





CITY OF GLOBE
ADMINISTRATION DEPARTMENT

ARIZONA WATER LEGAL ISSUES

- Background
 - Claims Filed Against the City
 - City Research and Position
 - Corporation Commission Filing
 - Next Steps
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BACKGROUND

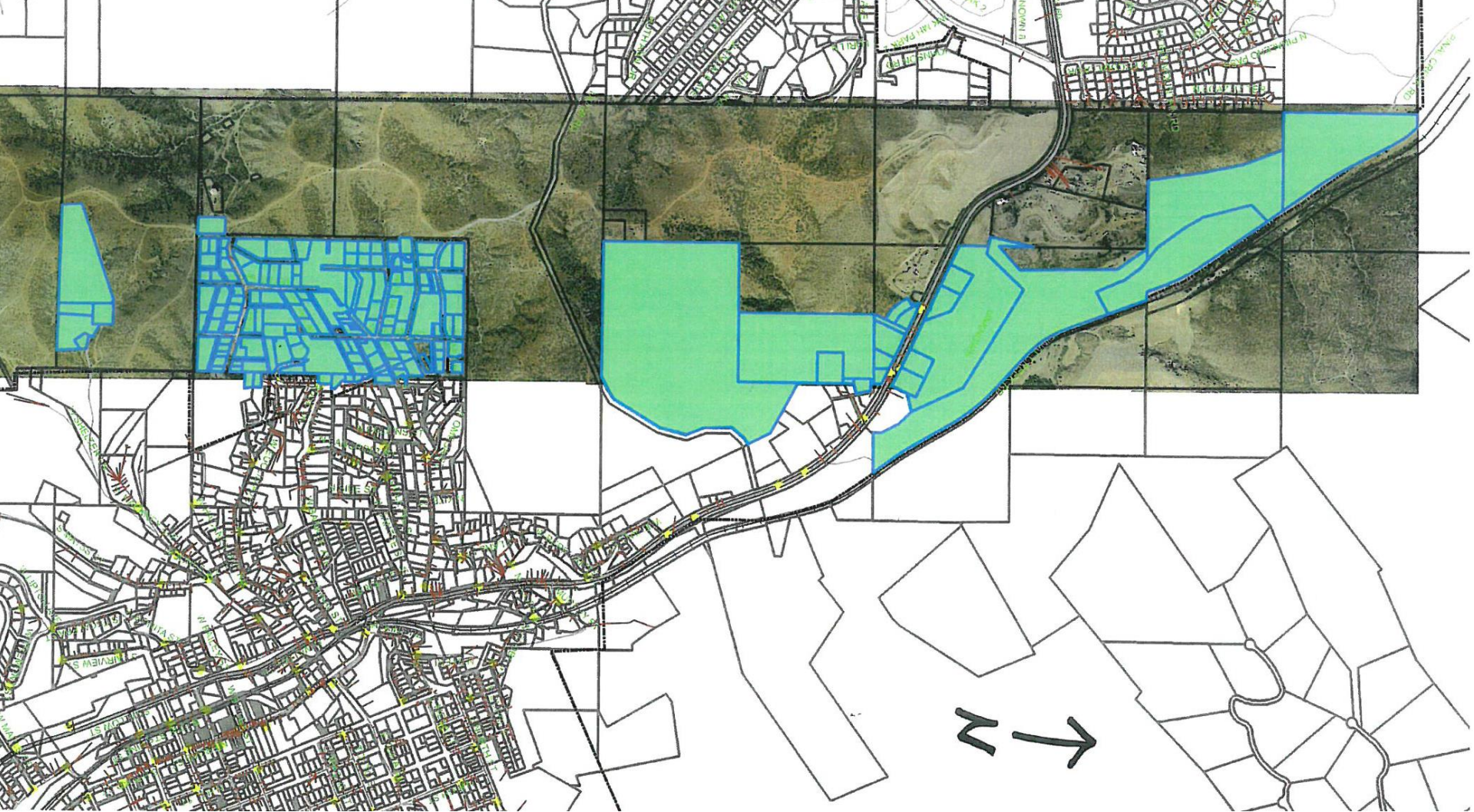
- The City of Globe has been providing water service since the early 1900s
 - The City provides water service to many areas outside of the City Limits
 - Arizona Water purchased the “Triangle Development Corporation” in 1955
 - AWC filed a CCN expansion proposal into the City of Globe service area in 1961
 - In 1970 AWC sold land to Globe for the Arlington Tank
 - Globe and AWC have an Interconnection Agreement
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CLAIMS FILED AGAINST THE CITY

- August 2012 Claim (\$1,878,860)
 - AWC willing and able to serve
 - Taking AWC CCN (101 connections)
 - Past lost revenue
- June 2014 Claim (\$ 5,806,758)
 - Past lost revenue
 - Provision of infrastructure to connect

CITY RESEARCH AND POSITION

- City hired Tierra ROW Services
- City has been providing service in disputed area since the early 1900's
- CCN was granted in error
 - Granted in an area the City was serving
 - Proper notice was not provided
 - Lack of a Franchise Agreement
 - CCN refers to Central Heights
- AWC does not have distribution infrastructure currently
- AWC rates are higher than the City
- The City desires to serve our existing customers
- The City is requesting that the ACC correct the mistake



CORPORATION COMMISSION FILING

- City filed an ARS 40-252 in August of 2014
- Petition to Amend Decision (ACC)
- Correct Decision 33424 (1961)
- Remove the portion of the CCN that includes City customers

- AWC filed a Motion to Dismiss on January 16th.

NEXT STEPS

- Intervention Period
- Public Meetings
- Pre-trial depositions and information gathering
- Hearings in front of Administrative Law Judge
- ACC Hearing / Decision

QUESTIONS?

