We are  
9 asking for a relatively small area for this MAG 208 plan  
10 amendment. It is in the southeast portion of the Tonopah  
11 Wastewater Planning Area, and that is indicated in the  
12 blue stripe. That is the only area that we are  
13 requesting service in the MAG 208 Amendment.  
14 Significantly, we are not asking for the northeast or the  
15 west planning area to be included.

16 We included this -- and again, you may hear  
17 this ad nauseam from me in this presentation. We  
18 included this because that's what the County asked us to  
19 do. So we're here again proposing to serve an area in  
20 complete conformance with what the County had requested.

21 I'm aware that the Saddle Mountain Unified  
22 School District is in a serious problem which needs to be  
23 corrected as soon as possible. I think that they are in  
24 the position they want to ride the horse that's going to  
25 get there the fastest. They have given us a letter

1 indicating their support to be included in this district,  
2 and significantly, they are part of the CC&N that has  
3 been awarded by the Arizona Corporation Commission.

4 The population of this area by 2026 will be  
5 150,000 people. We have broken that down; won't go into  
6 a lot of detail there.

7 The wastewater treatment facility will be  
8 designed in phases, capable to expand to accommodate the  
9 ultimate buildout of the entire service area. We've  
10 allocated enough land for that to take place and, as the  
11 County required, we ensured that we had this capability  
12 to expand beyond the Ruth Fisher School District and our  
13 own facility.

14 The wastewater flows by gravity to the  
15 treatment plant. We have sufficient setbacks, effective  
16 use of the land, and we are very close, of course, to the  
17 discharge location.

18 Our Corporation was formed with the ACC, and  
19 the ACC approved, again, as I mentioned before, in June,  
20 our CC&N.

21 Significantly, the Maricopa County Board of  
22 Supervisors has also authorized the sewer franchise for  
23 the Balterra Sewer Corporation. So that is behind us as  
24 well.

25 We can talk about the facility design. We

1 went through this before with you. If you have any  
2 questions, we can go through it in detail. If you don't  
3 have any, we'll move on.

4 Seeing none, we'll keep going.

5 Again, we have the outline of how the  
6 wastewater treatment facility will operate. Jim is dying  
7 to talk on that, but I don't think it's necessary.

8 Here are standards, and we went through this  
9 with you last time we appeared. Again, if you have some  
10 specific questions, we can go over them, but I think we  
11 meet all requirements in that regard. And, as Jim  
12 whispers in my ear, we're Class A+. So we can skip the  
13 permitting and other requirements.

14 We're on track. We've indicated where we  
15 are. Here is our schedule. We've been working on the  
16 design since December of 2005 up to date. We are in the  
17 process of obtaining County approval. Our startup is  
18 fall of 2008.

19 Our effluent disposal, again we talked about  
20 that last time. Here's a quick summary of it. Happy to  
21 go over that in detail if there are any questions.

22 Mr. Williams is pondering that, so while he  
23 ponders, I'll move on if there are no other questions.

24 So we're here again requesting approval of  
25 the 208 amendment. And let me just summarize, then, our

1 position and where we're at.

2 Mr. Chairman, I've not had opposition at  
3 these hearings before. Do we get an opportunity to  
4 respond to the opposition later on?

5 MR. KLINGLER: Yes. We can certainly  
6 provide that. I think what we'll do is, if you want  
7 to -- you made some points, I think, in anticipation  
8 already. If there's anything else you want to add at  
9 this time, and then after we hear the public testimony,  
10 we'll give you an opportunity to discuss it some more. I  
11 think that's fair.

12 MR. GILBERT: I think the bottom line is  
13 we're well down the road. We're here with County  
14 sponsorship, with Maricopa County approval of the  
15 franchise, and with the CC&N from the Arizona Corporation  
16 Commission and a plant that's 90 percent designed. I  
17 think those are the highlights of our position.

18 MR. KLINGLER: Okay. Appreciate that.

19 Is that -- are you ready for questions at  
20 this point? If not, what we'll do is, we'll have you  
21 hang loose and come back after we hear some other  
22 testimony, unless there is any questions at this point  
23 from the Committee.

24 We probably will. Appreciate that. If you  
25 just would hang around.

1 MR. GILBERT: We'll be here.

2 MR. KLINGLER: Thank you.

3 Let's go on with the other presentations.

4 Rich, did you want to introduce Steve Owen  
5 of PERC, or did you want him to step up, or how do you  
6 want to do this?

7 MR. WILLIAMS: If it's acceptable,  
8 Mr. Chairman, I'd like to just say a few words for the  
9 record since it is the public hearing, before Steve Owen,  
10 with PERC, does the presentation again.

11 Both of these amendments, the Special  
12 Planning Area 4 and Special Planning Area 5, are City  
13 amendments. They're very similar to Special Area 1, 2,  
14 and 3 that we've already brought before this board and  
15 amended over the last few years. They're part of the  
16 City's general plan, 2020 Municipal Planning Area,  
17 approximately 300 square miles. That City of Surprise  
18 Municipal Planning Area has an integrated water master  
19 plan where the water resources, water and wastewater  
20 systems and infrastructure, had been identified at the  
21 master plan level.

22 The City of Surprise is moving forward with  
23 a general plan five-year midterm amendment to capture the  
24 recent aggressive development that's going on since 2001  
25 when the plan was approved by the voters. Following

1 that, that mid five-year term amendment, we would be  
2 updating, in fiscal year 2007, our existing integrated  
3 water master plan to match the densities and the  
4 expectations of the amendment.

5 We're partnering with the developers in this  
6 effort. Many of these developments are currently  
7 unincorporated county areas; however, we're actively  
8 negotiating pre-annexation development agreements that  
9 would provide -- the City would be the sewer service  
10 provider in these areas until the mandate within the  
11 preannexation development agreement would require  
12 annexation once the connectivity in the annexation  
13 formula is satisfied.

14 If there are any questions, I think Steve  
15 could make the presentation.

16 MR. KLINGLER: Steve.

17 MR. OWEN: Thank you.

18 I appreciate the opportunity to be here  
19 today and to walk you through the City of Surprise SPA-4  
20 Regional Water Reclamation Facility and our plans for  
21 that and the City's plans for that.

22 As I mentioned before, the City of  
23 Surprise -- as also Rich just mentioned -- has the  
24 various planning areas, and the SPA-4 is one of now six  
25 areas for new water reclamation facilities. SPA-4 will

1 serve Sunhaven and other developments located in that  
2 area. We'll talk about those developments and then the  
3 population and the wastewater projection for that area  
4 for SPA-4. We'll talk about the specifics of the SPA-4  
5 water reclamation facility as well as what our plans are  
6 and the City's plans are for that effluent disposal.

7           The financing initially on the design, build  
8 and startup O&M will come from Sunhaven I, LLC. The  
9 ownership will then be transferred, upon completion,  
10 substantial completion of the facility, to the City of  
11 Surprise, and operations will then continue on an ongoing  
12 basis through City of Surprise city staff and/or contract  
13 operations.

14           This lays out the different planning areas.  
15 I don't have my pointer, but SPA-4 is this area here,  
16 north of SPA-2. And both SPA-2 and SPA-3 have already  
17 been approved through 208 amendments.

18           So SPA-4 is this area here. The Sunhaven  
19 development is outlined there in the red. The water  
20 reclamation facility will be there as it's indicated on  
21 the map.

22           As far as population, population of about --  
23 64,000 is the population in the SPA-4 area, the dwelling  
24 units of about 22,000 -- close to 23,000 dwelling units.

25           Phase 1 will be a 1.2 MGD initial developer

1 phase that you see there indicated on the site.  
2 Ultimately, the plant, the regional facility will expand  
3 up to -- again, ultimately, it will expand to  
4 8 MGD for capacity in that area, in the SPA-4 area.

5 Why this site was selected is simply because  
6 the wastewater flows by gravity to the treatment  
7 facility. It's close to the discharge locations. It  
8 meets sufficient setbacks, and it's an effective use of  
9 this land.

10 Again, as we mentioned before, PERC, hybrid  
11 sequential batch reactor, biological oxidation of organic  
12 matter, biological nutrient removal, tertiary treatment  
13 utilizing disk filtration and UV disinfection. We will  
14 meet ADEQ Title 18 Class A+ effluent standards and we  
15 have the ability to meet EPA Class B biosolids.

16 This just gives you an overview or insight  
17 into what the facility will look like. This is the  
18 treatment process schematic, which we can go into that in  
19 detail if anyone has any questions.

20 The Class A+ effluent is pretty  
21 self-explanatory as far as water quality. These are the  
22 permits that we're obtaining, obviously, through  
23 Maricopa County, ADEQ, and the City.

24 This is the anticipated project schedule,  
25 and we're pretty close to that -- staying within that.

1 Obviously, some things move around, but, hopefully, we'll  
2 complete design by October and start construction the  
3 first quarter of '07, with the completion of first  
4 quarter of '08, and startup around that time.

5           Primary disposal of effluent will be the  
6 percolation, percolation basins or recharge and reuse,  
7 onsite reuse, as well as potential other sources for  
8 reuse within the communities.

9           Secondary disposal: Discharge into adjacent  
10 recharge basins, which may be off the site or down the  
11 road for future -- the ultimate 8 MGD. There may be  
12 other adjacent recharge basins added on, and additional  
13 land purchased for that, ASR wells, those type of things,  
14 and then possibly in the far future, NPDES.

15           Any questions and answers on that one right  
16 now or --

17           MR. KLINGLER: We've had a thorough  
18 presentation of this previously. I think we had a chance  
19 to ask and answer questions previously, and I think we've  
20 got those. And if there's no other questions from the  
21 Committee, do you want to go ahead with SPA-5 at this  
22 time?

23           MR. OWEN: Oh, sure.

24           MR. KLINGLER: Okay.

25           MR. OWEN: This is SPA-5, which is the other

1 regional water reclamation facility located in Surprise.  
2 Obviously, we've been through this, so I'll be very brief  
3 on this one and just highlight the key points.

4 This project in SPA-5, the water reclamation  
5 facility, financing will initially come from Elliott  
6 Homes, Whittman, which is now Woodside Homes and Anderson  
7 Land. Those are the three major builders and developers  
8 involved at this point.

9 As I mentioned, just like the model with  
10 SPA-4, the City of Surprise will retain ownership once  
11 the substantial completion is completed and operations  
12 will then be under the responsibility of the City of  
13 Surprise and/or contract operations.

14 The planning areas, as you see here, just to  
15 point this out quickly, SPA-5 is this area here. And the  
16 facility is located here, down on the south end of the  
17 SPA-5 area, near the canal there.

18 Population 17 -- approximately 17,600 units,  
19 with a population just about 50,000 people.

20 Again, this site initially starts at 1.2 and  
21 goes to an ultimate capacity of 8 MGD, as well, which is  
22 more than enough capacity for that area out there.

23 Again, this site was a good location because  
24 the gravity collection system flows without lift stations  
25 and close to the discharge, and sufficient setbacks were

1 met by using this land, and an effective use of the land.

2 Process, we've been through that, on the  
3 PERC ASP system. This is a similar layout. And effluent  
4 quality, A+ effluent.

5 All the necessary permits will be obtained  
6 from the proper regulatory agencies.

7 On this schedule, again, it's a mirror image  
8 of the other, give or take a couple months. So beginning  
9 quarter '08, which is substantial completion. It's the  
10 target date.

11 Primary disposal, again, percolation basins,  
12 irrigation for other uses, reuse within the communities  
13 there in the SPA-5 area, and then secondary disposal  
14 discharge to adjacent other recharge basins and/or NPDES.

15 Any questions on the SPA-5?

16 MR. KLINGLER: Anybody have any questions  
17 for Steve at this time? If not --

18 Thank you. If you would also hang around  
19 and, after the public comment, we'll see if there's any  
20 more questions, and we'll take action then.

21 Thank you, Steve.

22 Now, at this time, public comments are  
23 invited. And we've got some cards here, so, please, if  
24 you would adhere to the three-minute time limit.

25 And let's start with -- I've got the name of

1 Robin Bain.

2 Good afternoon. If you could give your name  
3 and address for the record, we'd appreciate it.

4 MS. BAIN: My name is Robin Bain. I work  
5 for Global Water Resources and Hassayampa Utilities  
6 Company, 21410 North 19th Avenue, Phoenix, Arizona 85027.

7 First of all, I'd like to thank you for the  
8 opportunity to speak this afternoon.

9 We certainly do applaud the efforts of MAG  
10 with their regional wastewater planning and, in this  
11 case, of the Balterra folks for their application.

12 However, even though we recognize they're  
13 capabilities and abilities to provide service in that  
14 area, we do oppose the service area as proposed, and we  
15 propose instead that this Committee consider shrinking  
16 the application of the service area to the approximate  
17 two sections that is now apparently in their certificated  
18 area, which is the Balterra development itself.

19 And let me just take my few minutes here to  
20 list some of our thoughts and comments on this matter.

21 Hassayampa Utilities Company is a  
22 wholly-owned subsidiary of Global Water, and Global Water  
23 is a private water and wastewater utility that is  
24 regulated by the Arizona Corporation Commission, as many  
25 of you know. We are not affiliated with any developer.

1 We are locally and privately owned and very well  
2 capitalized.

3 We have submitted a 208 also in western  
4 Maricopa County. We submitted that on May 8th, and our  
5 208 is for 175 sections, approximately. That's about 151  
6 sections more than Balterra's current proposed 208.

7 Our 208 was of that magnitude largely at the  
8 suggestion and encouragement of Maricopa County, who  
9 encouraged us to submit a regional plan, we certainly  
10 feel very confident that we have done just that.

11 And it's a very comprehensive regional plan  
12 that discusses at great length both wastewater and  
13 reclaimed water, comprehensive integrated services, a  
14 phased approach, looking at probably seven water  
15 reclamation facilities in this area over the fullness of  
16 time and could -- you know, could well see the avoidance  
17 of having another 151 208 plan amendments come in here,  
18 or 50, or whatever the development community would have  
19 it be.

20 MR. KLINGLER: If you have one concluding  
21 sentence to --

22 MS. BAIN: Absolutely.

23 In conclusion, we do oppose the service area  
24 as proposed. We do believe that the 208 does not have a  
25 first in, first approval kind of mandate from the Clean

1 Water Act, but instead the mandate is for area wide water  
2 quality full master planning and regionalization, which  
3 we believe our May 8th Hassayampa Utilities Company 208  
4 does indeed provide.

5 Thank you.

6 MR. KLINGLER: Can you answer just a couple  
7 questions real quick, if I may just to clarify?

8 One of the comments that the Balterra folks  
9 made was they had a Certificate of Convenience and  
10 Necessity for this area.

11 Does Global Water or HUC have that or what's  
12 the status?

13 MS. BAIN: Global Water has not yet filed a  
14 CC&N. But we'll be able to do so with the property  
15 owners who have requested service of Hassayampa Utility  
16 Company, which includes a number of those which are  
17 currently shown in Balterra service area.

18 MR. KLINGLER: Then one other clarifying  
19 question: One of your comments in the letter from  
20 Global Water was something about Ruth Fisher School  
21 District and some interest that they had in joining a --  
22 some sort of regional solution treatment plant. There's  
23 a vague letter attached that says they're interested in  
24 joining with someone.

25 Balterra submitted us some letters that say

1 specifically they're interested in partnering with  
2 Balterra.

3 So is there some letter we don't have that  
4 says they're specifically interested in HUC or  
5 Global Water or was that a general letter, they're  
6 interested in just getting rid of their treatment plant?

7 MS. BAIN: The letter we submitted was that  
8 general letter we received which expressed interest in a  
9 regional solution.

10 MR. KLINGLER: Any other questions from  
11 the --

12 MS. BAIN: I might just add that our 208  
13 does provide for services to the Ruth Fisher School if  
14 indeed they would request that service.

15 MR. KLINGLER: Question?

16 Rich.

17 MR. WILLIAMS: Thank you, Mr. Chairman.

18 Global Water Company's current CC&N  
19 application is for how large, in that specific area of  
20 the West Valley?

21 MS. BAIN: We currently have an application  
22 for the 2000-acre CC&N in what we call Hassayampa Ranch,  
23 which is west of the Hassayampa River, and it was the 208  
24 that was submitted to Maricopa County and to MAG last  
25 summer.

1 MR. WILLIAMS: From the Corporation  
2 Commission side though the CC&N area, you've applied for  
3 additional area, you've applied for the MAG 208  
4 amendment. Do you currently have an entitlement to an  
5 existing CC&N area in the MAG 208 service area in that  
6 same specific area?

7 MS. BAIN: No. For wastewater, no, we do  
8 not. We just had our first hearing with the ACC last  
9 Thursday, and that went fine. And now we're teeing up  
10 for the remainder of the public meetings on that CC&N for  
11 Hassayampa Ranch, which is under the Hassayampa Utilities  
12 Company. We've not yet made application for the oh,  
13 gosh, 80-some sections that have requested service of us,  
14 but we will be doing so this summer under the umbrella of  
15 Hassayampa Utility Company, and that will include  
16 Belmont, Copper Leaf, Silver Water Ranch, Silver Springs  
17 Ranch, the 339th Avenue Development, and many others.

18 MR. WILLIAMS: Please bear with me. I just  
19 received this information here today and haven't had a  
20 chance to read all of it.

21 So, correct me if I'm wrong, but I heard you  
22 state that you do not currently have a CC&N entitlement  
23 for wastewater in this general area.

24 MS. BAIN: Not that is finally approved, no,  
25 we do not.

1 MR. WILLIAMS: You are in the process of  
2 applying for some number of square miles?

3 MS. BAIN: Yes.

4 MR. WILLIAMS: A CC&N area extension?

5 MS. BAIN: Correct.

6 MR. WILLIAMS: How many square miles is  
7 that?

8 MS. BAIN: Whatever 2000 acres turns out to  
9 be. I don't know that number.

10 MR. WILLIAMS: Three point something.

11 MS. BAIN: Right. That's our current  
12 application, sir. But we will be expanding that upwards  
13 of 80 or so in our application this summer. Again, to  
14 cover Belmont, Copper Leaf, Silver Water Ranch, Silver  
15 Springs Ranch, 339th Avenue Development, and many others.

16 MR. WILLIAMS: Do I also understand  
17 correctly that the ranch that you mentioned that's  
18 Hassayampa Ranch or whatever, that's further west in this  
19 new 208 amendment request, and the potential 2000 acres  
20 of CC&N request are an effort beyond that earlier CC&N  
21 effort?

22 MS. BAIN: No. The Hassayampa Ranch 208  
23 amendment is the original Hassayampa Utilities Company  
24 venture, if you will, opportunity, in western Maricopa  
25 County. It is immediately to the west of the

1 Hassayampa River. It is just north of Indian School Road  
2 at approximately 339th Avenue, something like that,  
3 tucked into the southeast corner of what is also known as  
4 Belmont.

5 MR. WILLIAMS: Thank you. Okay. Thank you.

6 MR. KLINGLER: The next comment card I had  
7 wishing to speak is from Garry Hays.

8 Garry, if would you state your name and  
9 association for the record, please.

10 MR. HAYS: My name is Garry Hays, and I'm a  
11 member of the law firm of Gallagher & Kennedy, appearing  
12 on behalf of New World Properties, who is developing  
13 1200 acres commonly referred to as Copper Leaf.

14 This 1200-acre, a portion of it is included  
15 in the 208 file you have in front of you. Another  
16 portion, the southern portion of I-10 or south, south of  
17 I-10, is not included in this.

18 By granting this 208, you're going to have a  
19 master-planned community of 1200 acres with two sewer  
20 providers. It doesn't really work well to bifurcate a  
21 master plan with the utilities.

22 Copper Leaf -- and you have a letter from  
23 the president, Mark Brown -- has made a request for  
24 service from Hassayampa Utilities Company, not from  
25 Balterra.

1           And we've talked a lot about the ACC, and if  
2 I could, just by way of background, I spent a few years  
3 there as an advisor to a commissioner, so I can talk  
4 about ACC issues and answer some questions.

5           One thing you have to think about that's  
6 very important -- and my time is quickly going away -- is  
7 consolidating utilities. The ACC, three or four years  
8 ago, adopted a policy that said they wanted consolidated  
9 wastewater and water utilities.

10           Balterra, as far as I know, is not in the  
11 water business nor will ever be in the water business,  
12 however, Global is. Global is and has become, in the  
13 past three or four years, the largest game in town.

14           Global has a great reputation with ACC.  
15 Global is someone who the ACC uses as a model because  
16 they do have consolidated water and wastewater.

17           In regards to the CC&N, my client's  
18 development is not included in the Balterra CC&N. I  
19 could be wrong, but I think their CC&N is only limited to  
20 the two square miles that is their development. It does  
21 not include my client's. And I think there are two other  
22 developments that have the same issue of being bifurcated  
23 by I-10. I don't think any of those other developments  
24 are included in Balterra's current CC&N.

25           So, in answer to Mr. Williams' question,

1 anybody who wants to serve my client's development, or  
2 some of the other developments that are out there, will  
3 still have to go in and get a CC&N extension. But I  
4 think it's very important to remember that the people who  
5 regulate these utilities want water and wastewater.

6 Now, I'm not saying that Global is going to  
7 provide water tomorrow, but the worst secret in town is  
8 they're trying to buy some of the utilities out there.  
9 So they, Global, will be able to provide water and  
10 wastewater to the developments out there. And I don't  
11 think Balterra will ever be able to do that.

12 That's all I have.

13 Do you have any questions for me?

14 MR. KLINGLER: Mr. Hays, just quickly, you  
15 say your clients have requested service from Hassayampa  
16 Utilities Company for both north and south of I-10?

17 MR. HAYS: That is correct.

18 MR. KLINGLER: And Balterra's proposing just  
19 to serve north, if I understand right.

20 And your client also is concerned that there  
21 would be more than one sewer provider or that there would  
22 be a different water and sewer provider? What?

23 MR. HAYS: Well, a bigger concern is having  
24 two sewer providers for one master plan.

25 MR. KLINGLER: In any case, there were two

1 sewer providers to an area, and this is in an  
2 unincorporated part of Maricopa County, right? When  
3 there are two sewer providers in the Valley, what  
4 typically happens?

5 MR. HAYS: I don't really know the answer to  
6 that question. I can't think of anything off the top of  
7 my head.

8 MR. KLINGLER: I think one buys another one  
9 out.

10 MR. HAYS: You said it, not me, Chairman.

11 MR. KLINGLER: If there is a conflict, I  
12 think that usually happens at some point.

13 MR. HAYS: But I don't think it's quite that  
14 easy. I mean, you have to go through the ACC process of  
15 reorganization or selling an asset and transfer of a  
16 CC&N. It's at least a year process, if not more.

17 I don't know if you guys are aware, they're  
18 pretty busy down there at the ACC, and you can't get  
19 anything through in a timely manner. But don't tell them  
20 I said that.

21 MR. KLINGLER: They lost some good staff.

22 MR. HAYS: Staff is the real workers. I sat  
23 in the back of the room.

24 MR. KLINGLER: Any other questions from the  
25 Committee?

1                   If not, thank you very much.

2                   Next I have a card from Bryan O'Reilly.

3                   Mr. O'Reilly, if you would state your name  
4 and address and affiliation, please, for the record.

5                   MR. O'REILLY: My name is Bryan O'Reilly.  
6 I'm a partner with Sierra Negra Ranch, 50 South Jones  
7 Boulevard, Las Vegas 89107.

8                   I too am here to oppose the Balterra 208  
9 plan amendment. We've been put in this plan without our  
10 permission. We too would like a fully integrated  
11 solution and have been working with Global for some time  
12 now in hopes they could provide that to us.

13                   We are -- actually, as you can see, that  
14 letter from the school district was the letter they sent  
15 to us in regards to having a regional solution. We too,  
16 as the County proposed, we're looking for a regional  
17 solution. And, in trying to work with Balterra, the  
18 regional solution proposed was only north of I-10,  
19 splitting, therefore, Sierra Negra Ranch in half and  
20 putting us in the same position as Copper Leaf. Those  
21 are probably my biggest gripes.

22                   As you can see, I wrote a long letter. It's  
23 there in front of you. And if there are any other  
24 questions, we can be contacted through the letter.

25                   MR. KLINGLER: Any questions from the

1 Committee at this point?

2 MR. HOLLANDER: This question may go to some  
3 of the other individuals and concerns that provided  
4 letters to this effort, and that is, you indicated that  
5 your property is intersected by the freeway, so part of  
6 it is in the area that Balterra is considering for this  
7 208 amendment.

8 MR. O'REILLY: Correct. The northern part  
9 of our property is included, the southern part is not.

10 MR. HOLLANDER: Okay. Thank you.

11 MR. IWANSKI: Mr. Chairman, Mr. O'Reilly,  
12 did you have a chance to voice these objections to the  
13 Balterra principals?

14 MR. O'REILLY: Yes.

15 MR. IWANSKI: When did you do that, please?

16 MR. O'REILLY: I have letters actually  
17 dating that I could send to you if you need to --

18 MR. IWANSKI: Just ballpark. When did you  
19 first raise the objections?

20 MR. O'REILLY: Prior to their submittal.

21 MR. IWANSKI: Okay. Thank you.

22 Thank you, Mr. Chairman.

23 MR. KLINGLER: And you've indicated you  
24 talked to them, and what was their response?

25 MR. O'REILLY: Their response to us was that

1 we need to move forward. The only way we're going to get  
2 approved is if we move forward, and it's in our best  
3 interest to go ahead and start with an application.

4 MR. KLINGLER: If we could, if -- how can we  
5 do this? I guess --

6 Paul and Jim, if you'd like to comment here.  
7 I guess, if there's -- we may have some questions, and if  
8 there's anything that you'd like to respond to the public  
9 comment we have had so far, we would appreciate it.

10 MR. GILBERT: Thank you. We would like to  
11 comment.

12 MR. CONDIT: Could we get our graphics back  
13 up? I think it's much clearer if we could show it on the  
14 map to everybody.

15 MR. GILBERT: We too initially want to  
16 reciprocate the respect that Global indicated for us. We  
17 hold them in the same regard. They're a very fine  
18 company, and we're not here to say they're not qualified  
19 just as they avoided saying we weren't qualified. I  
20 appreciate keeping this on the merits. And we will  
21 acknowledge they're a fine company and we wish them well.

22 Their request, however, to shrink our  
23 application to the two sections that's approved by the  
24 CC&N, that's where we started, and we were happy to do  
25 that.

1           But you've heard time after time from all  
2 three speakers: We want a regional solution. I looked  
3 to the County, and the County said to us: We want you to  
4 go beyond just your project and the Ruth Fisher School  
5 District. So the shrinking to the two sections is just  
6 the antithesis of what the County asked us to do.

7           So we're not this big octopus trying to take  
8 over all the sewer systems out there; that's not our  
9 goal. We're cooperating with the County and trust that  
10 we should be rewarded for doing what we were instructed  
11 to do.

12           In fact, we were much further along than  
13 anyone else. That has become apparent from the questions  
14 that you've asked here. And so we carved out, frankly, a  
15 relatively small area, and we'll leave the rest of the  
16 175 sections to Global. They can have them with our  
17 blessing, and we're happy to see them proceed.

18           A point was made that they're proceeding  
19 with the 175 sections, but not one speaker today has told  
20 you, including Global, that the County wanted them to  
21 proceed in the area we are. We stand here alone with the  
22 County support for this southeastern area of the Tonopah  
23 general area. We're the only ones that the County has  
24 asked to come in and process this 208 amendment for this  
25 particular area.

1           Let me clear up Ruth Fisher. I think  
2 Ruth Fisher, they're in a bind. They need help in a  
3 hurry, and Ruth Fisher is going with the one that can  
4 deliver the fastest. They chose us because of that, and  
5 some of your questions, I think, vindicate that  
6 assessment. That's why they're in favor of us.

7           We have a specific letter, not a general  
8 letter, but a specific letter saying they're ready to go  
9 with us, and they're in our CC&N. So we already have  
10 that established.

11           We are the only ones that are standing  
12 before you in the posture today with an approved  
13 Certificate of Convenience and Necessity from the  
14 Corporation Commission.

15           I thought -- frankly, the second speaker  
16 puzzled me a little bit. He said: Well, I can speak for  
17 the Arizona Corporation Commission because they're  
18 interested in consolidation.

19           They're the ones that approved our CC&N. I  
20 rest my case. They've approved us. We're here. So  
21 don't tell us that somehow we're violating the policy.  
22 The Arizona Corporation Commission, they've approved us;  
23 we're here. So I don't think it can be challenged that  
24 somehow we are not proceeding in harmony with the Arizona  
25 Corporation Commission.

1           And then the interesting thing to me is if  
2 the Arizona Corporation Commission says they want to  
3 consolidate water and sewer, the water company is  
4 separate from Global right now. Now, they may be in the  
5 process of attempting to purchase it, which they may be,  
6 but we are here, having worked out and worked with the  
7 holder of the CC&N for the water company for our 208  
8 amendment. So -- and that company is the Water Utility  
9 Company of Greater Tonopah. They hold the CC&N, and we  
10 have worked everything out with them. There are no  
11 problems. We've got an agreement with them, and we've  
12 worked closely and in conjunction with what they have  
13 offered.

14           A point has been made that there are some  
15 hardships that may be encountered because part of the  
16 development might be in our 208 plan and in Global's or  
17 some other source.

18           First of all, I point out that that happens  
19 all over the Valley. You've got LPSCo serving in several  
20 communities sewer and water, but primarily sewer, that I  
21 think of, where the sewer is also being provided in the  
22 community with the same development with two sewer  
23 providers. That has not seemed to be a hindrance to  
24 growth or to things going forward smoothly in any sense.

25           Secondly, I submit that if you really want

1 to know what separates it, it's the freeway. So much of  
2 the concern that's been expressed, there's already a  
3 barrier there and that's in the form of the freeway.  
4 That separates us from some of these other developers.  
5 That's a much more significant barrier than the lines of  
6 the 208 amendment. So it's already split.

7 I want to end with this comment on the  
8 regional solution. That's what I thought we were. So  
9 we're here. You've got representatives from the County.  
10 If I've said anything that's incorrect, I'm sure they  
11 will hasten to correct me. They always have in the past.  
12 And we're doing the regional solution that they asked us  
13 to do.

14 We're well down the road and we're asking  
15 for a relatively small area here that we can serve and  
16 serve very well. And we didn't try to include or exclude  
17 anyone in this area.

18 Now, you have some representatives here from  
19 some people in the area that are indicating reticence to  
20 join in our 208 plan, but we also have many other  
21 developers that are also in this area that are in  
22 enthusiastic support. Frankly, we didn't anticipate  
23 developers appearing in opposition or we would have had  
24 them here in support. But that's really not -- it isn't  
25 a popularity contest.

1 I just want to emphasize, in closing, we're  
2 doing what the County told us to do. This is where they  
3 said they wanted the region for this area. We have a  
4 strategically located wastewater treatment plant that  
5 goes exactly where it drains; it functions well, and  
6 we're here with the support of the County.

7 We'll be happy to answer any other questions  
8 that you have.

9 MR. KLINGLER: Thank you, Mr. Gilbert.

10 I just have a couple here, and maybe you've  
11 done this before, but the two original sections on the  
12 map, is there a way to show that? And then how many  
13 others did you say were included?

14 MR. CONDIT: This is the Balterra project  
15 here, and the Ruth Fisher School District. This is where  
16 the existing CC&N is.

17 The particular projects of question are this  
18 area in the purple. Here is the Copper Leaf. This area  
19 here is what was previously called Sierra Negra.

20 I'd like to point out that not only does  
21 I-10 separate the pieces of Sierra Negra, but there's  
22 also some land in between them too. They're not two  
23 contiguous pieces of property.

24 MR. KLINGLER: So the border there is your  
25 whole area?

1 MR. CONDIT: This border right here is  
2 the --

3 MR. KLINGLER: Which is how many sections,  
4 did we establish?

5 MR. CONDIT: 24 square miles, approximately.

6 MR. KLINGLER: One thing that I didn't hear  
7 an answer to at some point is -- was a concern that this  
8 Committee would hear 51 or additional 208 amendments in  
9 this area. I don't know.

10 MR. GILBERT: Well, as fond as I am of your  
11 company, I'm not -- this is the only area that we're  
12 seeking to serve sewer in, and it's the area that the  
13 County designated. We have no expansion plans. This is  
14 all we're doing.

15 My understanding is that Global has an  
16 interest in doing the rest, and we wish them well in  
17 that. So I don't think you're going to get that many  
18 applications. I think you're going to get ours and maybe  
19 Global's.

20 MR. KLINGLER: All right. Thank you. That  
21 was my understanding.

22 Any other comments from the Committee?  
23 Jacqueline?

24 MS. STRONG: You said the original area was  
25 two sections, and it was expanded to how many sections?

1 MR. CONDIT: 24.

2 MR. GILBERT: It went from two to 24 at the  
3 request of the County.

4 MR. KLINGLER: Did you have a question?

5 MR. IWANSKI: I have two questions, and I  
6 appreciate your comments.

7 I asked Mr. O'Reilly when he raised  
8 objections. Were you aware of all the objections from  
9 Global Water, from the New World Properties, and  
10 Sierra Negra Ranch? When were you first aware of those?

11 MR. GILBERT: I'll have to defer to Jim to  
12 answer that.

13 MR. CONDIT: I'll briefly -- this is  
14 Jim Condit.

15 I'll briefly go over what we did as far as  
16 planning.

17 This started in October of '05, when we met  
18 with Maricopa County Environmental Services and were told  
19 that we needed to provide a regional solution.

20 We were also told that the County Board of  
21 Supervisors were going to have a regional planning  
22 meeting to discuss water and wastewater, as well as other  
23 regional planning issues in Tonopah, and that was held in  
24 November of '05.

25 We then met with Maricopa County again in

1 December '05, with all the developers, and began talking  
2 about what it would take to do a water and sewer master  
3 plan, at which time, we said that we would volunteer to  
4 do this north Tonopah area.

5 We presented a plan to Maricopa County and  
6 the other developers, of which Sierra Negra and  
7 Copper Leaf were both present, in January of '06. We  
8 asked for comments at that time. None were received.

9 We did the master plan, presentation of the  
10 actual document in February of '06. We distributed the  
11 report to all in February, as well as the County. We  
12 asked for comments. None were received. And we had some  
13 letters talking and requesting what our service rates  
14 were going to be, and we explained to them that we were  
15 not in the position to set rates because we had not  
16 completed our application with the Arizona Corporation  
17 Commission, and that we'd be glad to share our rates with  
18 them once we knew what they were. And we are still in  
19 that process of finalizing the rates. We think it will  
20 be done next month.

21 We even had a separate meeting with  
22 Rick Jellies (phonetic) and Brian O'Reilly, with  
23 Morrison-Maierle in January of '06. I was present, and  
24 we discussed in detail with Morrison-Maierle how they  
25 could assist in planning the remainder of this area with

1 those developers.

2 They walked away from the meeting and we  
3 never heard again from them.

4 Our master plan was submitted to Maricopa  
5 County officially in April of '06, and again we have not  
6 heard any comments until today.

7 MR. IWANSKI: That chronology is extremely  
8 helpful to me. I appreciate it from both of you. Thank  
9 you.

10 Because there were indications in several of  
11 those letters that mention that information was not  
12 received from the Balterra representatives, and if people  
13 are asking for exact rates or ranges of rates that early  
14 in the process, I don't think is fair to you all. But  
15 that chronology was extremely helpful. Thank you.

16 Thank you, Mr. Chairman.

17 MR. KLINGLER: Bob, did you have a question?

18 MR. HOLLANDER: I guess I have a question.  
19 First question, I guess, is regarding the 208 amendment  
20 components. Had the Balterra 208 plan, aside from the  
21 public comment portions, met all the requirements under  
22 the 208 plan based on MAG evaluation?

23 MR. GILBERT: The answer is yes.

24 MR. KLINGLER: Yeah. The MAG staff has  
25 indicated that they have -- and I believe this one, again

1 normally we would have a City that would bring it forward  
2 or would have a letter of no objection. In this case, it  
3 was an unincorporated area of the County.

4 The County was, I guess, a sponsor. It has  
5 to come through a MAG member agency to get this far.

6 I'd like to know, is there anything that  
7 Dale or Ken want to comment on, while we're still in the  
8 public comment portion of the hearing, from the County  
9 perspective since your name has been invoked?

10 MR. JAMES: The MAG 208 was submitted to us  
11 in December of '05. We went through three iterations  
12 where the County issued comments and the Balterra Sewer  
13 Company responded to those until we were satisfied that  
14 the project satisfied all the technical merits of the 208  
15 plan. And so that's why we were, at that point -- and  
16 this was in May -- that we submitted a letter of  
17 sponsorship to the MAG Committee.

18 MR. KLINGLER: And I don't know -- and just  
19 to follow up a little bit, did this happen before, that  
20 you have two applications for the same area? Has that  
21 ever happened before? I don't know if there is a process  
22 for that, but, generally, you respond to whoever you have  
23 in front of you, I guess?

24 MR. BODIYA: Yeah. For Maricopa County,  
25 correct, yes.

1           And just as a clarification, and I know both  
2 sides have -- you know, point out that we, you know, were  
3 searching for regional solutions. We do that in all  
4 situations. We try to make sure that we have a good  
5 project for an area. We don't like to see isolated  
6 pieces of property left out hanging, which we often get  
7 in submittals where developers say: I'm just going to  
8 treat my part. We want to see that we cover adjacent  
9 properties, and so that's where we start with on looking  
10 for regional solutions. So we're in support of that, and  
11 we encourage that.

12           Normally we're doing it in municipal areas  
13 and we get the support of a municipality when we're doing  
14 that. This one is held out in the rural area right now.  
15 It's moving towards urbanization, but not quite there  
16 yet. But we try to plan ahead and look for what's best  
17 for the area. And if we just accept each developer, then  
18 we could be in a situation where we have, you know,  
19 50 plants.

20           Global's proposing seven treatment plants  
21 for that area. It's not one service area, it's actually  
22 seven plants that we are currently reviewing a submittal  
23 for.

24           MR. KLINGLER: In the process -- again, it  
25 just maybe difficult to do, but if they have submitted an

1 application in May of this year and this other one came  
2 in whenever -- last year, October, I guess --

3 When did you say? '05?

4 MR. JAMES: It came to us in December.

5 MR. KLINGLER: If they go through their  
6 application, presumably they would -- if this is approved  
7 through the whole MAG process with Balterra, then Global  
8 would go through their process and not include that. You  
9 wouldn't have an overlapping application, would you?

10 Again, it might be difficult because you  
11 haven't done this before. But I'm assuming that they  
12 wouldn't have competing applications for the same area if  
13 one gets resolved some way.

14 MR. BODIYA: There are some conflicts right  
15 now that we are addressing in the Global application, but  
16 there are some lines crossing -- some service areas that  
17 cross. And so --

18 MR. KLINGLER: It will come here when it  
19 gets all straightened out through you guys, is what  
20 you're saying?

21 MR. BODIYA: Correct. We would also be the  
22 sponsor of that project once it meets our criteria.

23 MR. KLINGLER: Any other questions from the  
24 Committee?

25 MR. McNEIL: Mr. Chairman, this appears to

1 be an issue of two entities competing for the rights or  
2 exclusions to provide sewer service in certain areas.  
3 While I think that the Committee is empowered with  
4 determining whether or not certain visions for  
5 wastewater, for providing wastewater, are consistent with  
6 our regional vision, I'm not certain that this Committee  
7 and the 208 plan is the place where service areas are  
8 actually established.

9           Can we approve overlapping service areas in  
10 the 208 plan, if we see both options as consistent with  
11 our regional vision? It certainly does not -- our  
12 approval of a certain planning area does not establish a  
13 right or an exclusion to provide service in a certain  
14 area, and I would request maybe a discussion and comments  
15 from other members.

16           MR. KLINGLER: Yeah, I don't think we've  
17 done that, and I do think our task is kind of limited to  
18 good planning for the sewer service. And again, yeah,  
19 our purview is not the service providers, it's kind of  
20 looking at the consistency with the MAG 208 plan and  
21 where we do amendments.

22           And I think that, you know -- I don't speak  
23 for everybody, but it makes sense to me that we would go  
24 through the analysis and be clear we don't have  
25 overlapping -- that we would do something that would be

1 consistent with what makes good planning sense.

2           And so I think Bob's question is valid. Is  
3 this before us properly through the process and we could  
4 look at that, and then anything else that would seek to  
5 amend, that we'd have to look at as to whether that makes  
6 good planning sense? That would be my suggestion.

7           MR. HANEY: Mr. Chairman, I'm assuming  
8 that -- was it Bob that was speaking before you?

9           MR. KLINGLER: David McNeil from Tempe.

10          MR. HANEY: I was going to make exactly the  
11 same comment that David made.

12           I believe that it's the duty of the ACC to  
13 determine service areas, not this Committee. Once those  
14 service areas are determined, then we decide whether a  
15 wastewater plant is consistent with the 208 plan.

16           I think that we're kind of put in -- I  
17 wouldn't say put the horse before -- or the cart before  
18 the horse, but I think we're kind of mixing the issues,  
19 and I think that ACC needs to do their job before we  
20 start determining whether the wastewater facilities are  
21 consistent with the 208 plan.

22          MR. KLINGLER: Okay. Thank you.

23           And also, I think we do have another check  
24 in the system, so to speak, where we have the local  
25 jurisdiction that brings forward or sponsors whatever

1 amendment has determined what's best in their area too.  
2 So we've got another check and balance in the system, if  
3 you will, beyond the ACC.

4 MR. HOLLANDER: Mr. Chairman, I have another  
5 comment.

6 Like most of us here, I support  
7 regionalization and consolidation of utilities wherever  
8 it's possible. Certainly Global Water has a good  
9 reputation, well-proven.

10 But it appears to me that Balterra has done  
11 everything that was requested of them and probably more,  
12 have CC&N in the area, as they've indicated. And it  
13 would appear to me that, at this stage, they have a right  
14 to carry out their plan.

15 MR. KLINGLER: Rich?

16 MR. WILLIAMS: Mr. Chairman, I concur.

17 And isn't there an issue, also, we're not  
18 supposed to be the legal arm of this process. We're an  
19 advisory board. Isn't there an obligation to act on the  
20 applications, viable applications before us, and not to  
21 look too deeply and drill down too far into how many  
22 maybes and possibilities there are?

23 MR. KLINGLER: One of the things I'd like to  
24 do here is see if we can go to our next step. We haven't  
25 done this before in the past, but generally we get public

1 comments and then we close the public hearing, and then  
2 we have an agenda item where we consider the public  
3 comments and we have the kind of discussion. It opened  
4 up a little bit to get a few questions here, but if there  
5 aren't any other questions of Mr. Gilbert and Mr. Condit  
6 at this point, then why don't we consider the public  
7 comments and -- which is part of what we're doing here --  
8 or have other discussions or continue this.

9 Is there any other questions at this point?

10 If not, thank you.

11 MR. O'REILLY: I'd like to -- is there  
12 another way to comment on what was said?

13 MR. KLINGLER: What we would like to do is  
14 close the public comment. Then we have an agenda item  
15 for discussing this, and then you can comment on that, if  
16 you want to do it that way.

17 MR. O'REILLY: The timeline which was given  
18 in regards to our comments and our issue and our  
19 questions that were given to them, weren't exactly just  
20 about rates. It was about a developer-owned utility,  
21 because having two or three significant developments at  
22 one time --

23 MR. IWANSKI: Just as a matter of courtesy,  
24 please accept my apology.

25 But Mr. Chairman, if we could get those

1 comments for the record -- and I don't know how you want  
2 to handle it -- because we gave Mr. Gilbert an  
3 opportunity to respond to those speakers. My suggestion,  
4 if it's all right with the rest of the Committee, is  
5 allow -- if there's incorrect information or questionable  
6 information, I feel that we need to give Mr. O'Reilly an  
7 opportunity to respond as part of this public record.  
8 You can't have just one party respond and not give equal  
9 time if there is additional information.

10 So I'll defer to the judgment of my brethren  
11 here, but you heard my -- how I feel about it.

12 MR. KLINGLER: Well, again, I don't want to  
13 have a whole debate here. Generally we just say a  
14 three-minute comment period.

15 If you just want to correct something  
16 briefly, I guess we can allow that for the public record,  
17 because your discussion was on the record. So if we  
18 could just limit it to that.

19 MR. O'REILLY: Thank you.

20 Bryan O'Reilly, Sierra Negra Ranch.

21 Our attempt in our letters is a timeline as  
22 a developer-owned utility or a proposed utility. It was  
23 our request that we try and work together, as opposed to  
24 work separately on an integrated utility.

25 They decided it was in their best interest

1 to work alone and not with the two other people that are  
2 their next-door neighbors and go out and look for the  
3 people who would request service from them besides us.

4 We spent the time to work with an  
5 independent utility looking for a regional solution that  
6 could be integrated, therefore, there was no comments on  
7 their plan because we were in the process of working with  
8 Global for the past five months to do the 208 application  
9 with them and request service from Global. So,  
10 therefore, there's no reason for us to comment on their  
11 plan. Their plan was good for Balterra, not for us.

12 MR. KLINGLER: Okay. Thank you. Appreciate  
13 the correction.

14 All right. Give you just a brief comment,  
15 Ms. Bain, if you would, if there's something that needs  
16 to be corrected. Again, I don't want to have a debate on  
17 this, but if you could just correct anything that was  
18 incorrect for the record.

19 MS. BAIN: Thank you, Chairman.

20 Just for the record, I just wanted to  
21 mention that Hassayampa Utility Company is also way down  
22 the road with our plans in Hassayampa Ranch, which is a  
23 part of the consolidated 208 that we submitted on  
24 May 8th. We do have an APP application as well as an  
25 AZPDES application that's been filed, and, essentially,

1 we're waiting for consistency from the 208 process so we  
2 can get those permits.

3 So I just wanted to make you aware of that,  
4 that we are well into the process as well. We actually  
5 own and operate a 3 MGD facility in Pinal County that is  
6 our standard water reclamation facility A+ effluent.

7 We'll be very pleased when it's our turn to  
8 come back and present the Hassayampa Utility Company to  
9 expand on that plan and what we currently do and what  
10 we're planning to do to this region.

11 I also just wanted to mention that it is  
12 true that Balterra is ahead of HUC consolidated 208 by  
13 six months, it might seem.

14 But I do think that the merits of the  
15 regional comprehensive approach that we are proposing may  
16 be worth slowing down the Balterra proposal 208 before  
17 you today so we would catch up, and then you can really  
18 compare apples and apples, so to speak, in terms of what  
19 is best in terms of meeting the charges of this Committee  
20 and of MAG, in terms of meeting the water quality  
21 management planning in this region.

22 Thank you so much.

23 MR. KLINGLER: Okay. I think we've got the  
24 public comment.

25 I do appreciate everybody's interest and the

1 public comments, and we will be considering those.

2                   So, at this time, I'd like to close the  
3 public hearing and request the court reporter to end the  
4 transcription.

5                   (The public hearing portion of the  
6 proceedings concluded at 4:19 p.m.)

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I, Marianne S. Burton, a Certified Reporter,  
Certificate No. 50519 in the State of Arizona, do hereby  
certify that the foregoing pages constitute a full, true,  
and accurate transcript of all proceedings had in the  
foregoing matter, all done to the best of my skill and  
ability.

I FURTHER CERTIFY that I am not related to  
nor employed by any of the parties hereto, and have no  
interest in the outcome.

WITNESS my hand this 5th day of July, 2006.

*Marianne S. Burton*  
\_\_\_\_\_  
Marianne S. Burton  
Arizona Certified  
Reporter No. 50519

**RESPONSE TO PUBLIC COMMENTS ON THE  
DRAFT MAG 208 WATER QUALITY MANAGEMENT PLAN AMENDMENT  
FOR THE BALTERRA WASTEWATER TREATMENT FACILITY**

**JUNE 27, 2006 PUBLIC HEARING**

The Maricopa Association of Governments (MAG) appreciates the comments made during the public comment period for the Draft MAG 208 Water Quality Management Plan Amendments for the Balterra Wastewater Treatment Facility, City of Surprise Special Planning Area 4 Regional Water Reclamation Facility, and City of Surprise Special Planning Area 5 Regional Water Reclamation Facility. An advertised public hearing on the draft amendments was conducted by MAG on June 27, 2006. At the public hearing, three testimonies were submitted on the Draft MAG 208 Water Quality Management Plan Amendment for the Balterra Wastewater Treatment Facility. In addition, MAG received seven letters with written comments on the Draft Balterra 208 Plan Amendment.

These comments were forwarded to Maricopa County for response, since Maricopa County officially requested that MAG initiate the 208 amendment process for the Draft MAG 208 Plan Amendment for the Balterra Wastewater Treatment Facility. The Maricopa County response to comments is provided below.

**COMMENTS FROM SIERRA NEGRA RANCH LLC**  
(Letter from Barry W. Becker, dated June 26, 2006)

Comment: We are the owners of 2757 acres of land located north and south of I-10 in the Tonopah area currently known as Sierra Negra Ranch. The legal description has been provided. Currently we are in the process of submitting Development Master Plans for our property. It has come to our attention that the Draft 208 Plan Amendment for the Balterra Wastewater Treatment Facility, dated April 2006, has been proposed to include and apply to our land. We hereby formally oppose such submission.

Response: From the submitted legal descriptions, it appears that less than 640 of Sierra Negra's 2757 acres are located north of I-10 and it is these acres that are included in the Balterra MAG 208 Amendment.

Comment: We request that the Draft Balterra 208 Plan Amendment submission be held for simultaneous consideration with any and all other competing applications including the pending filing by Global Water Resources. The decisions on these applications will effect a significant portion of the Tonopah and West Valley residents for many years and perhaps many lifetimes. Consequently, we are hopeful that combined or coordinated comprehensive hearing(s) be scheduled for this and any and all other competing applications/submittals.

Response: The Global Water Resources/Hassayampa Utilities Company (HUC) Consolidated Service Area MAG 208 application was submitted to Maricopa County on May 24, 2006, approximately five months after the Balterra 208 Plan Amendment was submitted. The Balterra submittal meets all the technical requirements of a MAG 208 Water Quality Management Plan Amendment and, on that basis, it received County sponsorship. The HUC Consolidated Service Area 208 application has been reviewed by Maricopa County. The County determined that the

submittal does not meet the technical and planning requirements of a MAG 208 Amendment and returned comments to the originator.

Comment: The Draft Balterra 208 Plan Amendment has been submitted without our consent.

Response: There is no planning requirement for a 208 Plan Amendment to have the approval of all properties within its proposed service area. The objectives of a 208 Plan Amendment include determining the optimum location and ultimate size of a wastewater treatment facility to serve the planning area.

Comment: Sierra Negra and others have attempted to work with Balterra and create a regional solution. Instead of working together, the Balterra (a competing land owner and developer) principals decided that it was in their best interest, and the best interest of their development project, to create their own plan and include portions of Sierra Negra Ranch properties and others in their 208 application without the consent of us and other land owners.

Response: The Balterra development schedule is far ahead of any other development in the proposed Balterra service area. In addition to having submitted a complete 208 Water Quality Management Plan Amendment, Balterra has: submitted a wastewater and reclaimed water master plan for the 60-square mile North Tonopah Region (including three service areas); received Arizona Corporation Commission (ACC) approval for a Certificate of Convenience and Necessity (CC&N) for its own development and for the Ruth Fisher School; received a franchise to install pipelines within County roadways; and submitted the engineering design of the initial phase of an ultimate 15 million gallons per day wastewater treatment facility.

Comment: Balterra has been nonresponsive to our requests for information in spite of the time we spent on numerous occasions meeting with them and in otherwise attempting to communicate with them. They appear to have little sincere interest in creating a truly regional plan but rather only in controlling the utilities that serve their own property so as not to have to rely on a third party for their own project and, at the same time, to create a competitive advantage for their project. This proposed Developer-owned utility cannot truly act as a nonbiased provider. Fortunately their lack of interest in a truly regional and potentially integrated public utility led us to work with Global Water Resources.

Response: Balterra's draft *North Tonopah Wastewater Master Plan* was distributed to developers during a meeting hosted by the County in February 2006. Balterra states that it received no comments from neighboring property owners. During the MAG Water Quality Advisory Committee Meeting and Public Hearing on June 27, 2006, Balterra stated that the requests for information it received were requests for financial information regarding connection charges and fees. Balterra stated that this was something it was not in a position to discuss until the Arizona Corporation Commission granted a CC&N. Now that the CC&N has been approved, Balterra has no objection to discussing financial issues with any party in their proposed service area. As a utility regulated by the ACC, Balterra Sewer Corporation is obligated to treat all customers fairly and equitably.

Comment: Currently we have requested service for Silver Water Ranch and Silver Springs Ranch from Hassayampa Utilities Company, owned by Global Water Resources, and as such formally support their HUC Consolidated Service Area 208 Plan Amendment application filed

on May 8, 2006. It is this application, as well as any others that might be pending, that we are requesting be considered at the same time as the Draft Balterra 208 Plan Amendment.

Response: Silver Springs Ranch is located south of I-10 and therefore it is not included in the Balterra MAG 208 Amendment service area. The HUC Consolidated Service Area 208 Amendment does not yet meet the technical and planning requirements of Maricopa County.

Comment: We believe that the regional plan for 175 sections as proposed in the Global Water Resources HUC Consolidated Service Area 208 Plan Amendment is clearly regional and a potentially integrated solution as opposed to the plan proposed in the Draft Balterra 208 Plan Amendment. The regional utility as proposed by Global Water Resources is one that would allow those communities north and south of I-10 to be served (Balterra by comparison only proposed some lands north of I-10 be included in their amendment). The Global plan, unlike the Balterra plan, would therefore utilize the economies of scale to better serve the future residences of the Tonopah area and the West Valley. This truly regional plan should also prevent one property owner from having two or more utility providers of the same service.

Response: The County does not agree that the plan presented by Global Water Resources/HUC is either regional or an integrated solution. It is a combination of plans for seven sub-regions, most of which have treatment plants that are smaller than the one proposed in the Balterra MAG 208 Plan Amendment. The Global Water Resources/HUC Consolidated Service Area MAG 208 Amendment treats the I-10 as an impassable barrier to wastewater or reclaimed water flow and, as such, Sierra Negra and other developments that straddle the I-10 would be split into different service areas. The Arizona Corporation Commission would require that each service area be self-supporting and not permit one area to subsidize another.

Comment: We oppose the inclusion of any part of our 2757 acres now know as Sierra Negra Ranch as part of the Draft 208 Plan Amendment for the Balterra Wastewater Treatment Facility. We also encourage Maricopa County to evaluate all other submitted plans before proceeding any further with the Draft Balterra 208 Plan Amendment. To do otherwise could, we believe, create unfortunate and significant issues for the residents and property owners in Tonopah and West Valley areas.

Response: The County has already evaluated the HUC Consolidated Service Area MAG 208 Plan and returned comments that must be addressed before the amendment can be considered complete.

#### COMMENTS FROM ADVANCED COMMERCIAL REAL ESTATE SERVICES & DEVELOPMENT (ACRES)

(Letter from J. Mario Sanchez, dated June 26, 2006)

Comment: The letter dated May 22, 2006 states that we as the owners of AZ-10 parcel # 504-34-015-M have requested service from Hassayampa Utilities Company, owned by Global Water Resources, and as such formally support their HUC Consolidated Service Area 208 Plan Amendment application filed on May 8, 2006. We believe that the regional plan for 175 sections as proposed in the HUC Consolidated Service Area 208 Plan Amendment is far superior to that proposed in the Draft Balterra 208 Plan Amendment. Accordingly, we strongly oppose the

inclusion of our 67 acres, known as AZ-10 etal in the Draft 208 Plan Amendment for the Balterra Wastewater Treatment Facility. The legal description has been provided.

Response: The AZ-10 property is contiguous to the Balterra development and it is located along the I-10 approximately one-half mile west of the proposed Balterra wastewater treatment facility. Any wastewater generated within AZ-10 would naturally flow by gravity to the Balterra wastewater treatment facility. The HUC Consolidated Service Area MAG 208 Amendment offers no better alternative to serve this property.

COMMENTS FROM TRIYAR TONOPAH INVESTMENTS, LLC  
(Letter from Bob Agahi, dated June 26, 2006)

Comment: We believe the Balterra proposal does not adequately address the service needs for the greater Tonopah area. Our property encompasses approximately 1400 acres bisected by I-10. The Draft Balterra 208 Plan Amendment only addresses property north of I-10. We are planning to develop, “Vaquero”, a single cohesive master plan for our property and do not believe it is in our best interest to have two separate service providers.

Response: No portion of the Vaquero property is located within the proposed Balterra MAG 208 Amendment service area. However, the County notes that any wastewater generated within Vaquero could flow by gravity to the Balterra wastewater treatment facility if the Balterra 208 Plan service area is expanded in the future. The HUC Consolidated Service Area MAG 208 Amendment offers no better alternative to serve this property.

Comment: We are concerned that as a developer controlled utility, Balterra, will use its position as a provider to gain unearned competitive advantage in the marketplace. We believe that the plan proposed by Hassayampa Utilities Company, owned by Global Water Resources, HUC Consolidated Service Area 208 Plan Amendment application filed on May 8, 2006, is far superior in providing for a regional wastewater solution for the entire Tonopah valley. Accordingly, we oppose the inclusion of our 1400 acres, known as Vaquero in the Draft Balterra 208 Plan Amendment. The legal description has been provided.

Response: No portion of the Vaquero property is located within the proposed Balterra MAG 208 Amendment service area. As a utility regulated by the Arizona Corporation Commission, the Balterra Sewer Corporation is obligated to treat all customers fairly and equitably.

COMMENTS FROM NEW WORLD PROPERTIES, INC  
(Letter from Mark C. Brown, dated June 26, 2006)

Comment: The letter dated May 10, 2006 states that we as the owner and/or developer of property located at 395<sup>th</sup> Avenue and I-10 referred to as Copperleaf have requested service from Hassayampa Utilities Company, owned by Global Water Resources, and as such formally support their HUC Consolidated Service Area 208 Plan Amendment application filed on May 8, 2006. We believe that the regional plan for 175 sections as proposed in the HUC Consolidated Service Area 208 Plan Amendment is far superior to that proposed in the Draft Balterra 208 Plan Amendment.

Response: The County does not consider the plan presented by Global Water Resources/HUC to be a regional plan. It is a conglomeration of seven wastewater sub-regions, four of which are located north of I-10 and three of which are located south of I-10, with the freeway being an impassable barrier.

Comment: We believe the Draft Balterra 208 Plan Amendment does not adequately address the service needs for the greater Tonopah area. Our property encompasses approximately 1200 acres bisected by I-10. The Draft Balterra 208 Plan Amendment only addresses property north of I-10. We are planning to develop Copperleaf as a mixed use master plan on our property and believe being forced to utilize two different service providers on our property will harm our efforts to create a viable plan.

Response: Under the HUC Consolidated Service Area MAG 208 Amendment, any development that is bisected by the I-10 will be served by at least two wastewater treatment facilities. Having two different service providers, both regulated by the Arizona Corporation Commission, would not adversely impact the development master planning or individual homeowners.

Comment: We are concerned that the principals in the Balterra group, who are competing developers, will use their position as a utility provider to gain unearned competitive advantage in the marketplace. We strongly oppose the inclusion of our 1200 acres known as Copperleaf in the Draft Balterra 208 Plan Amendment. The legal description has been provided.

Response: The Balterra Sewer Corporation will be regulated by the Arizona Corporation Commission and, as such, all parties will be treated in a nondiscriminatory manner.

COMMENTS FROM CHRISTOPHER BENJAMIN REGARDING A 18.257 ACRE PARCEL  
(Letter from Christopher Benjamin, dated June 27, 2006)

Comment: We strongly object to the inclusion of our 18.257 acre parcel in the Draft Balterra 208 Plan Amendment. We feel that the Draft Balterra 208 Plan Amendment will not fully service the needs of the entire Tonopah Valley. The legal description has been provided.

Response: The 18.257-acre property is contiguous to the Balterra development on Balterra's north side and it is located approximately one mile northwest of the proposed Balterra wastewater treatment facility. Any wastewater generated within the property would naturally flow by gravity to the Balterra wastewater treatment facility. The HUC Consolidated Service Area MAG 208 Amendment provides no better alternative to serve this property.

COMMENTS FROM CHRISTOPHER BENJAMIN REGARDING A 58.315 ACRE PARCEL  
(Letter from Christopher Benjamin, dated June 27, 2006)

Comment: We strongly object to the inclusion of our 58.315 acre parcel in the Draft Balterra 208 Plan Amendment. We feel that the Draft Balterra 208 Plan Amendment will not fully service the needs of the entire Tonopah Valley. The legal description has been provided.

Response: The 58.315-acre property is located on the north side of the Balterra development and it is approximately one and one-half miles northwest of the proposed Balterra wastewater treatment facility. Any wastewater generated within the property would naturally flow by

gravity to the Balterra wastewater treatment facility. The HUC Consolidated Service Area MAG 208 Amendment provides no better alternative to serve this property.

COMMENTS FROM HASSAYAMPA UTILITIES COMPANY, INC., GLOBAL WATER RESOURCES, INC.

(Letter from Trevor T. Hill, dated June 27, 2006)

Comment: In the final analysis, the concept of regionalization is what should drive the determination of plan conformance with the Regional Water Quality Management Plan. In this context, Maricopa County Environmental Services Department is definitely on the right track by desiring that regional treatment facilities be defined not by political or development boundaries but by geographic contours, or sewer sheds. As such, it is very important that plan amendments strive for and achieve this higher level of regionalization.

Response: Regional wastewater planning determines the optimum location and size of a wastewater treatment facility for a given service area and the infrastructure needed to return reclaimed water to all points of use. The HUC Consolidated Service Area MAG 208 Amendment proposes seven wastewater treatment facilities to serve seven sub-regions. The County considers the HUC Consolidated Service Area MAG 208 Amendment to be a conglomeration of seven regional wastewater planning efforts, not a single regional plan. The Balterra wastewater treatment facility could serve one of those planning areas.

Comment: Hassayampa Utilities Company, a wholly-owned subsidiary of Global Water Resources, Inc. submitted its HUC Consolidated Service Area 208 Plan Amendment application on May 8, 2006. We believe that the regional plan for 175 sections as proposed in the HUC Consolidated Service Area 208 Plan Amendment succeeds in maximizing the regionalization approach to wastewater management. It incorporates regional collection systems, interconnected to allow for phased growth, and for the development of a reclaimed water distribution system that will not only supplant scarce water reserves in the State, but will also allow for the integrated approach to water supply: application of the appropriate water source to the appropriate use.

Response: The draft HUC Consolidated Service Area 208 Plan Amendment is dated May 8, 2006. The complete submittal was received by the County on May 24, 2006. The County reviewed the submittal and returned comments on June 19, 2006. The HUC submittal proposes to develop seven sub-regional service areas. The HUC submission vaguely mentions interconnecting the regional collection systems, but provided no details of the additional infrastructure that would be needed to accomplish the interconnections. According to Global Water Resources, it has no intention of crossing I-10 to interconnect service areas.

Comment: The HUC Consolidated Service Area 208 Plan Amendment meets all the mandates for regional planning as required by the Clean Water Act. By enlarging the proposed service area, greater advantage of naturally occurring sewer sheds can be made, resulting in fewer treatment facilities and a more integrated servicing solution can be achieved. The HUC Consolidated Service Area 208 Plan Amendment represents that HUC is able to serve the Balterra development in addition to the 175 sections presently planned, and that its flows would be treated at the proposed wastewater treatment facility in Copperleaf, labeled Campus 2, in the HUC Consolidated Service Area 208 Plan Amendment.

Response: The HUC Consolidated Service Area 208 Plan Amendment was reviewed by Maricopa County and was found to be incomplete, contain errors, and require modification. The HUC Consolidated Service Area 208 Plan Amendment does not result in fewer treatment facilities: it proposes seven facilities in total.

Comment: The Draft Balterra 208 Plan Amendment proposes to supersede the previous amendments submitted by the Saddle Mountain Unified School District No. 90 which would allow the permitting for expansion of the 15,000 gallons per day (gpd) Water Treatment Facility at the Ruth Fisher School to 45,000 gpd to serve the adjacent Tonopah Valley High School. As shown in the HUC Consolidated Service Area 208 Plan Amendment, HUC is prepared to serve both schools as well as to provide reclaimed water for irrigation and other reuses. The letter from Roxanne Morris of the Saddle Mountain Unified School District No. 90 dated February 2006, which states, "SMUSD is interested in acquiring sewer services from a regional provider at which time, the plant currently operating the Ruth Fisher elementary campus and Tonopah Valley High School campus will be eliminated" has been provided.

Response: The letter prepared by SMUSD in February, 2006, is addressed to "To Whom it May Concern". Maricopa County considers that this general letter is superseded by SMUSD's agreement to join the CC&N formed by the Balterra Sewer Corporation, which has already been approved by the Arizona Corporation Commission.

Comment: We believe that the HUC Consolidated Service Area 208 Plan Amendment better represents the needs of Maricopa County and its residents. In the event that MAG feels compelled to permit the continuation of the Draft Balterra 208 Plan Amendment application, it is suggested that its boundaries be limited to the two section Balterra development so as not to jeopardize future regional planning.

Response: Both the HUC Consolidated Service Area MAG 208 Amendment and the Balterra MAG 208 Amendment equally satisfy the needs of their proposed service areas. The HUC Consolidated Service Area MAG 208 Amendment provides wastewater master planning for seven sub-regional areas that are packaged as a single 208 Plan Amendment. In contrast, Balterra performed wastewater master planning of three areas and chose to submit one of those areas as its 208 Plan Amendment. Reducing the size of the proposed Balterra MAG 208 Amendment service area would not serve the interest of regional planning.

COMMENTS FROM HASSAYAMPA UTILITIES COMPANY, INC., GLOBAL WATER RESOURCES, INC.

(Testimony from Robin Bain, dated June 27, 2006)

Comment: I would like to thank you for the opportunity to speak and applaud the efforts of MAG with their regional wastewater planning and Balterra for their application. However, even though we recognize their capabilities and their abilities to provide service in the area, we do oppose the service area as proposed, and we propose instead that the Water Quality Advisory Committee consider shrinking the service area in the application to the approximate two sections that is now apparently in the Balterra certified area, which is the Balterra development.

Response: Reducing the size of the proposed Balterra MAG 208 Amendment service area would not serve the interest of regional planning. The Balterra Sewer Corporation already has a CC&N

to serve the Balterra development and the SMUSD Ruth Fisher School located approximately three miles east of the Balterra wastewater treatment facility. The Balterra Sewer Corporation has proposed constructing a trunk sewer between Ruth Fisher School and the Balterra wastewater treatment facility and a reclaimed water transmission main to convey irrigation water back to the school. These pipelines will pass through the Copperleaf and Silver Water Ranch properties. It would be poor regional planning to construct a separate wastewater treatment facility to serve properties that already have access to a regional trunk sewer.

Comment: Hassayampa Utilities Company is a wholly-owned subsidiary of Global Water Resources. Global Water is a private water and wastewater utility that is regulated by the Arizona Corporation Commission. We are not affiliated with any developer. We are locally and privately owned and very well capitalized. We submitted a 208 Plan Amendment also in western Maricopa County on May 8, 2006. Our 208 amendment is for approximately 175 sections, which is about 151 sections more than the proposed Balterra 208 Plan Amendment. Our 208 amendment was of that magnitude largely at the suggestion of Maricopa County that encouraged us to submit a regional plan. It is a very comprehensive regional plan that discusses at great length both wastewater and reclaimed water, comprehensive integrated services, and a phased approach. The plan would include probably seven wastewater treatment facilities in the area over the fullness of time and could well see the avoidance of having another 151 amendments come before the Committee, or 50, or however the development community would have it.

Response: The County, in its role as the sponsor of any future MAG 208 Amendments in unincorporated Maricopa County, will ensure that there is not a proliferation of small treatment plants in the Tonopah region. The County reviewed the HUC Consolidated Service Area MAG 208 Amendment and responded on June 19, 2006. The County agrees that seven wastewater treatment facilities could adequately serve the entire 175 sections of land.

Comment: We oppose the service area in the Balterra 208 Plan Amendment as proposed. We believe that the 208 process does not have a first in first approval mandate from the Clean Water Act, but instead the mandate is for areawide water quality master planning and regionalization, which we believe our May 8, 2006 Hassayampa Utilities Company 208 Plan Amendment provides.

Response: The County is obligated to review each MAG 208 Plan Amendment that is properly submitted and generally does so in the order that they are received. In the case of the Balterra MAG 208 Amendment, the plan was submitted in December 2005. The County reviewed the plan and returned its comments to the originators. The originators responded with the submission of revised material. There were several iterations of comments and responses before the County accepted the amendment and issued its sponsorship letter to MAG on March 13, 2006. The HUC Consolidated Service Area MAG 208 Amendment is far behind the Balterra submissions which include not only the MAG 208 Amendment but also its CC&N approval and submission of an engineering design for construction of the Balterra wastewater treatment facility. Further, the County does not agree that the HUC Consolidated Service Area 208 Plan Amendment is an areawide water quality master plan. It proposes serving seven sub-regions with separate wastewater treatment facilities.

Comment: Hassayampa Utilities Company is also way down the road with our plan in Hassayampa Ranch, which is part of the HUC Consolidated Service Area 208 Plan Amendment

submitted on May 8, 2006. We have an Aquifer Protection Permit application as well as an Arizona Pollutant Discharge Elimination System Permit application filed. We are waiting for consistency for the 208 process so we can get those permits. We own and operate a 3 million gallons per day facility in Pinal County that is our standard wastewater treatment facility that produces A+ effluent and we will be pleased to come back and present the Hassayampa Utilities Company consolidated 208 Plan Amendment.

Response: At its closest point, the proposed Global Water Resources Hassayampa Ranch MAG 208 Amendment service area is more than two and one-half miles from the Balterra MAG 208 Amendment service area. The Hassayampa Ranch MAG 208 Amendment was submitted to the County in June 2005. After several exchanges of County comments and Global Water Resources responses, the Hassayampa Ranch MAG 208 Amendment was determined to be complete, but a letter of no objection from the adjacent Town of Buckeye is needed. The Town has not yet submitted its letter. Meanwhile, Global Water Resources submitted the HUC Consolidated Service Area MAG 208 Amendment which includes the Hassayampa Ranch development. In its communication to Global Water Resources on June 19, 2006, the County commented that the seven sub-regions included in the 175-section HUC Consolidated Service Area MAG 208 Amendment need to have the same level of planning detail as the Hassayampa Ranch MAG 208 Amendment.

Comment: It is true that Balterra is ahead of the Hassayampa Utilities Company Consolidated Service Area 208 Plan Amendment by six months, but I think the merits of the regional comprehensive approach that we are proposing may be worth slowing down the Balterra 208 Plan Amendment so we can catch up so the Committee can compare the two applications in terms of what is best, in terms of meeting the charges of the Committee and MAG, in terms of meeting water quality management planning in the region.

Response: As previously stated, the County does not consider the HUC Consolidated Service Area MAG 208 Amendment to be a regional plan. The HUC submittal proposes seven sub-regional service areas. The HUC submission vaguely mentions interconnecting the regional collection systems, but provides no details about the additional infrastructure that would be required to accomplish the interconnections. The Balterra 208 Plan Amendment meets all the technical and planning requirements of a MAG 208 Water Quality Management Plan Amendment.

COMMENTS FROM GALLAGHER & KENNEDY  
(Testimony from Garry Hays, dated June 27, 2006)

Comment: I am here on behalf of New World Properties who is developing 1200 acres commonly referred to as Copperleaf. A portion of the 1200 acres is included in the Balterra 208 Plan Amendment. The other portion, located south of I-10 is not included in the amendment. By granting approval of the Balterra 208 Plan Amendment, there will be a master planned community of 1200 acres with two sewer providers. It does not work well to bifurcate a master plan with the utilities. A letter from the Copperleaf President Mark Brown has been provided to the Committee. He has made a request for service from Hassayampa Utilities Company, not Balterra.

Response: The HUC Consolidated Service Area MAG 208 Amendment treats the I-10 as an impassable barrier. Therefore their plan would also require that the property be served by separate wastewater treatment facilities. The Balterra Sewer Corporation has proposed constructing a trunk sewer between Ruth Fisher School and the Balterra wastewater treatment facility and a reclaimed water transmission main to convey irrigation water back to the school. These pipelines will pass through the Copperleaf properties. It would be poor regional planning to construct a separate wastewater treatment facility to serve properties that already have access to a regional trunk sewer.

Comment: I have spent a few years at the Arizona Corporation Commission as an advisor to a commissioner. The ACC three to four years ago, adopted a policy that says they want consolidated water and wastewater utilities. As far as I know, Balterra is not nor will ever be in the water business. However, Global Water is and has become in the past three to four years the largest game in town. Global has a great reputation with the ACC. Global is also used by the ACC as a model because they do have consolidated water and wastewater.

Response: The Arizona Corporation Commission is not known to have a policy favoring consolidated utilities. In its recent Decision No. 68453 (February 2, 2006), ACC ruled in favor of a consolidated water and sewer provider but made it clear that it has not adopted a formal policy regarding consolidation. For the Balterra MAG 208 Amendment service area, both Balterra Sewer Corporation and HUC would receive drinking water from the Water Utility of Greater Tonopah, the certificated water utility in the region.

Comment: My client's development is not included in the Balterra Certificate of Convenience and Necessity. I think their CC&N is only limited to the two square miles that is their development. I think there are two other developments that have the issue of being bifurcated by I-10. I do not think any of the other developments are included in the Balterra CC&N. Anyone who wants to serve my client's development or some of the other developments that are out there will still have to get a CC&N extension.

Response: The Balterra CC&N includes both the Balterra Development and the Ruth Fisher School, located approximately three miles east of the proposed Balterra wastewater treatment facility. Otherwise, Maricopa County agrees that a CC&N extension will be needed to serve other properties.

Comment: It is very important to remember that those who regulate the utilities want water and wastewater. I am not saying that Global is going to provide water tomorrow, but the worst secret in town is that they are trying to buy some of the utilities out there. So Global will be able to provide water and wastewater to the developments out there. I do not think Balterra will ever be able to do that.

Response: The Water Utility of Greater Tonopah has an established CC&N that includes the majority of the Tonopah Area. Balterra Sewer Corporation has executed a formal cooperation agreement with Water Utility of Greater Tonopah to provide joint water and wastewater service planning for the Balterra service area.

COMMENTS FROM SIERRA NEGRA RANCH LLC  
(Testimony from Bryan O'Reilly, dated June 27, 2006)

Comment: I am a partner with Sierra Negra Ranch. I am here to oppose the Balterra 208 Plan Amendment. We have been put in this plan without our permission.

Response: There is no planning requirement for a 208 Plan Amendment to have the approval of all properties within its proposed service area. The Balterra Sewer Corporation has proposed constructing a trunk sewer between Ruth Fisher School and the Balterra wastewater treatment facility and a reclaimed water transmission main to convey irrigation water back to the school. These pipelines will pass through the Sierra Negra Ranch properties. It would be poor regional planning to construct a separate wastewater treatment facility to serve properties that already have access to a regional trunk sewer.

Comment: We would like a fully integrated solution and have been working with Global Water. The letter from the Saddle Mountain Unified School District No. 90 is the letter provided to us in regards to having a regional solution. As Maricopa County proposed, we are looking for a regional solution. In trying to work with Balterra, the regional solution proposed was only north of I-10, therefore splitting Sierra Negra Ranch in half and putting us in the same situation as Copperleaf.

Response: The letter prepared by Saddle Mountain Unified School District No. 90 in February, 2006, is a general letter that is superseded by SMUSD's agreement to join the CC&N formed by the Balterra Sewer Corporation, which has already been approved by the Arizona Corporation Commission. The HUC Consolidated Service Area 208 Amendment also proposes that the I-10 would split the Sierra Negra Ranch into two of the sub-regional areas included in that plan.

Comment: It is our request to try and work together as opposed to working separately on an integrated utility. Balterra decided it was in their best interest to work alone and not with the two others who are their next-door neighbors and go out and look for people who would request service from them besides us. We spent that time to work with an independent utility looking for a regional solution that could be integrated. Therefore, there were no comments on the Balterra plan because we were in the process of working with Global Water for the past five months. There was no reason for us to comment on their plan. Their plan was good for Balterra, but not for us.

Response: Per Balterra's *Wastewater Master Plan for the North Tonopah Area*, the Balterra Sewer Corporation plans to construct a 30-inch diameter truck sewer that will pass through Copperleaf and Sierra Negra Ranch, with sufficient capacity to serve these developments.



Saddle Mountain Unified School District #90  
38201 West Indian School Road  
Tonopah, AZ 85354  
Phone 623-474-5101 - NEW  
FAX 623-691-6757  
[www.smusd.com](http://www.smusd.com)

July 7, 2006

Julie Hoffman  
Environmental Planner  
Maricopa Association of Governments  
301 North First St. #300  
Phoenix, AZ 85003

RE: MAG 208 Amendment/Balterra Sewer Corp.

Dear Ms. Hoffman:

This letter is in response to comments made at the MAG Water Quality Management Committee on June 27, 2006 that I wish to include in the record.

As stated in previous correspondence, the Ruth Fisher Elementary School has historically operated with either a septic system or a small "package plant," as there have been no regional sewer resources available in our area of western Maricopa County known as Tonopah. As the area has grown, so too has the necessity for the District to expand. Because of this growth, we opened the new Tonopah Valley High School adjacent to the Ruth Fisher Elementary School in 2005. With the population of our students increasing monthly, we have forecasted the need to expand and upgrade our package plant accordingly. SMUSD No. 90 filed a 208 Water Quality Management Plan for Small Plant Review and Approval, dated October 2004, which states in part "...at such time as there is a regional utility, we will join that system." In the meantime, Balterra Sewer Corp. has received a CC&N and we have requested service from them to include our two schools and District office as part of their utility service area. This has been granted by the Arizona Corporation Commission.

Our current package plant is under increasing pressure to keep up with the increasing demands and will require upwards of one million dollars in upgrades to meet water quality standards. This expenditure would only be a temporary fix to perpetuate a plant that will eventually be eliminated in the future. This is not a wise use of our taxpayer dollars.

Approving the Balterra Sewer Corp. water quality Management Plan Amendment will allow SMUSD No. 90 the ability to work with a regional wastewater utility provider to evaluate the current facility and possibly make interim modifications to the existing on-site wastewater treatment facility. The interim facility would allow the school facilities to continue operations at a much reduced cost until the permanent regional wastewater facility is constructed by the Balterra Sewer Corp.

The timing of the 208 approval process and the need for the near term opening of the Balterra Sewer Corp's wastewater treatment facility is a very critical path item for us. Any delays in the 208 amendment approval process would directly force us to expend \$1 million of our limited resources on a facility that we could avoid building if the process allowed a qualified utility with an existing CC&N to provide the service we need. We are in the business of educating children and are anxious to relieve ourselves of water and wastewater management and operations. By partnering with the Balterra Sewer Corp., the District would be able to remove ourselves from the business of operating and maintaining sewer plants.

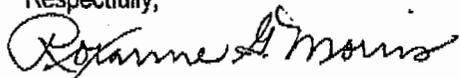
Governing Board Members

Dan Blackson, President    Gary Burton, Clerk    Kathy Torres    Gary Burton

Ms. Hoffman  
Page 2  
July 7, 2006

We respectfully request important consideration be given to such and urge you to take all steps necessary to bring the Proposed Balterra 208 Amendment approval process to a rapid and successful conclusion.

Respectfully,



Roxanne G. Morris, Superintendent of Schools  
Saddle Mountain Unified School District

*Governing Board Members*

Dan Blackson, President    Gary Burton, Cleric    Kathy Torres    Gary Burton

Julie Hoffman, Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

Re: Sierra Negra Ranch Second Letter in Opposition of Consent and Inclusion of the Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208, Dated April 2006

Dear Ms. Hoffman,

We would like to again oppose the Balterra 208 submittal and have attached our previous letter for your reference. It includes the legal description of Sierra Negra Ranch that consists of 2757 acres located north and south of I-10 between Ruth Fisher School and the proposed Balterra development. This letter stated the many reasons for our opposition of being included without our permission in the Balterra submittal and that we have requested service and are included in the competing Global Water Resources 208 submittal dated May 8, 2006.

I attended and spoke at the previous hearing where the Balterra proposed 208 was approved with complete disregard for the consequences of approval. The officials brought up a valid discussion point that was ignored. The question was: What happens when we have two competing 208's ? The answer: **We don't know**, but maybe we can approve both of them?

**If you approve or consent to the Balterra 208 Draft Wastewater Facility, will or could Balterra become our sewer provider without our consent?** This would be detrimental to our development plans as we have requested service from another, fully integrated utility and adamantly oppose Balterra including our property in their plan. We have invested time and monies into creating a truly regional and integrated solution with a non-developer owned utility. Our water CCN's are now owned by Global Water Resources, through their acquisition of West Maricopa Combine, and they have committed to an integrated sewer and water solution that will ensure sustainable water resource management in the region.

With the best interest of the future property owners in mind and with a compelling, competing regional integrated solution in the queue, would it not be reasonable to review the two competing 208 submittals and make an educated decision? Which plan will best serve the future residents? Does the plan integrate sewer and water? What plan is best for the preservation of water and the environment? Which plan is truly regional?

There are many future residents and developers that will thank you for withholding your consent and taking the time to review the competing 208 submittal from Global's Hassayampa Utilities Company. This will be time well spent and will only help maintain the credibility of the planning process.

Respectfully yours,

Sierra Negra Ranch LLC, a Nevada limited liability company

By: SNR Management LLC

By: West Phoenix Development Company LLC,  
A Nevada limited-liability company

By: \_\_\_\_\_  
Bryan P. O'Reilly, President

June 26, 2006

Julie Hoffman, Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

**Re: Opposition of Sierra Negra Ranch et al to the proposed Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, Dated April 2006**

Dear Ms. Hoffman;

We are the owners of the 2757 acres of land located north and south of Interstate 10 in the Tonopah area currently known as Sierra Negra Ranch and as described in the attached legal description. Currently we are in the process of submitting Development Master Plans for our property.

It has come to our attention that the above-referenced proposed Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208") has been proposed to include and apply to our land. We hereby formally oppose such submission. In addition, we request that the submission be held for simultaneous consideration with any and all other competing applications including the pending filing by Global Water Resources. The ultimate decisions on these applications will effect a significant portion of the Tonopah and West Valley residents for many years and perhaps many lifetimes. Consequently we are hopeful that you will continue this matter as needed to schedule a combined or coordinated comprehensive hearing(s) for this and any and all other competing applications/submittals.

The Draft Balterra 208 has been submitted without our consent. Our opposition to this application includes the following additional reasons:

Sierra Negra and others have attempted to work with Balterra and create a regional solution. Instead of working together, the Balterra (a competing land owner and developer) principals decided that it was in their best interests, and the best interests of their development project, to create their own plan and include portions of Sierra Negra Ranch properties and others in their 208 application without the consent of us and other land owners.

Balterra has been non-responsive to our requests for information in spite of the time we spent on numerous occasions meeting with them and in otherwise attempting to communicate with them. They appear to have little sincere interest in creating a truly regional plan but rather only in controlling the

utilities that serve their own property so as not to have to rely on a third party for their own project and, at the same time, to create a competitive advantage for their project. This proposed Developer owned utility cannot truly act as a non-biased provider. Fortunately their lack of interest in a truly regional and potentially integrated public utility led us to work with Global Water Resources.

Currently we have requested service for Silver Water Ranch and Silver Springs Ranch from Hassayampa Utilities Company ("HUC"), owned by Global Water Resources, and as such formally support their HUC Consolidated Service Area 208 Plan Amendment ("HUC Consolidated 208") application filed on May 8, 2006. It is this application, as well as any others that might be pending, that we are requesting be considered at the same time as this Draft Balterra 208.

We believe that the regional plan for 175 sections as proposed in the Global Water Resources HUC Consolidated 208 is clearly regional and a potentially integrated solution as opposed to the plan as proposed in the Draft Balterra 208. The regional utility as proposed by Global is one that would allow those communities North and South of I-10 to be served (Balterra by comparison only proposed some lands north of I-10 be included in their Draft Balterra 208). The Global plan, unlike the Balterra plan, would therefore utilize the economies of scale to better serve the future residences of the Tonopah area and the West Valley. This truly regional plan should also prevent one property owner from having two or more utility providers of the same service.

Accordingly, once again we oppose the inclusion of any part of our 2757 acres now known as Sierra Negra Ranch as part of the Draft Balterra 208. We also encourage Maricopa County to evaluate all other submitted plans before proceeding any further with the Draft Balterra 208. To do otherwise could, we believe, create unfortunate and significant issues for the residents and property owners in Tonopah and West Valley areas.

Thank you in advance for your consideration of this important matter.

Sincerely,

Sierra Negra Ranch LLC, a Nevada limited liability company

By: SNR Management LLC, a Nevada limited liability company  
Its: Manager

By: Becker SNR LLC, a Nevada limited liability company  
Its: Manager

By: \_\_\_\_\_  
Barry W. Becker  
Its: Managing Member

## LEGAL DESCRIPTIONS

### SILVER WATER RANCH

#### PARCEL NO. 4

THE WEST HALF OF SECTION 21, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA; EXCEPT THE EAST 200 ACRES THEREOF.

#### PARCEL NO. 5

THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

#### PARCEL NO. 6

THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THAT PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER

BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, WHICH LIES WITHIN A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIPTION LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 0 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 29;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 5470.76 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 0 DEGREES 03 MINUTES 23 SECONDS WEST, 243.12 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 29, AS CONVEYED TO THE STATE OF ARIZONA BY AND THROUGH ITS HIGHWAY COMMISSION BY WARRANTY DEED RECORDED IN DOCKET 6586, PAGE 69.

PARCEL NO. 1

THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER;  
AND

THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; AND

THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

PARCEL NO. 2

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

PARCEL NO. 3

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

PARCEL NO. 4

THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; AND

THE EAST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

**SILVER SPRINGS RANCH**

PARCEL NO. 7

ALL OF SECTION 32, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT ALL MINERAL RESERVED UNTO THE STATE OF ARIZONA IN BOOK 334 OF DEEDS, PAGE 248 (AS TO THE SOUTHEAST QUARTER) AND IN BOOK 360 OF DEEDS, PAGE 10 (AS TO THE NORTH HALF AND THE SOUTHWEST QUARTER)

PARCEL NO. 8

THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 1

THE WEST HALF OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 1 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL OF LAND LYING WITHIN A 200 FOOT STRIP, BEING 100 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT N 07° 7' 30" E, 1223.03 FEET FROM THE SOUTHEAST CORNER OF SECTION 16, MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE N 56° 07' 30" W, 1783.55 FEET TO THE POINT OF CURVE OF A 0° 15' CURVE TO THE RIGHT, HAVING A RADIUS OF 22,918.3 FEET;

THENCE ALONG THE ARC OF SAID CURVE, A DISTANCE OF 433.33 FEET TO THE POINT OF TANGENT OF SAID CURVE;

THENCE N 55° 02' 30" W, 9949.29 FEET TO THE POINT OF CURVE OF A 4° 00' CURVE TO THE LEFT, HAVING A RADIUS OF 1432.69 FEET;

THENCE ALONG THE ARC OF SAID CURVE, 417.29 FEET TO THE POINT OF TANGENT OF SAID CURVE;

THENCE N 71° 44" W, 4963.49 FEET TO THE POINT OF CURVE OF A 2° 00" CURVE TO THE RIGHT HAVING A RADIUS OF 2864.79 FEET.

THENCE ALONG THE ARC OF SAID CURVE, 489.17 FEET TO THE POINT OF TANGENT OF SAID CURVE;

THENCE N 61° 57" W, 211.49 FEET TO A POINT ON THE WEST LINE SECTION 7, TOWNSHIP 1 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, SAID POINT S 0° 16" W, 394.03 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 7;

THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 1 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS CONVEYED TO MARICOPA COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA BY QUIT CLAIM DEED RECORDED ON DOCKET 2747, PAGE 161.

PARCEL NO. 2

ALL OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 3

THE SOUTH HALF AND THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT FROM LOTS 1 AND 2 AND THE EAST HALF OF THE NORTHWEST QUARTER THEREOF, ALL MINERALS AS RESERVED UNTO THE UNITED STATES IN THE RECORDED PATENT TO SAID LAND RECORDED IN DOCKET 2623, PAGE 394.

PARCEL NO. 9

THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 2 NORTH, RANGE 6 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

STATE TRUST LAND PARCEL

THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.



Maricopa Association of Governments  
Received

Our File: HUC\Regulatory\MAG208

JUL 12 2006 July 12, 2006

Julie Hoffman  
Environmental Planner  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, AZ 85003

**Re: MAG Management Committee July 12, 2006 Consent Agenda Item, Draft Balterra Wastewater Treatment Facility, MAG 208 Amendment, Dated April 2006**

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Dear Ms. Hoffman:

Thank you for the opportunity to provide comment to the MAG Management Committee on the referenced Draft Balterra Wastewater Treatment Facility, Clean Water Act, MAG 208 Amendment, dated April 2006, prepared by CSA Engineering ("Draft Balterra 208"). The continuation of the MAG 208 process for the Draft Balterra 208 is premature. As a group, we have the opportunity to establish a true regional plan that allows for the integration of water<sup>1</sup>, wastewater and reclaimed water services that will achieve the necessary goals of reducing reliance on groundwater supplies, increasing the availability and opportunity for water re-use and the introduction of renewable surface water supplies to the region. These goals, so necessary for sustainable growth in Arizona, simply cannot be achieved under the proposed Draft Balterra 208. Accordingly, it is recommended that the MAG Management Committee table the Draft Balterra 208 until the committee has had an opportunity to review the relative merits of either a reduced 208 service area for Balterra (coincident with Balterra' Certificate of Convenience & Necessity) or consolidation of the applications within the *Hassayampa Utilities Company ("HUC") Consolidated Service Area 208 Plan Amendment ("HUC Consolidated 208")*, submitted to MCESD for review and sponsorship on May 8, 2006.

Specifically, this action is appropriate for the following reasons:

1. Paul Gilbert, representing Balterra at the public hearing, predicated his appeal for approval to the Water Quality Committee on two points:
  - a. *Balterra has already received the CC&N to provide wastewater services in the "service area"*

**HUC/Global response:**

- The CC&N (Decision No. 68742, enclosed) is only for the approximately 2 sections, 1.7 sections owned by the Balterra Developers and 0.1 owned by the Saddle Mountain Unified School District, for which formal requests for service accompanied the CC&N application, and upon which, the ACC was able to approve a CC&N. The remaining 22 of the 24 sections proposed in the Draft Balterra 208 service area do NOT have a CC&N. As many of the land owners in the remaining 22 sections have formally requested integrated water, wastewater and reclaimed water services from

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<sup>1</sup> Global Water Resources, which owns HUC, recently acquired West Maricopa Combine and its utility subsidiaries, and therefore owns Water Utility of Greater Tonopah – the water utility in the area that holds the water CC&N service area.

HUC and Water Utility of Greater Tonopah, it is doubtful that area could be included in any subsequent CC&N filing by Balterra.

- The CC&N is a Conditional CC&N, requiring among other stipulations that Balterra obtain an approved 208 over this 2 section CC&N area. There is no requirement in the CC&N that the 208 be approved beyond this 2 section CC&N area, and thus the argument made by Mr. Gilbert persuading that MAG needs to honor the ACC's actions to approve Balterra's 208 at 24 sections is not valid.

*b. Balterra was asked by MCESD to expand their 208 service area from Balterra's development of approximately 2 sections into a regional solution which they did by proposing a 24 section service area, so why not "reward" them (Balterra) for doing what MCESD asked them to do, and approve the 24 section service area?*

#### **HUC/Global response:**

- Maricopa County Environmental Services Department (MCESD) has made it clear that it is charged with overseeing the master planning of unincorporated western Maricopa County, and as such has requested the development community to bring regional solutions to the table. HUC met with MCESD in January 2006 to begin discussions about regional water, wastewater and reclaimed water master planning in this area. MCESD also requested that HUC present a regional 208 plan.
  - Responding to MCESD's direction, Balterra proposed a 24 section 208 service area and included portions of the Silver Water Ranch and Copperleaf developments, in addition to numerous smaller properties, that have requested service from HUC and have submitted objections to MAG regarding their unauthorized inclusion into Balterra's 208 service area.
  - HUC responded to MCESD's direction by proposing a 175 section service area including the following developments that formally have requested wastewater and reclaimed water service from HUC : Belmont, Silver Water Ranch, Silver Springs Ranch, Copperleaf, 339<sup>th</sup> Avenue development, Hassayampa Ranch, and other smaller developments (see enclosed Exhibit), incorporating regional collection systems, interconnected to allow for phased growth, and for the development of a reclaimed water distribution system.
  - It is our understanding that both ADEQ and EPA have denied and remanded, respectively, 208 amendment(s) in Arizona, even though they have been approved by the Council of Government with jurisdiction, because of developer/owner objections to unwanted inclusion into such 208 amendment(s).
2. There was much discussion among the Water Quality Committee members at the public hearing suggesting that the Draft Balterra 208 has standing over the HUC Consolidated 208, since it had been reviewed and approved by MCESD which then sponsored the amendment for MAG's consideration, while the HUC Consolidated 208 was submitted to MCESD approximately 3.5 months after the Balterra 208 was submitted in late January 2006 and MCESD has not completed processing the HUC Consolidated 208.



**HUC/Global response:**

- The Clean Water Act (CWA) does not expressly provide for a “first in, first approved” mechanism when considering whether a 208 amendment has merit for approval. Instead, Section 208, entitled “AREAWIDE WASTE TREATMENT MANAGEMENT”, part 7.B.2.C.i. states that the 208 plan must “implement the waste treatment management requirements of section 201(c), which itself states, “To the extent practicable, waste treatment management shall be on an areawide basis and provide control or treatment of all point and nonpoint sources of pollution, including in place or accumulated pollution sources.”
- We respectfully suggest that because MAG has knowledge of the proposed HUC Consolidated 208 which exemplifies regional planning that is the hallmark of the 208 program, the Draft Balterra 208 should be tabled until the HUC Consolidated 208 has been given the same consideration by MCESD, and once approved and submitted under its sponsorship to MAG, such consideration can be extended to the HUC Consolidated 208. The two plans, competing in essence for 22 of the 24 sections proposed within the Draft Balterra 208, then can be judged on their respective merits as regional plans that best meet all of the CWA Section 208 criteria.

We believe that the HUC Consolidated 208 meets all the mandates for regional planning as required by the CWA, MCESD and MAG. By enlarging the proposed service area, greater advantage of naturally occurring sewer sheds can be made, resulting in fewer treatment facilities and a more integrated servicing solution can be achieved. In fact, it is only through large scale planning that a truly integrated solution is possible where water, wastewater and reclaimed water are managed for the benefit of the region. Without a true areawide approach, many of the requirements necessary to reduce demand on non-renewable water resources simply will not exist.

As mentioned in our June 27, 2006 letter, the HUC Consolidated 208 represents that HUC is able to serve the Balterra development in addition to the 175 sections presently planned, and that its flows would be treated at the proposed water reclamation facility in Copper Leaf, labeled Campus 2, in the HUC Consolidated 208. Accordingly, we believe that the HUC Consolidated 208 better represents the needs of the County and its residents. In the event that MAG feels compelled to permit the continuation of the Draft Balterra 208 application, it is suggested that its boundaries be limited to the 2 section Balterra development so as not to jeopardize future regional planning, denial from ADEQ, and/or remanding from EPA.

Thank you in advance for your consideration of this important matter.

Sincerely,  
HASSAYAMPA UTILITIES COMPANY, INC.  
GLOBAL WATER RESOURCES, INC.

*Cindy M. Liles*  
Cindy M. Liles, Senior Vice President- Growth Management

cc: Ed Beasley, City of Glendale, Chair, Management Committee  
Ken James, P.E., MCESD  
Trevor T. Hill, President and CEO



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**BEFORE THE ARIZONA CORPORATION COMMISSION**

Arizona Corporation Commission

COMMISSIONERS

**DOCKETED**

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

JUN 05 2006

DOCKETED BY RB

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

DOCKET NO. SW-20403A-05-0586

DECISION NO. 68742

**OPINION AND ORDER**

DATE OF HEARING: April 10, 2006  
PLACE OF HEARING: Phoenix, Arizona  
ADMINISTRATIVE LAW JUDGE: Amy Bjelland  
APPEARANCES: Jay L. Shapiro, FENNEMORE CRAIG, on behalf of Applicant; and  
Mr. Keith Layton, Staff Attorney, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

**BY THE COMMISSION:**

On August 12, 2005, Balterra Sewer Corporation ("Balterra" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an Application for a Certificate of Convenience and Necessity ("Certificate").

On September 9, 2005, the Commission's Utilities Division Staff ("Staff") filed an Insufficiency Letter.

On November 15, 2005, Balterra filed documents in response to Staff's Insufficiency Letter as well as its Notice of Filing Amended Legal Description and its Notice of Filing Direct Testimony of James L. Condit.

On January 3, 2006, Balterra filed documents in response to a December 7, 2005 meeting with Staff.

On January 23, 2006, Staff filed a Sufficiency Letter.

On April 10, 2006, a hearing was convened before a duly authorized Administrative Law

1 Judge of the Commission at its offices in Phoenix, Arizona. At the conclusion of the hearing, the  
 2 matter was taken under advisement pending submission of a revised legal description of the area for  
 3 which the Certificate was sought.

4 On April 14, 2006, Balterra filed its Notice of Filing Amended Legal Description.

5 \* \* \* \* \*

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

8 **FINDINGS OF FACT**

9 1. Applicant is a corporation formed for the purpose of providing wastewater utility  
 10 service to an approximately two-square mile area including the Balterra mixed-use  
 11 residential/commercial development ("Development") and the Ruth Fisher Elementary and Tonopah  
 12 Valley High School, both within the Saddle Mountain Unified School District ("District"). The  
 13 requested area is in the vicinity of 411<sup>th</sup> Avenue and Camelback Road. At full build-out, Balterra  
 14 proposes that the Development will require water and wastewater services for a maximum of 6,100  
 15 equivalent residential units. Water service is expected to be provided to the requested area by the  
 16 Water Utility of Greater Tonopah, with which Balterra witness Mr. Bradley A. Simons, Director of  
 17 Utilities for JF Properties and Wastewater Management Coordinator for Balterra, stated Balterra is  
 18 working closely.

19 2. Both Fronterra Village, the owner of the Development, and the District have requested  
 20 wastewater service of Balterra.

21 3. At hearing, Mr. Simons testified that the District's schools are located to the east of  
 22 the Development by about two and one-half miles. Currently Ruth Fisher Elementary is served by a  
 23 wastewater package plant, and the District is constructing a new larger wastewater facility to replace  
 24 the existing one and provide service to Tonopah Valley High School. Balterra and the District have  
 25 conducted a preliminary analysis and have concluded that a public-private partnership in a regional  
 26 wastewater system for the Southeast 208 Planning Area ("Planning Area")<sup>1</sup> will best serve the public  
 27

28 <sup>1</sup> The Planning Area is bordered by I-10 to the south, Glendale Avenue to the north, 419<sup>th</sup> Avenue to the west and along  
 the east by a jagged line running along, from north to south, 371<sup>st</sup> Avenue, 367<sup>th</sup> Avenue, and 363<sup>rd</sup> Avenue.

1 interest. This application is the first step toward a regional wastewater treatment facility as  
2 contemplated by Balterra and the District for the larger Planning Area.

3 4. The proposed facility is a membrane bioreactor treatment plant designed to treat 2.2  
4 million gallons per day ("MGD") of wastewater flow. It will be constructed and installed in three  
5 phases to accommodate growth in the area. Treated effluent will be disposed of in a surface water  
6 impoundment system consisting of a two-cell evaporation/transportation pond structure.

7 5. Phase I includes installation of a 0.275 MGD treatment plant, which will be extended  
8 to 1.1 MGD in Phase II. Balterra expects Phase II to occur within six years of initial operation of the  
9 plant. Balterra expects to serve 2,770 residential customers and one school customer within five  
10 years. Balterra has estimated a cost of \$18.8 million for the wastewater treatment system through  
11 Phase II of the development, equating to a unit cost of approximately \$17 per gallon of treated  
12 effluent. Staff concluded that the proposed plant will have adequate capacity to serve customers  
13 within the requested area and it is reasonable to expect that additional capacity can be developed  
14 when needed.

15 6. Sewer companies are required by the Arizona Department of Environmental Quality  
16 ("ADEQ") to obtain an Aquifer Protection Permit ("APP") and/or Arizona Pollutant Discharge  
17 Elimination System ("AZPDES") permit before the plant can be placed in service. Mr. Simons  
18 testified that a draft was submitted to ADEQ for review and approval and that Balterra has received  
19 comments and submitted responses, but is still awaiting a determination of sufficiency from ADEQ.  
20 Staff recommended that Balterra file with Docket Control, as a compliance item in this docket, a  
21 copy of the notice issued by ADEQ that Applicant's APP and/or AZPDES has been approved no later  
22 than October 31, 2007.

23 7. The Maricopa County Environmental Services Department ("MCESD") requires the  
24 proposed treatment plant and sewage collection system to obtain Certificates of Approval to  
25 Construct ("ATC") and Approval of Construction ("AOC"). Staff recommended that Balterra file  
26 with Docket Control, as a compliance item in this docket, a copy of the ATC that MCESD will issue  
27 for the proposed Phase I treatment plant no later than June 30, 2007. Staff further recommended that  
28 Balterra file with Docket Control, as a compliance item in this docket, a copy of the AOC that

1 MCESD will issue for the proposed Phase I sewer collection system no later than October 31, 2007.  
2 In Balterra's Response to Staff Report, Balterra objected to Staff's recommended deadline of October  
3 31, 2007. Mr. Simons testified that given the timeframes as Balterra is aware of them, Balterra will  
4 need until June 30, 2008 to file the AOC that MCESD will issue for the proposed Phase I sewer  
5 collection system. At hearing, Dorothy Hains, Utility Engineer for the Commission, testified that  
6 Staff wished to revise its recommendation to provide for a deadline of March 31, 2008. Mr. Simons  
7 testified that this revised recommendation of March 31, 2008 to file the AOC is satisfactory to  
8 Balterra.

9 8. Pursuant to Section 208 of the Federal Water Pollution Control Act, each state is  
10 required to develop and implement area-wide water quality management plans for pollution control  
11 purposes. The Maricopa Association of Governments ("MAG") has been designated as the area-wide  
12 water quality management planning agency for Maricopa County and must approve an amendment to  
13 the MAG Section 208 plan for the sewer system. Mr. Simons testified that the 208 plan amendment  
14 has been drafted and submitted to MAG for review and approval. Balterra has submitted its request  
15 to MAG for the amendment. Staff recommended that Balterra file with Docket Control, as a  
16 compliance item in this docket, a copy of the MAG approved 208 plan no later than January 31,  
17 2007. In Balterra's Response to Staff Report, Balterra objected to this recommended deadline. Mr.  
18 Simons testified that given the timeframes as Balterra is aware of them, Balterra will need until April  
19 30, 2007 to file a copy of the MAG approved 208 plan. However, at hearing, Ms. Hains testified that  
20 Staff wished to revise its recommendation to provide for a deadline of April 30, 2007. Mr. Simons  
21 testified that Staff's revised recommended deadline was satisfactory to Balterra.

22 9. Regarding the issue of the legal description of the proposed service area, Mr. Simons  
23 testified that there was some discussion with Staff prior to the hearing that, due to an incorrect legal  
24 description contained in Balterra's previous filings, the District site was not reflected as part of the  
25 requested area in Staff's Report. Mr. Simons testified that the entire District site of 60 acres was  
26 contemplated in the initial CC&N request of 1,170 acres, as the Balterra property itself is 1,110 acres,  
27 leaving 60 acres for the school site. Balterra filed a late filed exhibit with an accurate legal  
28 description including the District.

1           10.    Mr. Simons testified that, other than the items cited in Balterra's Response to Staff  
2 Report, which with the revisions noted above he found to be satisfactory, Applicant accepted all of  
3 Staff's remaining recommendations and conditions, including the schedule of rates and charges.

4           11.    Pursuant to the Commission's rules, Applicant provided five-year projections for plant  
5 values, operating revenues and expenses, and number of customers. Such projections are necessary  
6 to establish rates for new companies due to the lack of historical data. Staff reviewed Applicant's  
7 projections and recommended that the Commission find that the projected fair value rate base will be  
8 \$9,116,397 at the end of five years.

9           12.    Balterra's proposed capital structure for the fifth year of operation is made up of  
10 common equity of \$8,696,627 and advances in aid of construction of \$8,331,700 for total  
11 capitalization of \$17,028,327. The resulting capital structure consists of 51.07 percent equity and  
12 48.93 percent advances. Staff recommended approval of Balterra's capital structure.

13           13.    Balterra's projected revenue is derived according to meter size and rates are proposed  
14 as a monthly flat fee. For a 5/8 x 3/4 meter, the monthly rate is \$70. Staff reviewed and concurred  
15 with Balterra's proposed rates except for the three inch meter size, which was inconsistent with the  
16 other meter size percentages. Applicant's proposed rates and charges for initial wastewater service  
17 and Staff's recommendations are as follows:

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	<u>Company Proposed</u>	<u>Staff Recommended</u>
<u>Minimum Monthly Flat Charge</u>		
1 5/8 x 3/4 inch	\$70.00	\$70.00
2 3/4 inch	105.00	105.00
One inch	175.00	175.00
3 1-1/2 inch	350.00	350.00
Two inch	560.00	560.00
4 Three inch	1,120.00	1,050.00
5 Four inch	1,750.00	1,750.00
Six inch	3,500.00	3,500.00
6 Treated Effluent per 1,000 gallons	\$0.62	\$0.62
7 Treated Effluent per acre foot	202.00	202.00
8 <u>Service Line Charge</u>		
9 Service Line connection Charge	\$350.00	\$350.00
10 Establishment of Service – Regular Hours	\$25.00	\$25.00
Establishment of Service – After Hours	40.00	40.00
11 (collected only if customer is sewer only)		
Re-establishment of Service (Within 12 Months)	*	*
12 Reconnection (delinquent) after hours	30.00	30.00
13 After hours service charge per hour	50.00	40.00
Customer Deposit	2x mo. bill	**
14 NSF Check Charge	15.00	15.00
Late Payment Charge		***
15 (per month on unpaid balance)		
16 * Per A.A.C. R14-2-603(D)		
17 ** Per A.A.C. R14-2-603(B)		
18 *** 1.50% interest applied on the unpaid balance monthly		

18 14. Balterra expects to retain Pivotal Utility Management (“Pivotal”) to provide the  
19 operations and management functions of the wastewater treatment facility and infrastructure. Pivotal  
20 operates and manages several Arizona utilities<sup>2</sup> and has applications currently under consideration by  
21 the Commission to purchase and finance the wastewater facilities at San Manuel.

22 15. Pivotal shares ownership and management with its affiliate, Santec Corporation  
23 (“Santec”). Far West Water and Sewer (“Far West”) hired Santec in February 2001 to conduct repair  
24 and upgrade work at its wastewater facilities. On October 25, 2001, while entering a sewer collection  
25 tank to deflate a stopper in a gravity line, a Far West employee collapsed and died from asphyxiation.  
26 A Santec employee who entered the tank to rescue the Far West employee also died. On December

27 \_\_\_\_\_  
28 <sup>2</sup> These include Pine Meadows Utilities, LLC, Sweetwater Creek Utilities, Bensch Ranch Utilities, LLC, Cross Creek Ranch Water Company and Verde Santa Fe Wastewater Company.

1 23, 2002, a Grand Jury Indictment was filed in the Superior Court charging Far West and Santec with  
2 knowingly violating "a standard or regulation and that violation caused death to an employee." On  
3 June 30, 2005, Santec and the State of Arizona filed a plea agreement in the Superior Court, in which  
4 Santec agreed to plead guilty to a Class 6 felony, Violating Safety Standard and Causing Death of an  
5 Employee. This issue has been addressed by the Commission in the Coronado Utilities Certificate  
6 and financing cases<sup>3</sup>, Decision No. 68608 (March 23, 2006).

7 16. Staff stated that it believes the actions and inaction on the part of Santec at Far West  
8 regarding safety are relevant to this proceeding due to the common ownership and management of  
9 Santec and Pivotal. Therefore, Staff recommended that the Commission order that all operators,  
10 agents or employees including employees and agents of contractors and/or subcontractors  
11 constructing or operating the Balterra wastewater facilities must comply with all Arizona Division of  
12 Occupational Safety and Health ("ADOSH") requirements including any and all training required by  
13 ADOSH to operate wastewater facilities. Staff further recommended that the Commission order  
14 Balterra to file in Docket Control annually for three years, certification from ADOSH that Balterra  
15 has availed itself of ADOSH consultation services and certification that its operators, agents,  
16 employees, including employees and agents of contractors and/or subcontractors operating or  
17 constructing the Balterra wastewater facilities, have taken appropriate safety training.

18 17. Balterra does not object to Staff's recommendations concerning safety.

19 18. In recognition of ongoing drought conditions in Arizona, the Company shall provide  
20 the Commission within one year of the effective date of this order a detailed report describing the  
21 Company's progress toward working with the water company for the requested area, Water Utility of  
22 Greater Tonopah, to increase the use of effluent specifically as it pertains to golf courses, ornamental  
23 lakes and other aesthetic water features. This report shall be filed each January beginning 2007 with  
24 the Commission's Docket Control until the Company's next general rate case.

25 **Staff's Recommendations**

26 19. Based on its review, Staff recommended that the Commission find a projected fair  
27

28 <sup>3</sup> Docket Nos. SW-04305A-05-0086 and SW-04305A-05-0087.

1 value rate base in year five to be \$9,116,397, and that the decision in this matter should allow  
2 Balterra to collect from its customers a proportionate share of any privilege, sales or use tax for the  
3 sales of any effluent only. Staff also recommended that the Commission grant Balterra's Application  
4 for a Certificate to provide wastewater services, subject to the following conditions (including Staff's  
5 revisions as noted above):

6 (1) Balterra must charge Staff's recommended rates and charges as shown in  
7 Exhibit B, attached;

8 (2) Balterra must file in Docket Control a schedule of its approved rates and  
9 charges within 30 days after this Decision is issued;

10 (3) Balterra must maintain its books and records in accordance with the National  
11 Association of Regulatory Utility Commissioners ("NARUC");

12 (4) Balterra must use the wastewater depreciation rates by individual NARUC  
13 category as delineated in Exhibit C, attached;

14 (5) Balterra must file with Docket Control, as a compliance item in this docket, a  
15 copy of the notice issued by ADEQ that Balterra's APP and/or AZPDES has been approved no later  
16 than October 31, 2007;

17 (6) Balterra must file with Docket Control, as a compliance item in this docket, a  
18 copy of the MAG approved 208 Plan no later than April 30, 2007;

19 (7) Balterra must file with Docket Control, as a compliance item in this docket, a  
20 copy of the ATC that MCESD will issue for the proposed Phase I treatment plant no later than June  
21 30, 2007;

22 (8) Balterra must file with Docket Control, as a compliance item in this docket, a  
23 copy of the AOC that MCESD will issue for the proposed Phase I sewer collection system no later  
24 than March 31, 2008;

25 (9) Balterra must file documentation with Docket Control, as a compliance item  
26 in this docket, a notification of service to its first customer within 15 days of serving its first  
27 customer;

28 (10) Balterra must file a rate application no later than three months following the

1 fifth anniversary of the date it begins providing service to its first customer;

2 (11) Balterra's operators, agents, or employees, including employees and agents of  
3 contractors and/or subcontractors operating or constructing the Balterra wastewater facilities, must  
4 comply with all ADOSH requirements including any and all training required by ADOSH to operate  
5 wastewater facilities; and

6 (12) On an annual basis, on the anniversary date of the Decision in this matter, for  
7 three years, Balterra must file with Docket Control, as a compliance item in this docket, certification  
8 from ADOSH that it has availed itself of ADOSH consultation services and its operators, agents, or  
9 employees, including employees and agents of contractors and/or subcontractors operating or  
10 constructing the Balterra wastewater facilities have taken appropriate training.

11 20. Staff further recommended that the Commission's Decision granting Balterra's  
12 application for a Certificate be considered null and void, after due process, should Balterra fail to  
13 meet conditions (2), (5), (6), (7), (8), or (12) within the time specified.

14 **CONCLUSIONS OF LAW**

15 1. Applicant is a public service corporation within the meaning of Article XV of the  
16 Arizona Constitution and A.R.S. §40-281 *et seq.*

17 2. The Commission has jurisdiction over Applicant and the subject matter of the  
18 application.

19 3. Notice of the application was provided in accordance with law.

20 4. There is a public need and necessity for wastewater utility service in the proposed  
21 service territory as set forth in Exhibit A attached hereto.

22 5. Applicant is a fit and proper entity to receive a wastewater CC&N to include the  
23 service area more fully described in Exhibit A attached hereto, subject to compliance with the  
24 conditions set forth above.

25 6. Staff's recommendation for approval of the application is reasonable and should be  
26 adopted.

27 ...

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**ORDER**

1  
2 IT IS THEREFORE ORDERED that the application of Balterra Sewer Corporation for a  
3 Certificate of Convenience and Necessity to provide wastewater service to the area in Maricopa  
4 County, Arizona, as described in Exhibit A attached hereto, is approved.

5 IT IS FURTHER ORDERED that the projected fair value rate base in year five is estimated to  
6 be \$9,116,397.

7 IT IS FURTHER ORDERED that Balterra Sewer Corporation may collect from its customers  
8 a proportionate share of any privilege, sales or use tax for the sales of any effluent only.

9 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall charge Staff's  
10 recommended rates and charges as shown in Exhibit B, attached.

11 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall maintain its books and  
12 records in accordance with the National Association of Regulatory Utility Commissioners.

13 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall use the wastewater  
14 depreciation rates by individual National Association of Regulatory Utility Commissioners category  
15 as delineated in Exhibit C, attached.

16 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall file documentation with  
17 Docket Control, as a compliance item in this docket, a notification of service to its first customer  
18 within 15 days of serving its first customer.

19 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall file a rate application no  
20 later than three months following the fifth anniversary of the date it begins providing service to its  
21 first customer.

22 IT IS FURTHER ORDERED that Balterra Sewer Corporation's operators, agents, employees  
23 or operators, including employees and agents of contractors and/or subcontractors operating or  
24 constructing the Balterra Sewer Corporation wastewater facilities, shall comply with all Arizona  
25 Division of Occupational Safety and Health requirements including any and all training required by  
26 Arizona Division of Occupational Safety and Health to operate wastewater facilities.

27 IT IS FURTHER ORDERED that this Decision shall be considered null and void, after due  
28 process, should Balterra fail to meet the following conditions within the time specified.

1 IT IS FURTHER ORDERED that Balterra Sewer Corporation, on an annual basis, on the  
2 anniversary date of the Decision in this matter, for three years, shall file with Docket Control, as a  
3 compliance item in this docket, certification from Arizona Division of Occupational Safety and  
4 Health that it has availed itself of Arizona Division of Occupational Safety and Health consultation  
5 services and its operators, agents, employees or operators, including employees and agents of  
6 contractors and/or subcontractors operating or constructing the Balterra Sewer Corporation  
7 wastewater facilities have taken appropriate training.

8 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall file with Docket Control a  
9 schedule of its approved rates and charges within 30 days after this Decision is issued.

10 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall file with Docket Control,  
11 as a compliance item in this docket, a copy of the notice issued by the Arizona Department of  
12 Environmental Quality that Balterra Sewer Corporation's Aquifer Protection Permit and/or Arizona  
13 Pollutant Discharge Elimination System has been approved no later than October 31, 2007.

14 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall file with Docket Control,  
15 as a compliance item in this docket, a copy of the Maricopa Association of Governments approved  
16 Section 208 Plan no later than April 30, 2007.

17 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall file with Docket Control,  
18 as a compliance item in this docket, a copy of the Approval to Construct that Maricopa County  
19 Environmental Services Department will issue for the proposed Phase I treatment plant no later than  
20 June 30, 2007.

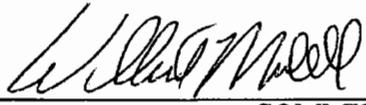
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1 IT IS FURTHER ORDERED that Balterra Sewer Corporation shall file with Docket Control,  
2 as a compliance item in this docket, a copy of the Approval of Construction that Maricopa County  
3 Environmental Services Department will issue for the proposed Phase I sewer collection system no  
4 later than March 31, 2008.

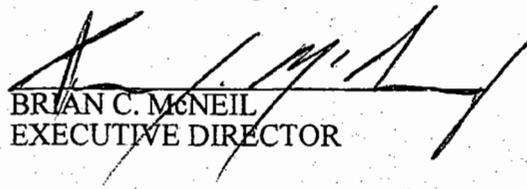
5 IT IS FURTHER ORDERED that in recognition of ongoing drought conditions in Arizona,  
6 the Company shall provide the Commission within one year of the effective date of this order a  
7 detailed report describing the Company's progress toward working with the water company for the  
8 requested area, Water Utility of Greater Tonopah, to increase the use of effluent specifically as it  
9 pertains to golf courses, ornamental lakes or other aesthetic water features. This report shall be filed  
10 each January beginning in 2007 with the Commission's Docket Control until the Company's next  
11 general rate case.

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

13 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

14			
15			
16	CHAIRMAN	COMMISSIONER	
17			
18	COMMISSIONER	COMMISSIONER	COMMISSIONER

19  
20 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
21 Director of the Arizona Corporation Commission, have  
22 hereunto set my hand and caused the official seal of the  
23 Commission to be affixed at the Capitol, in the City of Phoenix,  
24 this 5<sup>th</sup> day of June, 2006.

25  
26   
27 BRIAN C. McNEIL  
28 EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_

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SERVICE LIST FOR: BALTERRA SEWER CORP.

DOCKET NO.: SW-20403A-05-0586

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Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, AZ 85007

**PROPERTY DESCRIPTION****BALTERRA**

THE DESCRIPTION FOR THAT PORTION OF THE PROPERTY DESCRIBED BELOW, LYING WITHIN SECTION 23, TOWNSHIP 2 NORTH, RANGE 7 WEST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, IS BASED ON AN ALTA/ACSM LAND TITLE SURVEY BY MORRISON MAJERLE, INCORPORATED, DATED SEPTEMBER 22, 2004.

THAT PORTION OF SECTION 19, TOWNSHIP 2 NORTH, RANGE 6 WEST, AND SECTION 24, TOWNSHIP 2 NORTH, RANGE 7 WEST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN ARIZONA DEPARTMENT OF TRANSPORTATION BRASS CAP AT THE SOUTHEAST CORNER OF SAID SECTION 19;

THENCE NORTH 89°28'08" WEST, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 19, A DISTANCE OF 2,640.04 FEET TO A BRASS CAP AT THE SOUTH QUARTER CORNER OF SAID SECTION 19;

THENCE NORTH 89°28'43" WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 1,687.12 FEET TO A HALF INCH REBAR AND YELLOW CAP MARKED "DEA 40622" AT THE SOUTHEAST CORNER OF THAT CERTAIN TRACT OF LAND CONDEMNED FOR HIGHWAY AS RECORDED UNDER DOCKET NO. 7553, PAGE 749, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE NORTH 00°31'17" EAST, ALONG THE EAST LINE OF THAT CERTAIN TRACT OF LAND CONDEMNED FOR HIGHWAY AS RECORDED UNDER DOCKET NO. 7553, PAGE 749, RECORDS OF MARICOPA COUNTY, ARIZONA, A DISTANCE OF 65.22 FEET TO AN ARIZONA DEPARTMENT OF TRANSPORTATION BRASS CAP;

THENCE NORTH 85°42'56" WEST, ALONG THE NORTH LINE OF THAT CERTAIN TRACT OF LAND CONDEMNED FOR HIGHWAY AS RECORDED UNDER DOCKET NO. 7553, PAGE 749, RECORDS OF MARICOPA COUNTY, ARIZONA, A DISTANCE OF 629.08 FEET TO AN ARIZONA DEPARTMENT OF TRANSPORTATION BRASS CAP;

THENCE NORTH 74°33'19" WEST, ALONG THE NORTH LINE OF THAT CERTAIN TRACT OF LAND CONDEMNED FOR HIGHWAY AS RECORDED UNDER DOCKET NO. 7553, PAGE 749, RECORDS OF MARICOPA COUNTY, ARIZONA, A DISTANCE OF 308.20 FEET TO A HALF INCH REBAR AND YELLOW CAP MARKED "DEA 40622" AT A POINT ON THE WEST LINE OF SAID SECTION 19, ALSO BEING THE NORTHEAST CORNER OF THAT CERTAIN TRACT OF LAND DEEDED FOR HIGHWAY AS RECORDED UNDER DOCKET NO. 6412, PAGE 55, RECORDS OF MARICOPA COUNTY, ARIZONA;

**EXHIBIT A****DECISION NO. 68742**

THENCE NORTH 74°32'33" WEST, ALONG THE NORTH LINE OF THAT CERTAIN TRACT OF LAND DEEDED FOR HIGHWAY AS RECORDED UNDER DOCKET NO. 6412, PAGE 55, RECORDS OF MARICOPA COUNTY, ARIZONA, A DISTANCE OF 1,142.11 FEET TO AN ARIZONA DEPARTMENT OF TRANSPORTATION BRASS CAP;

THENCE NORTH 74°32'55" WEST, ALONG THE NORTH LINE OF THAT CERTAIN TRACT OF LAND DEEDED FOR HIGHWAY AS RECORDED UNDER DOCKET NO. 6412, PAGE 55, RECORDS OF MARICOPA COUNTY, ARIZONA, A DISTANCE OF 1,300.16 FEET TO AN ARIZONA DEPARTMENT OF TRANSPORTATION BRASS CAP;

THENCE NORTH 74°32'56" WEST, ALONG THE NORTH LINE OF THAT CERTAIN TRACT OF LAND DEEDED FOR HIGHWAY AS RECORDED UNDER DOCKET NO. 6412, PAGE 55, RECORDS OF MARICOPA COUNTY, ARIZONA, A DISTANCE OF 294.08 FEET TO A ONE HALF INCH REBAR ON THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 24;

THENCE NORTH 00°32'56" EAST, ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 24, A DISTANCE OF 1751.55 FEET TO A ONE INCH REBAR AT THE CENTER OF SAID SECTION 24;

THENCE NORTH 89°27'44" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 1321.24 FEET TO A FIVE EIGHTHS INCH REBAR AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24;

THENCE NORTH 00°33'08" EAST, ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 132.00 FEET TO A HALF INCH REBAR ON THE NORTH LINE OF THE SOUTH 132.00 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24;

THENCE NORTH 89°27'44" WEST, ALONG THE NORTH LINE OF THE SOUTH 132.00 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 660.61 FEET TO A HALF INCH REBAR MARKED "DON MILLER, LS 15335" AT THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24;

THENCE NORTH 00°33'16" EAST, ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 528.12 FEET TO A HALF INCH REBAR MARKED "DON MILLER, LS 15335" AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24;

THENCE NORTH 89°27'40" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 660.59 FEET TO A HALF INCH REBAR AND YELLOW CAP MARKED "DEA 40622" AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24;

THENCE NORTH 00°33'24" EAST, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 660.13 FEET TO A HALF INCH REBAR AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24;

THENCE SOUTH 89°27'36" EAST, ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 2642.28 FEET TO A FIVE EIGHTHS INCH REBAR AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24;

THENCE NORTH 00°32'53" EAST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 1320.15 FEET TO A HALF INCH REBAR AT THE NORTH QUARTER CORNER OF SAID SECTION 24;

THENCE SOUTH 89°31'19" EAST, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 24, A DISTANCE OF 2645.96 FEET TO A GLO BRASS CAP AT THE NORTHEAST CORNER OF SAID SECTION 24;

THENCE SOUTH 00°33'36" WEST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 24, A DISTANCE OF 1320.00 FEET TO A HALF INCH REBAR AT THE SOUTH LINE OF THE NORTH 1320.00 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 19;

THENCE SOUTH 89°29'19" EAST, ALONG THE SOUTH LINE OF THE NORTH 1320.00 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 1320.00 FEET TO A HALF INCH REBAR AT THE SOUTHEAST CORNER OF THE WEST 1320.00 FEET OF THE NORTH 1320.00 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 19;

THENCE NORTH 00°33'36" EAST, ALONG THE EAST LINE OF THE WEST 1320.00 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 1320.00 FEET TO A HALF INCH REBAR ON THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19, ALSO BEING THE NORTHEAST CORNER OF THE WEST 1320.00 FEET OF THE NORTH 1320.00 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 19;

THENCE SOUTH 89°29'19" EAST, ALONG THE NORTH LINE OF THE OF THE NORTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 1286.27 FEET TO A GLO BRASS CAP AT THE NORTH QUARTER CORNER OF SAID SECTION 19;

THENCE SOUTH 89°29'54" EAST, ALONG THE NORTH LINE OF THE OF THE NORTHEAST QUARTER OF SAID SECTION 19, A DISTANCE OF 2643.72 FEET TO A REBAR WITH ALUMINUM CAP MARKED "LS 36563, 2004" AT THE NORTHEAST CORNER OF SAID SECTION 19;

THENCE SOUTH 00°32'10" WEST, ALONG THE EAST LINE OF THE OF THE NORTHEAST QUARTER OF SAID SECTION 19, A DISTANCE OF 2643.21 FEET TO A REBAR WITH ALUMINUM CAP MARKED "LS 36563, 2004" AT THE EAST QUARTER CORNER OF SAID SECTION 19;

THENCE SOUTH 00°32'12" WEST, ALONG THE EAST LINE OF THE OF THE SOUTHEAST QUARTER OF SAID SECTION 19, A DISTANCE OF 2643.45 FEET TO AN ARIZONA DEPARTMENT OF TRANSPORTATION BRASS CAP AT THE SOUTHEAST CORNER OF SAID SECTION 19 AND THE POINT OF BEGINNING;

TOGETHER WITH THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 2 NORTH, RANGE 7 WEST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA,

BEING ALSO DESCRIBED AS FOLLOWS:

BEGINNING AT A HALF-INCH REBAR AT THE NORTHEAST CORNER OF SECTION 23, TOWNSHIP 2 NORTH, RANGE 7 WEST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE SOUTH 00°33'24" WEST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 23, A DISTANCE OF 2640.55 FEET TO A GLO BRASS CAP AT THE EAST QUARTER CORNER OF SAID SECTION 23;

THENCE NORTH 89°26'32" WEST, ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 23, A DISTANCE OF 2636.57 FEET TO A HALF INCH REBAR WITH TAG MARKED "L.S. 12218" AT THE CENTER OF SAID SECTION 23;

THENCE NORTH 00°35'09" EAST, ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 23, A DISTANCE OF 2641.17 FEET TO A GLO BRASS CAP AT THE NORTH QUARTER CORNER OF SAID SECTION 23;

THENCE SOUTH 89°25'44" EAST, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 23, A DISTANCE OF 2635.23 FEET TO A GLO BRASS CAP AT THE NORTHEAST CORNER OF SAID SECTION 23 AND THE POINT OF BEGINNING.

EXCEPT THAT PORTION OF THE SOUTHWEST QUARTER OF SAID SECTION 19 DESCRIBED AS FOLLOWS:

COMMENCING AT A BRASS CAP FOUND AT THE SOUTH QUARTER CORNER OF SAID SECTION 19, FROM WHICH AN ARIZONA DEPARTMENT OF TRANSPORTATION BRASS CAP AT THE SOUTHEAST CORNER OF SAID SECTION 19 BEARS SOUTH 89°28'08" EAST, A DISTANCE OF 2640.04 FEET; THENCE NORTH 89°28'43" WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 1482.82 FEET; THENCE NORTH 00°31'17" EAST, A DISTANCE OF 40.00 FEET TO A HALF IN REBAR AT A POINT ON A LINE LYING 40.00 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19 AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00°31'17" EAST, A DISTANCE OF 200.00 FEET TO A HALF IN REBAR AT A POINT ON A LINE LYING 240.00 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19;

THENCE SOUTH 89°28'43" EAST, ALONG SAID LINE LYING 240.00 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 200.00 FEET TO A HALF IN REBAR;

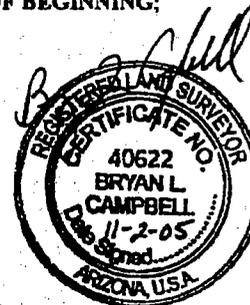
THENCE SOUTH 00°31'17" WEST, A DISTANCE OF 200.00 FEET TO A HALF IN REBAR AT A POINT ON SAID LINE LYING 40.00 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19;

THENCE NORTH 89°28'43" WEST, ALONG SAID LINE LYING 40.00 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 200.00 FEET TO A HALF IN REBAR AT THE POINT OF BEGINNING;

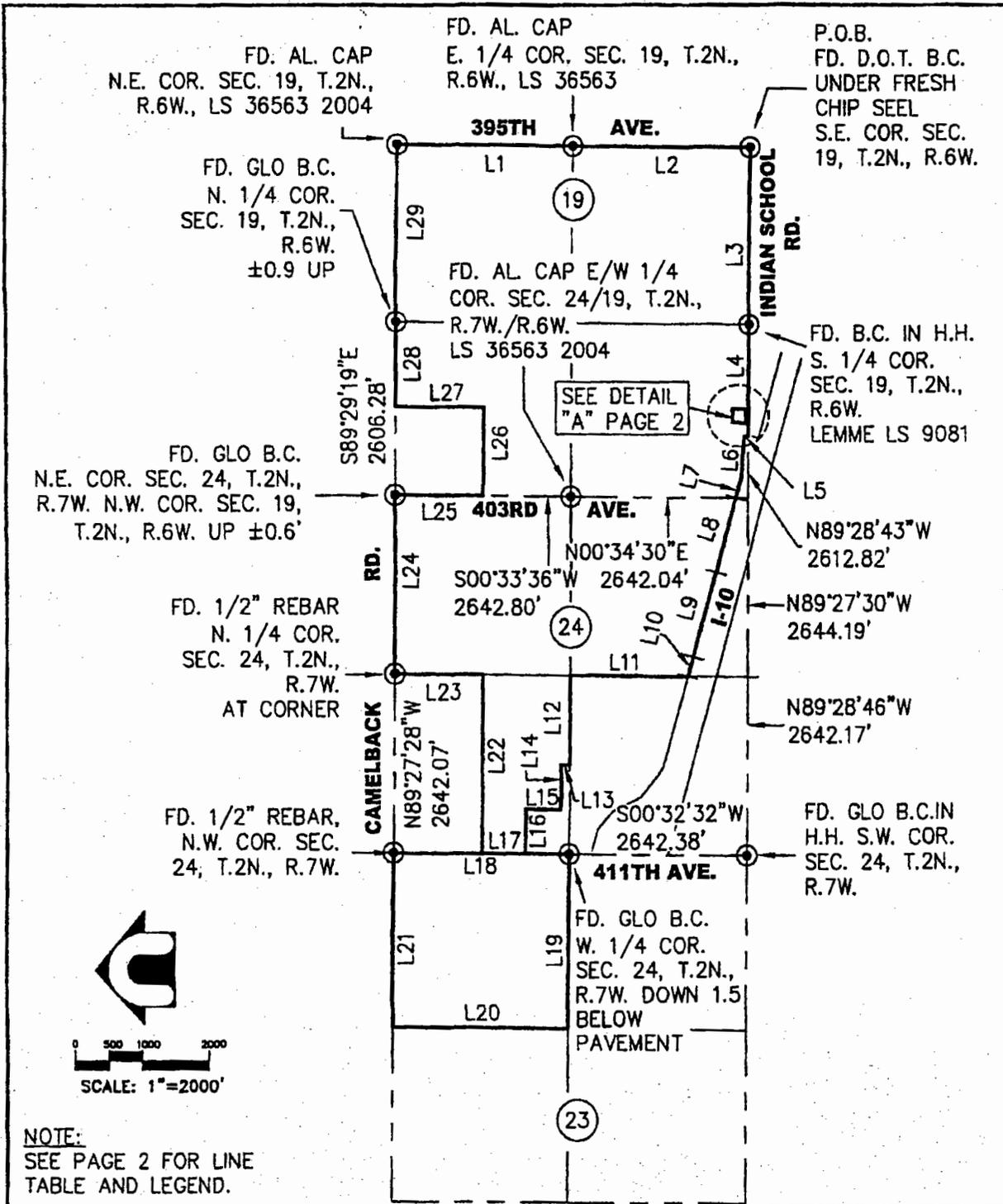
SITUATE IN THE COUNTY OF MARICOPA, STATE OF ARIZONA.

CONTAINS 1,110.083 ACRES MORE OR LESS. (GROSS)

CONTAINS 1,082.750 ACRES MORE OR LESS. (NET)



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NOTE:  
SEE PAGE 2 FOR LINE  
TABLE AND LEGEND.

SCALE: 1"=2000'	<b>BOUNDARY EXHIBIT FOR BALTERRA</b>	 <b>DAVID EVANS AND ASSOCIATES INC.</b> 2141 East Highland Avenue, Suite 200 Phoenix Arizona 85016 Phone: 602.678.5151	DRAWN BY: <i>APC</i>
SHEET 1 OF 2			CHECKED BY:
JOB NO.: CYFG0002			DATE: <i>4/05</i>

**DESCRIPTION**

**SADDLE MOUNTAIN UNIFIED SCHOOL DISTRICT PROPERTY**

*The following description is based on information available from the Maricopa County Assessors Web Site and Warranty Deeds Recorded under Recording No.'s 89245589 and 050777775.*

The northwest quarter of the northeast quarter and the west half of the northeast quarter of the northeast quarter of Section 28, Township 2 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

Except any portion lying within the dedicated right of way for Indian School Road per road declaration recorded in Docket 3124, Pages 573-575, Records of Maricopa County, Arizona;

Except any portion lying within that property described in document recorded under Recording No. 870106857 Records of Maricopa County, Arizona.

Contains 57.6 Acres more or less.

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Balterra Sewer Corporation  
Docket Number SW-020403A-05-0586

Schedule CRM-WW-5

## RATE DESIGN-WASTEWATER

	Company Proposed Rates	Staff Recommended Rates
<b><u>Minimum Monthly Flat Charge</u></b>		
5/8 x 3/4 inch	\$70.00	\$70.00
3/4 inch	105.00	105.00
one inch	175.00	175.00
1-1/2 inch	350.00	350.00
two inch	560.00	560.00
three inch	1,120.00	1,050.00
four inch	1,750.00	1,750.00
six inch	3,500.00	3,500.00
Treated Effluent per 1,000 gallons	0.62	0.62
Teated Effluent per acre foot	202.00	202.00
<b><u>Service Line Charge</u></b>		
Service Line connection Charge	350.00	350.00
Establishment of Service	25.00	25.00
Establishment of Service (after hours) (collected only if customer is sewer only)	40.00	40.00
Re-establishment of Service (Within 12 months)	**	**
Reconnection (delinquent) after hours	30.00	30.00
After hours service charge per hour	50.00	40.00
Deposit	2x mo. Bill	*
NSF Check	15.00	15.00
Late Payment Charge (per month on unpaid balance)		***

\* Per Commission Rules (R14-2-403B).

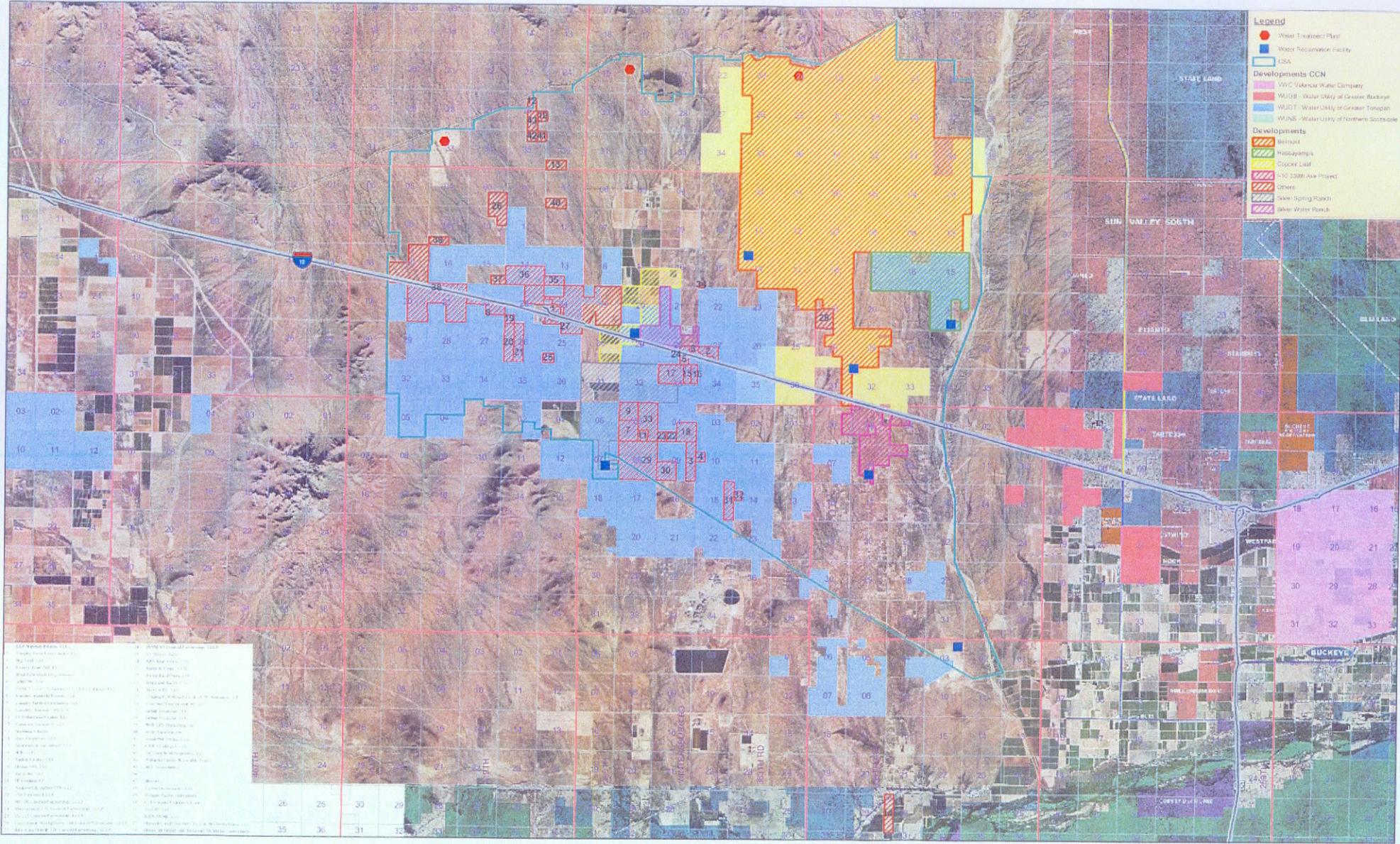
\*\* Per Commission Rules (R-14-2-409.G(6)).

\*\*\* 1.50% per month on the unpaid balance monthly.

**Table 1**  
**DEPRECIATION RATES FOR WASTEWATER SYSTEM**

Acct. No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
354	Structures & Improvements	30	3.33
355	Power Generation Equipment	30	3.33
360	Collection Sewers – Force	50	2.00
361	Collection Sewers – Gravity	50	2.00
362	Special Collecting Structures	50	2.00
363	Services to Customers	50	2.00
364	Flow Measuring Devices	10	10.00
365	Flow measuring Installations	20	5.00
366	Reuse Services	50	2.00
367	Reuse Meters and Meter Installations	30	3.33
370	Receiving Wells	30	3.33
371	Pumping Equipment	10	10.00
374	Reuse Distribution Reservoirs	40	2.50
375	Reuse Transmission and Distribution System	50	2.00
380	Treatment and Disposal Equipment	20	5.00
381	Plant Sewers	20	5.00
382	Outfall Sewer Lines	25	4.00
389	Other Plant & Misc Equipment	15	6.67
390	Office Furniture & Equipment	15	6.67
390.1	Computers & Software	5	20.00
391	Transportation Equipment	5	20.00
392	Store Equipment	25	4.00
393	Tools, Shop & Garage Equipment	20	5.00
394	Laboratory Equipment	10	10.00
395	Power Operated Equipment	20	5.00
396	Communication Equipment	10	10.00
397	Miscellaneous Equipment	10	10.00
398	Other Tangible Plant	----	----

# WEST VALLEY PLAN



01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33