



Staff Photo by Rob Levine

A housing development will be built around this artificial lake in the Phoenix area.

Arizona built its oasis on imported water

Fifth in a series

By Larry Batson
National Correspondent

Every Arizona politician, living or invoked as a spiritual presence, was in Phoenix on Nov. 15 as Gov. Bruce Babbitt pressed a button (symbolic of distant pumping stations) to bring water from the Colorado River into central Arizona. Some voices were hoarse, many eyes moist.



Larry Batson's
America

The Central Arizona Project was reality, but something vital to the political process had been lost. For the first time since territorial days Arizona office seekers had no issue to run on.

Rep. Eldon Rudd leaped into the breach.

"The time is going to come in the not too distant future when we are going to be looking for water again," he declared. "And today is the time to start looking for it."

Arizona politics was back on the tracks.

Phoenix, Ariz.
Nowhere in America, with the possible exception of Palm Springs, Calif., is a visitor so conscious of water as in Phoenix and its sub-

urbs.

Dry and crumbling mountains rise at one side. Desert shimmers in all other directions. In August, if they can afford it, many executives send their families to San Diego and commute to the Pacific Coast on weekends. Summer visitors who walk unwittingly into the heat feel as if their brains are baking.

Never are you unaware of the de-

Water continued on page 10A

Continued from page 1A

sert. But it's held at bay.

This city and its suburbs — Scottsdale, Fountain Hills, Mesa and many others — are wet, green, lush. You get the impression that the only thing separating one golf course from the next are olympic-size swimming pools and artificial lakes. There is an artificial surfing center, Big Surf. Homeowners in some suburbs water their lawns by flooding them three or four inches deep.

People tell you that pool water is cleaned and recycled, that fountains pump the same water endlessly, wasting none.

But evaporation will take 6 to 10 feet of water a year from a Phoenix swimming pool or lake. A fountain loses more.

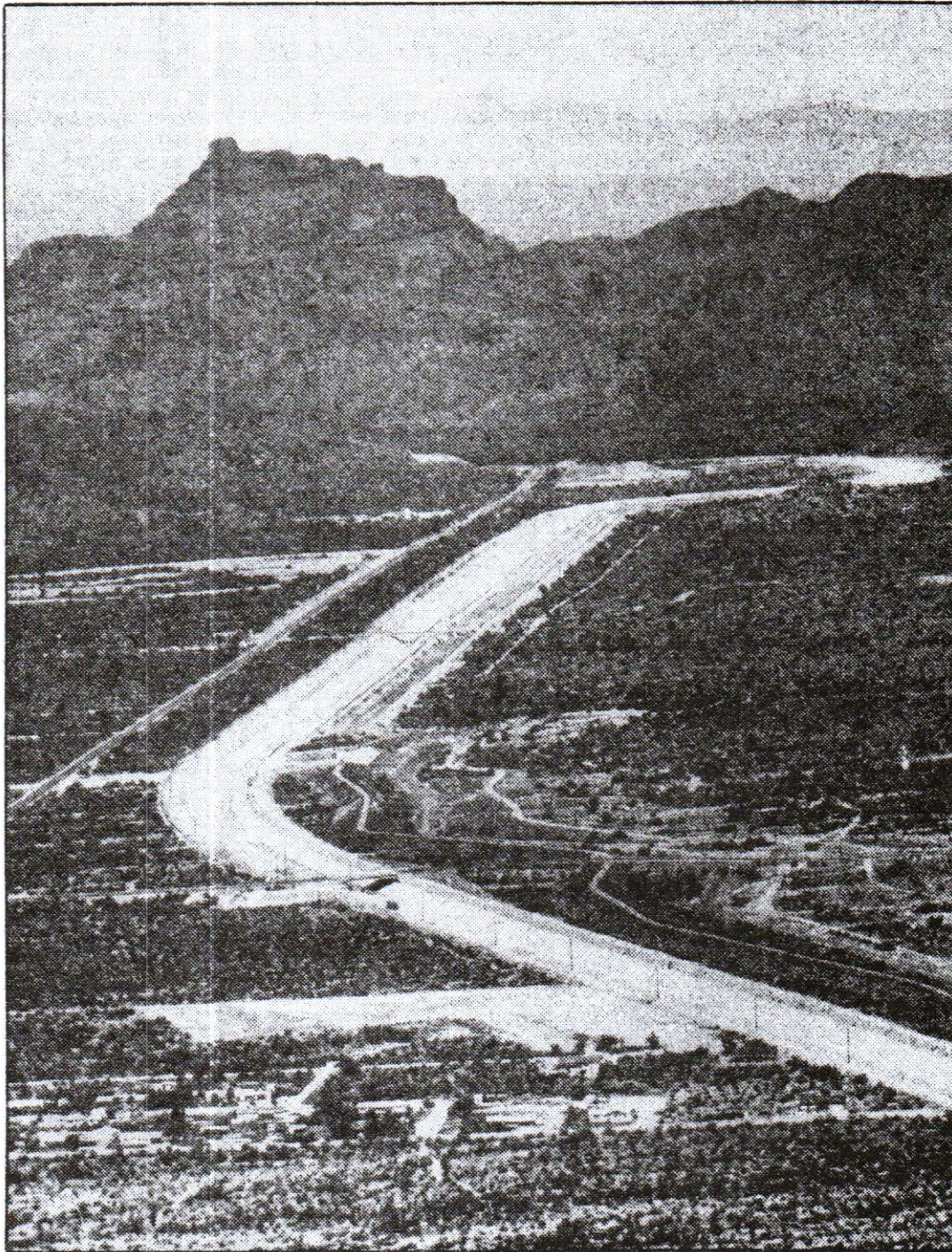
Well-to-do communities, like Scottsdale and Mesa, buy ranches and farms far from their city limits. They drill wells and suck water out from under other towns and pipe it back. They're commonly called "vampires."

All of this behavior is part of the city's oasis mentality.

Gov. Babbitt says Arizonans must give up such self-indulgence. Phoenix itself uses something like 240 gallons of water per person per day. There are suburbs that use, or have until recently, three to five times that. By comparison, daily per capita use in Minneapolis and the five suburbs its water system serves was 124 gallons in 1984.

"Artificial lakes!" snapped Kathleen Ferris, director of Arizona's Department of Water Resources (DWR). "They're irresponsible and selfish. They send the wrong message."

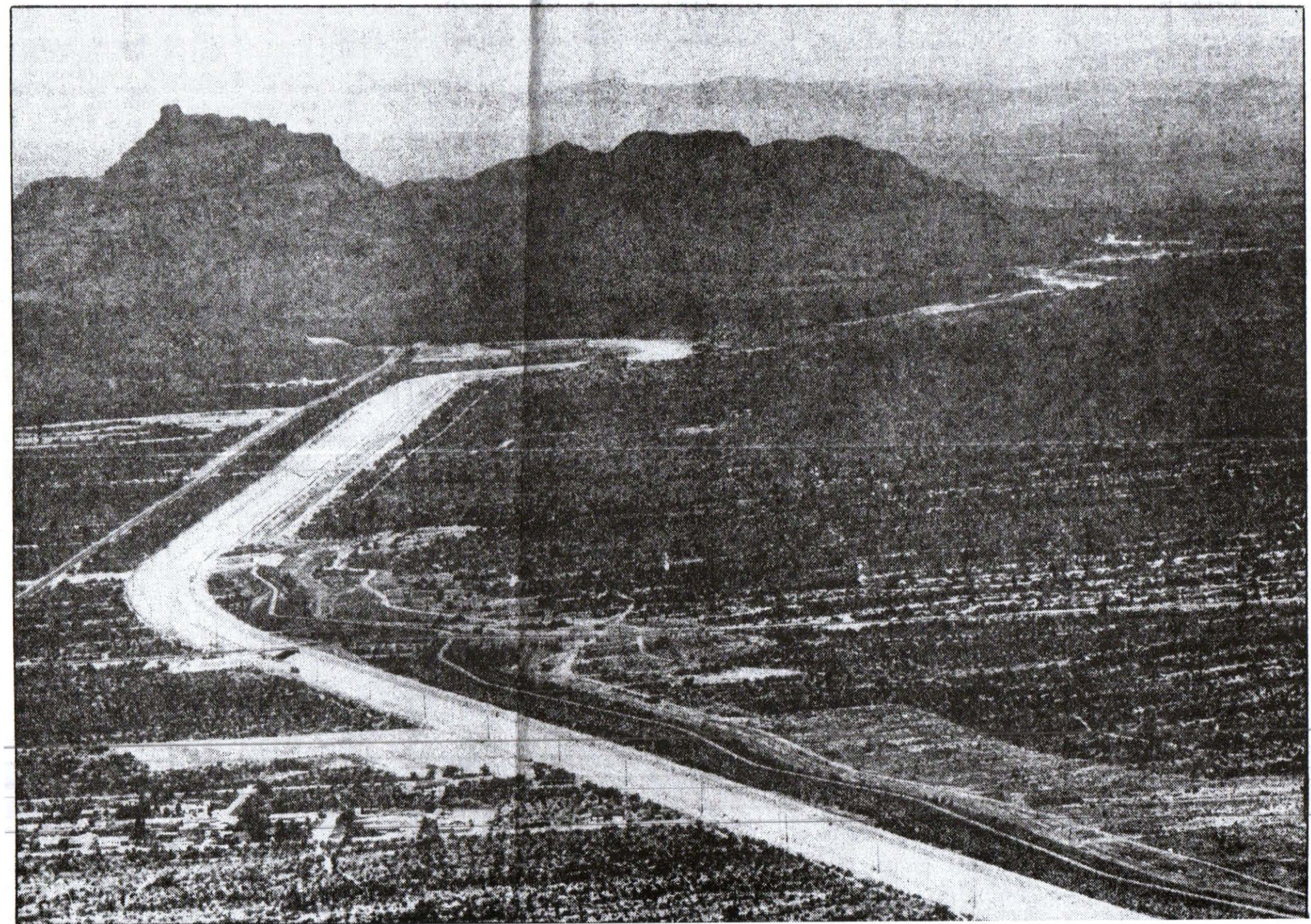
Ferris is determined to send the right message. As Babbitt's strong right arm, she shepherded Arizona's contentious water interests through years of negotiation. The result was written into law, a groundwater code unique in the nation. It sets a specific goal, fixes a timetable, outlines methods, provides for enforcement — and it has survived every court challenge.



Staff Photos by Rob Levine

The Central Arizona Project canal winds around the hills just east of Phoenix.

Thirsty nation looks our way



Arizona was able to double its population in the past 10 years by "mining" groundwater, drawing far more than natural recharge would return. The state pumps about 5 million acre-feet from the ground in a year. Natural recharge is 2.5 million to 3.5 million acre-feet a year, depending on the estimate you use.

The Central Arizona Project (CAP) is supposed to bring about 1.2 million acre-feet of water to the middle of Arizona every year. The state will substitute CAP water for groundwater. For every acre-foot they get from CAP, farmers will give up pumping an acre-foot and by the year 2025, combining conservation and CAP water, bring groundwater pumping into balance with the natural recharge.

Or such is the plan.

As cities expand they will buy out farm water rights. "Phoenix already is converting 5,000 acres a year," said Herb Dishlip, DWR deputy director.

Water specialists all over the world look at the Arizona groundwater code with wonder. They credit Babbitt with foresight, Ferris with brilliance and tenacity, the private citizens and representatives of special interests who worked it out with unselfishness.

They all deserve such praise and credit. But former Secretary of the Interior Cecil Andrus shouldn't be overlooked. He nudged them along by telling the state it had to have a groundwater plan by 1980 or lose the CAP.

The Central Arizona Project "is not typical pork barrel, it is *atypical* pork barrel," said Larry Morton. "The CAP was not planned, it was legislated . . . New Mexico, California — everybody got something. Colorado got five projects. Utah got one tacked on. It was a hodge-podge."

Morton is assistant project manager for the Bureau of Reclamation. He works north of Phoenix, beside the canal that runs 190 miles westward to Lake Havasu (where Arizonans put London Bridge). This is the completed part of CAP, the segment they celebrated. From Phoenix the CAP will run another 150 miles south to Tucson and beyond. It will be finished by 1992.

CAP is the biggest single project in the bureau's history. Final cost will be \$3.5 billion. The system that waters "central California is larger," Morton said, "but it was built as several separate projects."

The most impressive engineering feature of CAP is its system of 16 pumping stations. From river level to the highest point near Tucson, turbines will lift water nearly 2,900 feet. Pumps at Lake Havasu will lift it 824 feet to start the flow.

"Rather a monumental achievement," Morton said. Otherwise, CAP

is not an especially notable canal. Arizona's Salt River Aqueduct is almost as big; the California Aqueduct carries three times the water.

(An aside on the pumping stations: Most reclamation projects start with dams and power plants. They generate and sell power. Not CAP. It bought 24 percent of the coal-burning Navajo Power Plant near Page, Ariz., to get power to pump CAP water. Stewart Udall eased this part of the deal through in the 1960s when he was secretary of the interior. Udall is from Arizona.)

The CAP canal is 18 feet deep and 24 feet across the bottom with sloping sides, it is 80 feet wide at the top. Dikes and other structures keep run-off water out of the canal. In places, chutes carry runoff over it. There's too much sediment in run-off, Morton explained. It would damage the turbines.

What sets the CAP apart from other reclamation projects is that most of the water will go to cities rather than farmers.

Of the 1.5 million acre-feet that the aqueduct is supposed to provide, 640,000 has been allocated to cities and industries. Another 309,000 goes to 12 Indian communities and the rest, 551,000 acre-feet, goes to farmers on "percentage of available supply basis."

That means non-Indian farmers are last in line in dry years.

Many Arizonans tell you that they

expect Phoenix, Tucson and other cities to grow so fast they will take all the CAP water, buying out farmers within 20 years.

The 1980 census counted 2,717,900 people in Arizona. The Census Bureau says population will hit 4 million in 1990 and 5.5 million by 2000. In a study finished this month, the Commerce Department says Phoe-

nix will grow by 55 percent in the next 15 years and will be the second fastest-growing city in the United States, behind West Palm Beach, Fla.

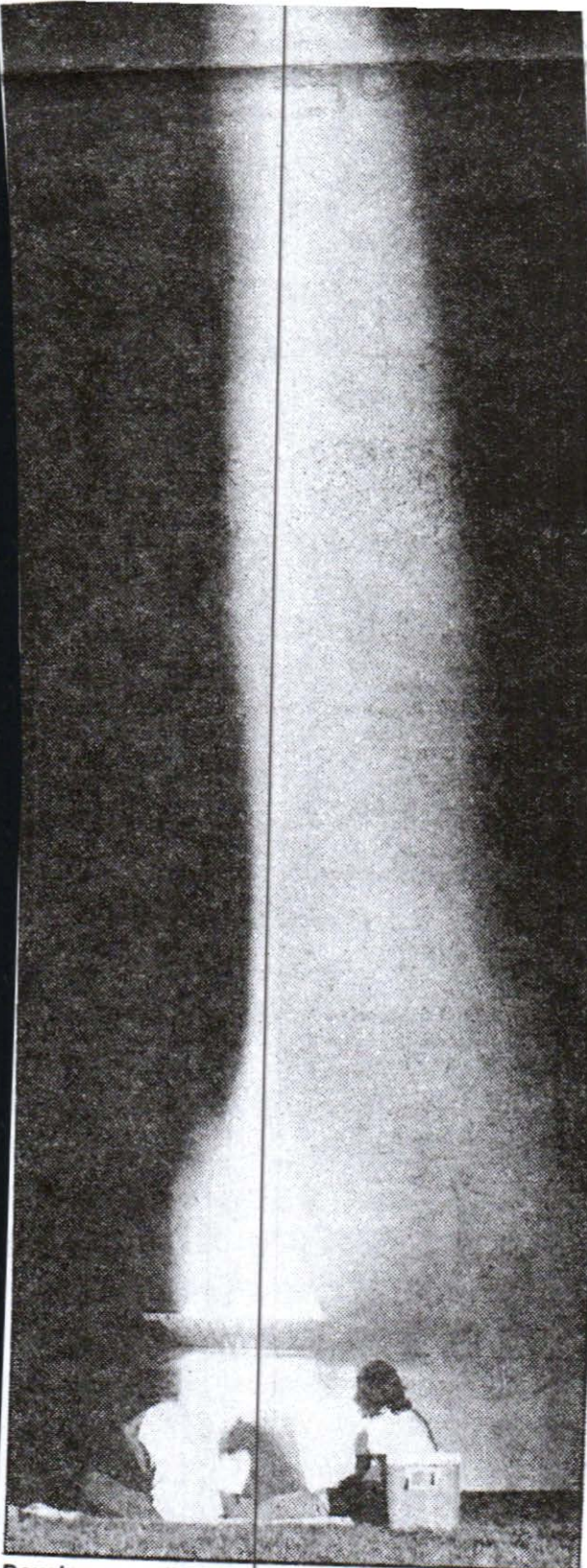
Metropolitan Phoenix, now 1,721,300 people, is expected to reach 2,156,300 by 1990. Tucson, 120 miles to the south, has 973,000 people and 1,149,000 projected by 1990.

"The CAP is a Band-Aid," said William Strickland, Tucson lawyer who negotiated two historic Indian water rights settlements. "I admit, a large one, but sooner or later it will be depleted."

Though political and business leaders made the Central Arizona Pro-



A typical method of watering one's lawn in Phoenix is to flood it to a depth of three or four inches. A short berm around the edge keeps the water on the grass.



Developers call this the world's tallest fountain, a 560-foot, man-made geyser in suburban Phoenix.



John Long installs these water-efficient Swedish toilets in the houses he builds.

River has been stream of litigation

The Colorado River states — Wyoming, Colorado, Utah, Nevada, New Mexico, California and Arizona — have been fighting over its water since they discovered they were all using it.

In 1922 they negotiated the Colorado River Compact, dividing the river water, and in 1928 Congress ratified the compact as part of the bill authorizing the construction of Hoover Dam.

One small error: They split up at least 122 percent of the river, maybe 140.

The compact estimated annual flow at 15 million acre-feet and gave half to the upper basin states, half to the lower. But negotiators had used the highest 20-year flow in Colorado River history as a base. The real average is 13.5 million or 13.2 million, depending on whose figures you use.

And as decades passed and they built dam after dam, evaporation became one of the larger consumers of Colorado River water. An estimated 2 million acre-feet evaporates out of reservoirs every year.

Additionally, they ignored Mexico, which is entitled to 1,500,000 acre-feet, and made no provision for Indian reservations that abound in the seven states. The tribes had reserved rights, though no formula for setting amounts existed then. There is no formula yet.

(When Arizonans finally put together a Central Arizona Project (CAP) package, they had to settle with the Ak Chin Reservation and some of the Papago Indians. Both tribes got firm water rights and free delivery, money to develop land and a penalty clause "to go on ad infinitum" if the government does not deliver. Tucson wanted the penalty as much as the Papagos. Otherwise, it feared, CAP construction might stop at Phoenix.)

Now, back to 1922: Arizona refused to sign the compact. But Congress passed it anyway and Hoover Dam was built and California began taking a lot more water than it had been allotted, almost every drop that Arizona wasn't using.

In 1947, Arizona put together its first CAP package. The Senate passed it twice, but California blocked it in the House. In 1951 the House ordered the two states to stop sending it bills and to negotiate or go to court. Naturally, they chose court.

California claimed that Arizona wasn't entitled to water because it hadn't signed the 1922 Colorado River Compact. Arizona countered that the compact's allocations should be enforced because Congress had rammed them down Arizona's throat in 1928.

Justices of the Supreme Court are not dummies. They appointed a special master to hear the case. He soon died.

(This seems to happen fairly often to special masters in water cases. One died in Wyoming and half the files of the Big Horn lawsuit were lost. "I filed 23,000 pages the first day," Denver lawyer Sandy White recalled. "Before he would accept it, the clerk of court made me write a check for \$400 to buy him some more file cabinets." Wyoming eventually spent \$7 million battling the Shoshone and Arapaho and the federal government. The Indians won.)

But to return to *Arizona v. California*, the second special master ruled, after 10 years, that Arizona could have the rest of the 2.8 million acre-feet the 1922 compact allotted it. (The state already was taking some directly from the river on its western border, but there aren't many people living there.)

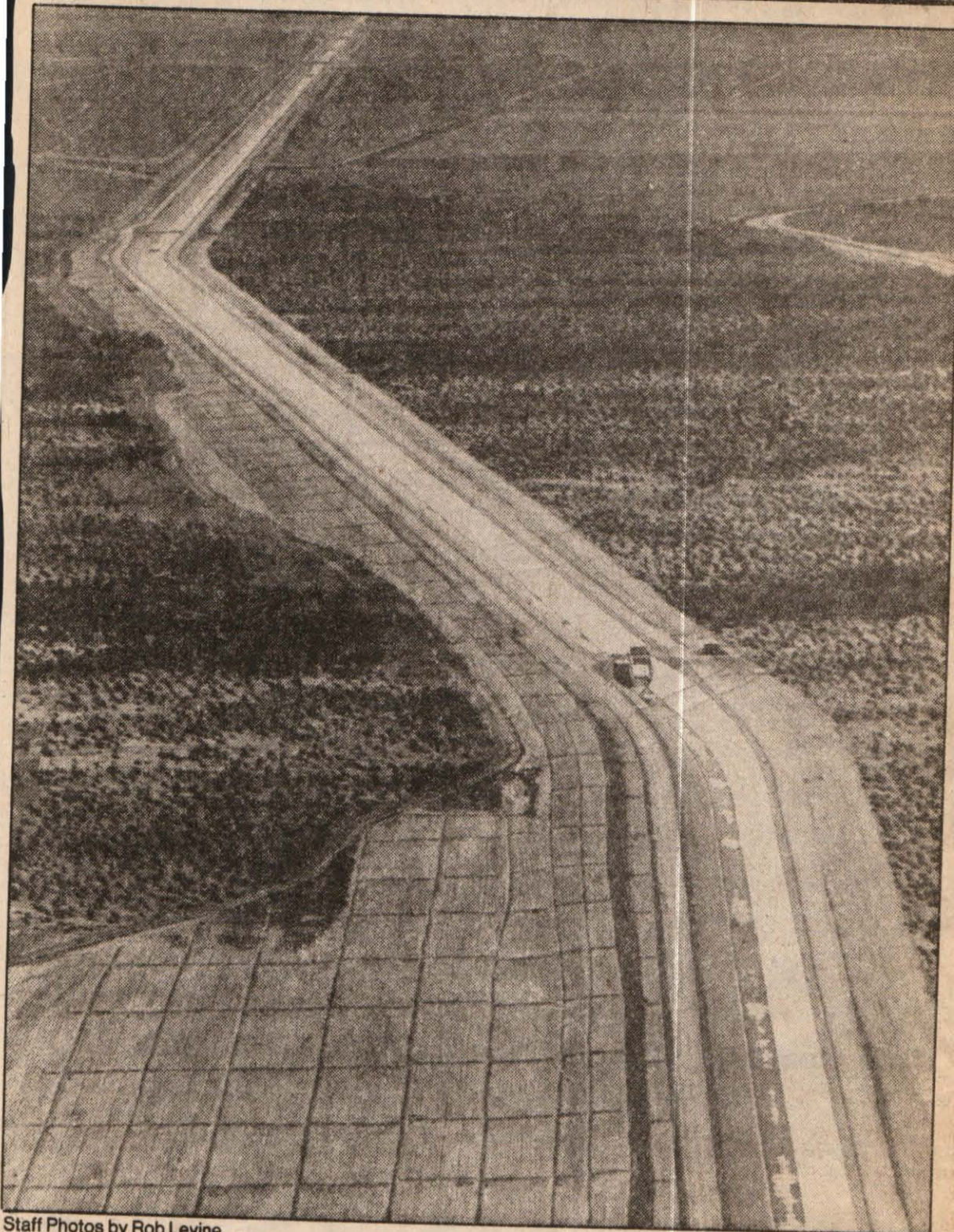
But the court guaranteed California 4.4 million acre-feet first.

Arizona gets nothing in a dry year until California gets everything.

That was the price California exacted for its support for CAP. It "gave up" about 900,000 acre-feet of water belonging to Arizona.

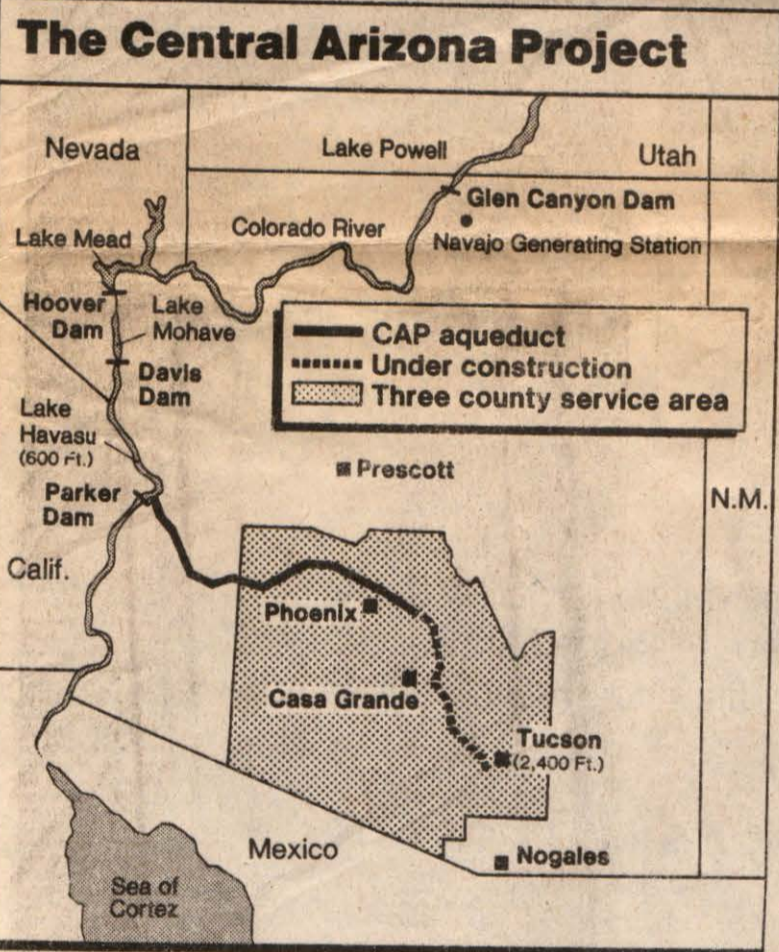
(Larry Morton of the Bureau of Reclamation said the bureau will draw down reservoirs some years to deliver Arizona's water. The bureau has assured Congress that there will be at least 1.2 million acre-feet available for CAP. Northern basin states, where half the river's reservoirs are located, have growled menacingly. They'll take theirs first, they say.)

But all of that, and the inevitable lawsuits, are in the future. With the court decision, Arizona had a Central Arizona Project package it could take to Congress and in 1967 Sen. Carl Hayden whipped it through the Senate. A year later the House passed it.



Staff Photos by Rob Levine

This canal southeast of Phoenix is part of the Central Arizona Project, which is supposed to bring about 1.2 million acre-feet of water to the middle of Arizona every year.



A worker took a break from construction on the Central Arizona Project.

Continued from page 10A

of the project, have forced changes, are battling the project that the bureau calls Plan 6 (because CCAP torpedoed five earlier ones, I was told).

Plan 6 would offer flood protection for Phoenix and the CAP structures. It would permit developers to build on the Phoenix flood plain. It would flood the nesting area of some of the few remaining desert bald eagles. CCAP has a long list of objections.

Frank Welsh, a CCAP stalwart, is a civil engineer and has a law degree. He was so incensed by the whole idea of CAP that he wrote a book, "How to Create a Water Crisis."

Welsh maintains that Arizona has plenty of water, most of it underground, to last for centuries. "Laws and policies," not water scarcity cause shortages, he says, just as politics and poor distribution cause hunger.

Many of Welsh's arguments are telling, but CAP is pumping away.

"It's time to stop arguing about that," said John Long of Phoenix. "The point is that CAP can't deliver all the water they claim it will. Our salvation has to be conservation."

Long is a home builder. Starting with one that he and his wife built themselves with a G.I. loan, he has put up 33,000 houses in Arizona. For 30 years, he has been a teacher, preacher and practitioner of water and energy conservation.

"People will take it if you show them they won't have to change their life-

style," he said.

He has built townhouses that cut water consumption to 53 gallons a day per person, one-fifth the Phoenix average. He built a subdivision where photo-voltaic cells produce more electricity than the homes need; the surplus is sold to a power company. He is building conventionally styled homes with rammed-earth walls that cut cooling costs enormously.

"The Hohokum Indians lived here, in rammed-earth homes."

Long built a laboratory and tests everything. A Swedish toilet uses less than a gallon of water compared with seven used by conventional U.S. types. Air-assisted shower heads use four quarts where regular ones use 16. When devices prove out, Long puts them in his houses.

His concern goes far beyond his own business.

Long hired a Colorado engineering firm to study claims made for the CAP. The report said the state's base for calculating water supply was flawed. Under present plans, the state won't be able to balance groundwater withdrawals with recharge, Long said.

"We're not prepared for drought — we wouldn't get any CAP water."

One way to even up demand and supply, Long says, would be to use treated sewage effluent to water parks and golf courses. Small treatment plants spotted along the collected systems could do it inexpensively, he said.

When Phoenix and some suburbs agreed to sell effluent to Palo Verde nuclear plant about 50 miles from the city, Long hit the ceiling.

Then he sued six cities, the Salt River Reclamation Project, Palo Verde's owners and four states — Arizona, New Mexico, California and Texas — to try to stop it.

"I'm not against the nuclear plant," he said. "But they are taking our water for \$30 an acre-foot — which is about a tenth of what it is selling for in Tucson and San Diego — and more than half the electricity they produce will go to those other states."

Understand, Long uses his own money for these projects.

And his presence is being felt. At one point a settlement out of court was near. That fell through, but the importance of effluent in the state's water-balancing plan is becoming recognized. Whatever the lawsuit's outcome, Long has helped raise public awareness.

A growing concern of Long's is water pollution and the effects of prolonged pumping of aquifers.

"There are illegal and legal dumps all over and we have no idea what's in them. There are huge areas where land is sinking because the water has been pumped out. Whose responsibility is that?"

Next: Cracks and sinkholes and poison plumes — and a recipe for earthquakes.

RCSC stands pat on CAP pipeline plan

FORUM QUERIES:
Officials explain why decision wasn't put to vote

JOHN SOKOLICH
DAILY NEWS-SUN

The Recreation Centers of Sun City board of directors is convinced a Central Arizona Project water pipeline will be good for the community. Now all they have to do is convince residents.

At a public meeting hosted by RCSC, officials from Citizens Utilities and the Arizona Department of Water Resources extolled the virtues of using CAP water, reporting it will ease groundwater pumping, lessen ground subsidence and ensure quality drinking water. Residents, however, said getting CAP water to the community doesn't justify the proposed means.

"Why is the Recreation Centers so afraid of putting the issue up to a vote?" asked George Bischoff of Sun City. "If it's such a good idea to have the pipeline, then why

not let the people decide?"

The issue of putting the proposed CAP pipeline to a membership vote spawned a lawsuit by the Sun City Taxpayers Association, which insists RCSC broke its own bylaws by allowing the board of directors to have the final word on it.

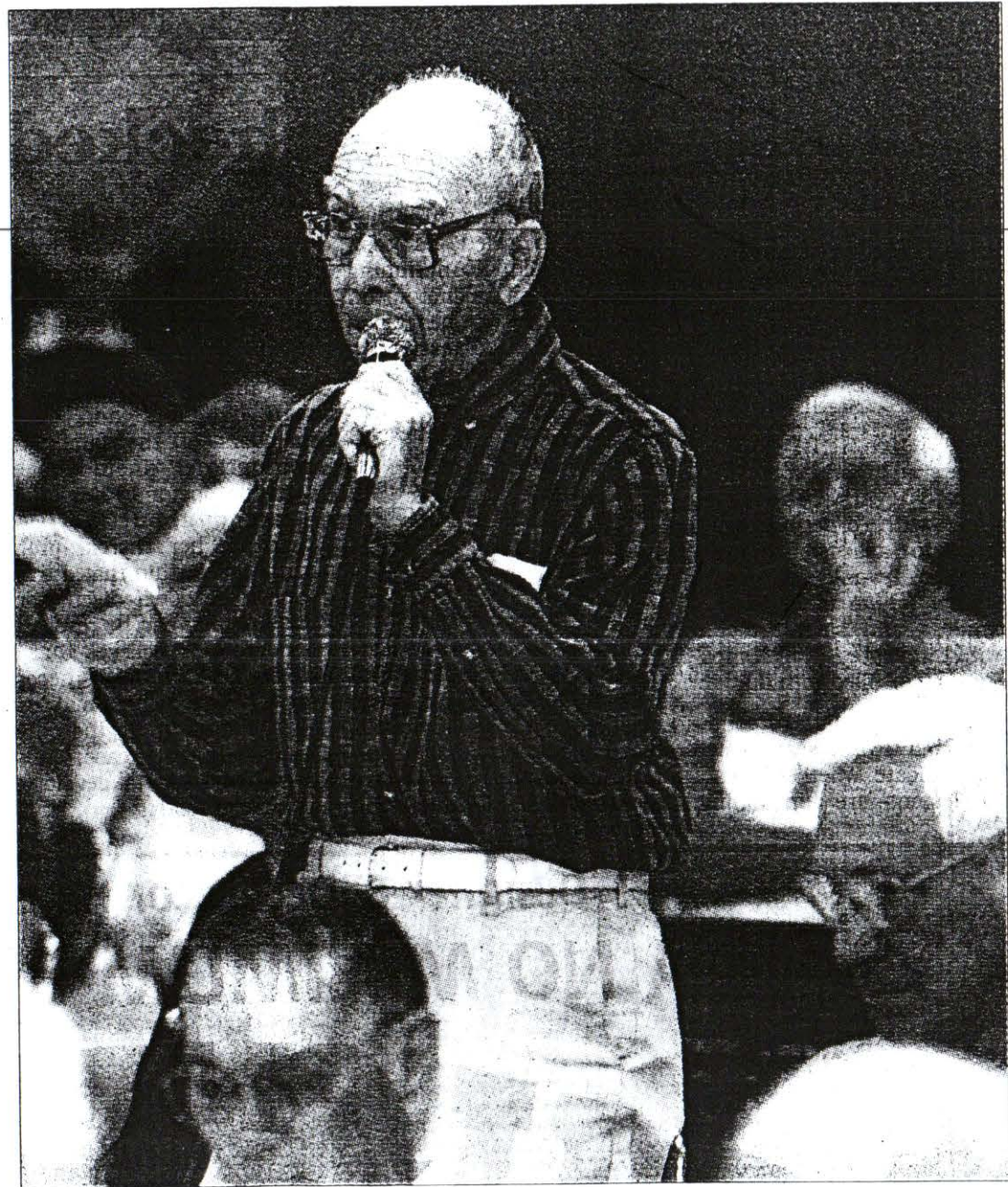
RCSC President Jerry Swintek said the reason for giving the board the decision is simple:

"In Sun City, we have a republic type of government here. A nine-member elected board made the decision to have the CAP water pipeline through Sun City in the best interest of the community."

The reasoning behind the decision was questioned repeatedly throughout the forum Thursday morning, each time eliciting the same response. Final resolution, at this point, remains with the court system, which is expected to rule on the lawsuit sometime next month.

Ray Jones, vice president and general manager of

See SCTA directors, A3



MOLLIE J. HOPPES/DAILY NEWS-SUN

Don Coleman comments during the community forum in Sun City Thursday on the proposed CAP pipeline.

OVER

aside from the rhetoric about the pipeline in the past few months, the issue remains clear.

"This is a simple, simple, simple plan," he said, "I can sum it up in four sentences."

First, he said, a pipeline is built to snake through Sun City and lead to the community golf courses, as well as tie into an already existing Sun City West pipeline. Second, the CAP water is used directly to irrigate the courses. Third, the golf courses pump that much less groundwater for the irrigation of the greens. And fourth, he said, residents in the Sun Cities get credits for using their allotment of CAP water.

The meeting did little to shed any new light on the situation, other than giving residents RCSC's position on the issue of the CAP water pipeline. SCTA directors, who were invited to attend the presentation to give their side, declined to attend. In a written statement, they announced that participating the forum would not be in their best interest.

One point that was addressed in

public before, however, is what is done with the wastewater from the Sun Cities. According to Jones, Sun City's wastewater is treated and returned to the ground, while Sun City West's is treated and sent to the Palo Verde Nuclear Power Plant for cooling the reactors.

CAP water comes from the Colorado River and is delivered through a canal that winds its way through the state from Lake Havasu to Tucson. The canal's water can be used directly on agricultural crops and golf-course turf irrigation, but also may be used for drinking after being treated.

Robert Barrett, spokesman for the Central Arizona Water Conservation District, which manages the CAP, said Sun City never needs to use CAP water if residents don't want to. But one way or another, the community needs to start replenishing the groundwater it's depleting.

There are two ways to get the CAP water into Sun City: through a pipeline, which would immediately supplement groundwater pumping; or through a recharge facility, which would take several years to



COURTESY CENTRAL ARIZONA PROJECT/DAILY NEWS-SUN

This portion of the CAP canal winds through a populated area near Apache Junction.

replenish the aquifer.

The problem with the pipeline, according to the Taxpayers Association and some residents, is the \$15 million cost to build it. The cost would reflect a \$4 increase in residents' monthly water bill.

Sun City residents already are paying \$1.21 on their monthly bills for their allocation of CAP water. If the pipeline is built, that amount would rise to about \$5.80 per month.

That's a small price to pay, said Gene Zylstra of the Sun City Home Owners Association.

"The increase is a substantial change, but it should be recognized that our present water costs are one of the lowest in the Valley," Zylstra said. "Compared with Peoria, our bill is half their price."

Sandy Fabritz of the Arizona Department of Water Resources said the pipeline makes sense for the communities since Sun City and Sun City West pump more groundwater per year than Glendale,

Peoria, El Mirage and Surprise combined.

"We recognize that we can't make people use renewable resources," Fabritz said. "But we realize that we can provide incentives to use renewable supplies, so we were very happy when Sun City opted to use a pipeline."

Last year, community golf courses used a combined 5,500 acre-feet of groundwater — or approximately 1.8 billion gallons. Using the CAP water via a pipeline would save an equal amount of groundwater.

"For every drop of CAP water used on the golf course, it is saving that much groundwater," said Jones from Citizens. "It is understood that less water is used from Sun City now than when the area was used for agricultural purposes, but the water table is still dropping. Any use of groundwater is contributing to the water table's decline because more is being pumped out than is being returned."

John Sokolich can be reached at jsokolich@aztrib.com or at 876-2526.



MOLLIE J. HOPPES/DAILY NEWS-SUN

RCSC President Jerry Swintek, left, Citizens Utilities' Ray Jones, Sandy Fabritz of the state Department of Water Resources and CAP consultant Herbert Schumann take part in a public forum on the proposed CAP pipeline Wednesday at Sundial Recreation Center.

Liquid Assets

Sun Cities struggle to understand their role in Valley's water wars

By KATY BORNHOFEN
Independent Newspapers

Like the levels of earth below the northwest Valley, the issue of water supply in the Southwest gets more complicated the further one delves.

The factions involved in the issue comprise a web of interests, each with an unwavering belief about the current situation and a prediction about what the future holds.

The parties range from residential rate payers, farmers and businesses, to government agencies — local, state and federal — and independent associations.

Those who are vocal on the subject claim motivations run the gamut from short-term economic gain to long-term concern about water supply for future generations.

At the center of this web is one point of consensus: In the Southwest, an adequate water supply is vital.

There is debate about whether that supply currently exists, and if it doesn't, who should pay to secure it.

"I think in the West, you don't ever walk away from the water resources," says Sun Citian Eugene Jensen.

"It's a desert. This is one of the

largest deserts in the world," he says.

Mr. Jensen speaks with a background as a registered engineer in

Arizona, deputy administrator for the U.S. Environmental Protection Agency-Water Division and director of water resources for the

Commonwealth of Virginia.

He was appointed by President Nixon to the Interstate Commission on the Potomac, was elected to the American Academy of Environmental Engineering and was involved with the Arizona Society of Professional Engineers Water Committee.

"I've had probably as much experience in water management as anyone in the nation," he says.

The 15-year Sun City resident is currently on the policy advisory committee for the Arizona Department of Water Resources for the Third Management Plan, which deals with water demand and recharge for a 10-year-period beginning Jan. 1, 2000.

He's concerned about the future water supply in the northwest Valley and citizens' perception of the problem.

"There's a notion here that we're sitting on this lake full of water and where this notion came from, I don't know," he says.

If residents continue pumping groundwater at current rates, pumping costs will increase, water quality will decrease and the underground flow patterns will change, he predicts.

"Our flow conditions are reversing. It already has changed radically.

ABOUT THIS SERIES

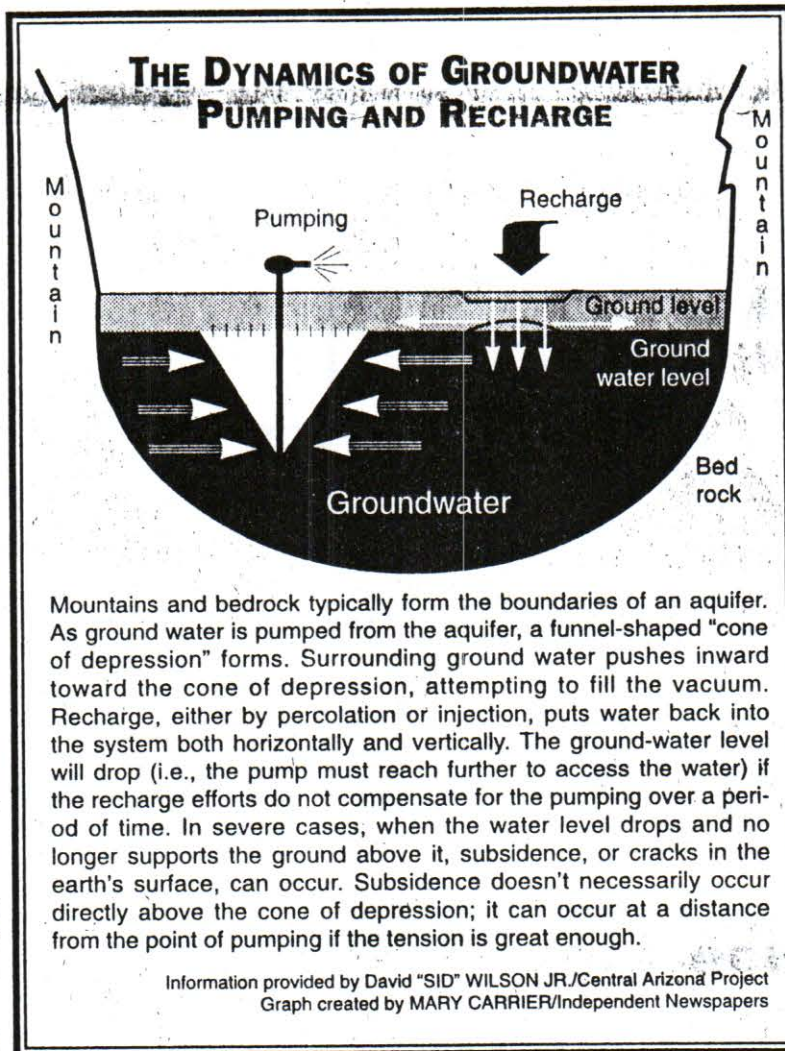
Water.

It's a simple enough chemical compound, but a highly complex issue. In a series of articles beginning this week, the *Independent* explores water supply and demand in the northwest Valley, particularly in the Sun Cities.

✓ **PART I:** Today's article focuses on the current situation and the possibility of subsidence in the Sun City area. The Central Arizona Project is also examined.

✓ **PART II:** Next week, the *Independent* offers a brief history of the Salt River Valley and explores the possibility of using CAP water in the Sun Cities.

✓ **PART III:** We take a closer look at the position and options of Citizens Utilities. The series concludes with a glimpse into the future and a search for solutions.



See ■ SUBSIDENCE, Page

■ SUBSIDENCE

ly, but it will change even more," he says. "You have to look at: What are your alternate resources?"

CRACKING THE SURFACE

Currently, the most widely used water resource is groundwater — water which accumulates over time in aquifers beneath the earth's surface. Much of the debate centers on whether groundwater levels are dropping; that is, are residents using it faster than it can be naturally replenished?

Many of those who believe the levels are dropping also fear subsidence — the permanent sinking of the earth's surface. Depletion of an aquifer can accelerate subsidence and result in fissures or cracks in the earth's surface.

"The earth doesn't stretch. It breaks," Mr. Jensen says.

George Campbell, one of the 15 members of the Central Arizona Water Conservation District Board of Directors, uses a mud puddle analogy to describe subsidence.

As the water in the middle of the puddle evaporates, the outer edges dry up, Mr. Campbell explains.

The cracks occur not in the middle, but on the fringes where the tension is greatest. Like the mud puddle, the entire area of an underground aquifer changes when the water level drops at one point, he says.

Subsidence has been found around Luke Air Force Base and was investigated by the U.S. Geological Survey (USGS) in cooperation with the U.S. Air Force, according to a 1992 USGS Survey Subsidence Interest Group conference.

According to a report from the conference, "... subsidence and resultant earth fissures have damaged buildings, roads, railroads, water wells, irrigation canals, and flood-control structures on or near the base, which is about 20 miles west of Phoenix. ... Large-scale pumping of groundwater, mainly to irrigate crops in the surrounding area, has caused aquifer hydraulic heads measured in wells to decline more than 300 feet throughout the area.

The report continues, "Groundwater depletion has caused

”

Subsidence is just devastating for a house. It just destroys it. It's like an earthquake. ... Probably the worst effect of all for subsidence — looking at a long-term engineering perspective — is that it's not reversible. So you can't have that groundwater storage capacity. ... It won't fill up with water again and it won't come back up again.

— Eugene Jensen

Policy Advisory Committee Member
Arizona Department of Water Resources,
Third Management Plan

the aquifer materials to compact and by 1991 had resulted in as much as 18 feet of land subsidence."

Subsidence changed the flood-control channel near Luke AFB and intensified damage from a Sept. 20, 1992 storm, according to the report. Flooding closed the base for three days and caused more than \$3 million in damage.

Sun City West resident Dess

Chappelear believes subsidence will become a problem in the Sun Cities if current trends don't change.

"If we continue to pump groundwater and lower these levels, we will continue to get subsidence. This thing of land subsidence is a reality," says Mr. Chappelear, who spent more than 28 years in water resource development with the Bureau of Reclamation.

From Page 1

AN ALTERNATIVE

From 1977 to 1985, Mr. Chappelear worked on what today is considered the best, if not the only, available alternative to groundwater in Arizona: the Central Arizona Project.

Construction of the 336-mile canal began in 1973. Mr. Chappelear, the assistant project manager, stayed on the project "until we got water into Phoenix" and then retired.

On May 22, 1985, Harquahala Valley received the first CAP delivery of Colorado River water — pumped from the Havasu Pumping Plant on Lake Havasu. On June 25 of that year, the water reached Phoenix, on schedule.

CAP is designed to bring surface water — specifically, 1.5 million acre-feet of Colorado River water — to Maricopa, Pinal and Pima

See ■ CAP WATER, Page 14

■ CAP WATER

CAP FACTS

✓ In 1944, Arizona contracted with the Secretary of Interior for delivery of 2.8 million acre-feet of Colorado River water annually. Simultaneously, the Arizona Legislature appropriated \$200,000 to be used with matching federal money to develop a plan for delivering approximately 1 million acre-feet of Colorado River water into central and southern Arizona.

The lengthy authorization process and about 20 years of legal action delayed the approval of the CAP project. However, on May 22, 1985 the first delivery of CAP water reached.

Harquahala Valley. It came to the Phoenix area on June 25 of that year.

✓ Constructed by the Bureau of Reclamation, the CAP delivers Colorado River water from Lake Havasu to Maricopa, Pima and Pinal Counties. The canal is designed to carry 1.5 million acre-feet of water per year.

✓ CAP's operating features — pumping plants, check structures and turnouts — are remotely operated from the project's headquarters in north Phoenix by a computer-assisted control and communications system.

Water is delivered to users by pumping it from Lake Havasu into the conveyance system, then relifting it through a series of pumping plants across the state. From Lake Havasu to the end of the aqueduct, the water will be lifted nearly 2,900 feet in elevation by 14 pumping plants.

✓ The 15 members of the Central Arizona Water Conservation District Board of Directors, popularly elected from CAP's three-county service area, administer the CAP.

✓ CAP is repaying the federal treasury with money derived from the sale of project water, power revenues and from an annual ad valorem property tax within Maricopa, Pima and Pinal counties.

Information provided by the
Central Arizona Project

counties.

If Sun Citians and their neighbors don't begin using some percentage of CAP water, it's only a matter of time before subsidence begins affecting local sewer systems, street drainage and possibly private residences, Mr. Jensen says.

”

This subsidence (in Sun City) is a cock-and-bull story. ...

There will never be subsidence in Sun City. There hasn't been any now and there never will be," he says.

"This is what's wrong with this 'sky is falling' psychology the Department of Water Resources and Citizens (Utilities) is trying to sell.

— Les Merydith

Founder
Sun City Water Users
Association

Stressing his background is not in geology, Mr. Jensen explains, "The soil under this community is probably pretty much the same as it is near Luke. ... I don't think there's a serious problem (with subsidence) at all right now in Sun City. How long it takes for it to become serious depends on what our neighbors do and what we do.

"Subsidence is just devastating for a house. It just destroys it. It's like an earthquake," he says. "Probably the worst effect of all for subsidence — looking at a long-term engineering perspective — is that it's not reversible. So you can't have that groundwater storage capacity. ... It won't fill up with water again and it won't come back up again."

While Mr. Jensen is concerned about subsidence, others flatly deny the water level is dropping.

"The possibility of us (the Sun Cities) using CAP water is far in the future. We've got more water coming in under us because the water

level is rising," says Les Merydith, founder of the Sun City Water Users Association and an engineer/regional manager with Standard Oil in Ohio for 37 years.

Although he agrees subsidence has occurred near Luke AFB, Mr. Merydith says, "This subsidence (in Sun City) is a cock-and-bull story. ... Here's proof that we have no subsidence in Sun City and we aren't going to: Water levels are rising, so if it was going to happen, it already would have."

He points to the "20 miles of walls" and "50,000 rectangular windows" throughout the Sun Cities as proof subsidence isn't occurring in the area. The walls are not cracked and the frames aren't askew, he says.

"There will never be subsidence in Sun City. There hasn't been any now and there never will be," he says. "This is what's wrong with this 'sky is falling' psychology the Department of Water Resources and Citizens (Utilities) is trying to sell."

Mr. Merydith maintains the groundwater level is "creeping up" because residential properties are replacing agricultural land, which requires more water.

"There will be no subsidence any place until they draw out more water than agriculture used. As long

as they replace agriculture with homes, we are OK."

Larry Watts, chairman of the water committee formed by the Rec Centers of Sun City West, agrees with Mr. Merydith's agriculture the-

ory.

"The amount of subsidence in our area is very, very small or non-existent," he says, but "the (water) level has dropped, mainly from farming."

According to Mr. Campbell's

mud puddle theory, however, groundwater used by the increasing populations of areas like Peoria, Glendale and Surprise impact the same aquifer the Sun Cities rely on. Even though Sun City and Sun City West are essentially built out, the growth in surrounding communities is putting a greater burden on groundwater levels.

David "Sid" Wilson, general manager of the Central Arizona Water Conservation District (the operating agent of CAP), disagrees, at least in part, with Mr. Merydith's assertion that converting agricultural lands to residential will decrease water use.

Although agriculture typically requires more water than municipal and industrial (M&I), there are other factors involved, Mr. Wilson says. For instance, water used for agriculture percolates back into the ground, while water used by residents is mostly consumed and taken out of the immediate underground system.

Also, in densely populated areas, "You can see M&I rival agricultural use. It is a superficial explanation to say (that) when agriculture is gone and we have M&I, there's no problem."

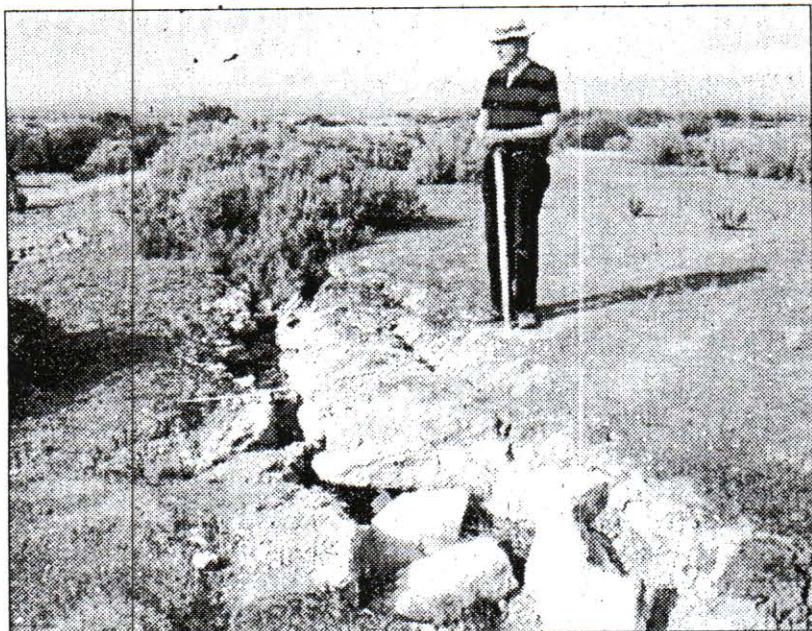


Photo provided by Eugene Jensen

Underlying problems unearth themselves

In a March 1996 photo, Jay Cravens, a former acting chief of the U.S. Forest Service, looks over an incident of land subsidence in Maricopa County. When ground water is depleted, parts of the aquifer compact (like a sponge being squeezed) and these land fissures can occur. As much as 18 feet of land subsidence has been reported near Luke Air Force Base. Underground, the compacted portions of the aquifer do not regain their structure, thus reducing the space in which water can be stored.

Next Week: PART II

Friday, May 9, 1997

Consumers win water-rate battle

Utility can't add surcharge for CAP flow

By Angela Rabago-Mussi

The Arizona Republic

Northwest Valley customers of Citizens Utilities Co. will not have to start paying a surcharge for Central Arizona Project water.

Most will also see a decrease in their water and sewer rates, but the exact figures have not been determined by the Arizona Corporation Commission.

The three-member commission sided consumers in a recent decision

setting new rates for Citizens' northwest Valley divisions.

A Citizens official called the decision "disappointing."

"We have not had rate increases in five years, and in some cases even longer than that," Fred Kriess, vice president and general manager of Citizens' Maricopa County divisions, wrote in a statement. "During that time it has become more expensive to provide water and wastewater service to our customers.

"We made these requests in an effort to offset mounting business costs, counter the effects of inflation and make needed capital improvements to our facilities."

The Citizens case began two years ago and had a tumultuous ride until a final decision was reached last Friday.

Citizens had applied for rate increases ranging from 14 percent to 57 percent for the area it serves in the northwest Valley. The company has operations in the Sun Cities, Youngtown, Surprise and surrounding areas.

Hundreds of people protested the proposed rate increases at public forums

last May.

They cheered the commissioners' final decision.

"The adrenaline was still running through yesterday," Carole Hubbs, president of the Sun City West Recreation Centers, said Monday.

Hubbs was particularly pleased with the decision to disallow a new CAP surcharge. Some of the most vehement public testimony was against the company's plan to add a fee to customers' water bills to ensure the retention of the

— See **CONSUMERS**, Page 5

— **CONSUMERS**, from page 1

company's allotment of CAP water.

William Beyer, an attorney for Surprise and several Sun City groups, said the main argument against the fee was that customers today should not have to pay for water they are not receiving.

The Stamford, Conn., utilities giant has received CAP water allotments since 1981 but has yet to put them to use.

But Citizens saw it differently. In his statement, Kriess said, "... it's fundamentally unfair to ask us to carry the entire financial cost of protecting the future water supply of this area."

The commissioners decided not to allow a fee until the company comes up with a plan to use the water.

"They cannot go to the people

and say, 'We don't have a plan, but we're going to charge you for it,'" Commissioner Jim Irvin said.

"How many places can you go where you buy something and can't use what you buy? People have a right to know how their money is going to be used."

Marvin Collins, administration manager for the company, said it only wanted to prevent a "rate shock" in the future by collecting at least a part of the annual fee paid to reserve CAP water.

While Beyer was satisfied with the commission's ruling, the attorney said his clients still did not get what they really wanted: a solution to putting CAP water to use in the northwest Valley.

"We were never able to get to that point," he said. "The long-term issue of CAP water still has to be resolved."

CAP water: If needed, who will pay for it?

Citizens says it will give up Sun Cities' CAP supply if unable to pass along costs

By MIKE RUSSO
Independent Newspapers

Opinions may vary about the level of groundwater beneath the Sun Cities, but Citizens Utilities officials have left no doubt that it does not intend to continue

making lease payments on its CAP lease beyond the end of this year if residents of the communities choose not to use CAP water.

The Arizona Corporation Commission ruled last year that Citizens could not recover costs associated with the CAP lease payments from Sun Cities customers until the utility made the water "used and useful" to the two communities.

Citizens initiated a task force to study methods to satisfy that ruling but if the group determines the water is not needed in the Sun Cities, Citizens intends to sell the water lease.

It would, however, retain the water allocation for

its Agua Fria Division, which predominately serves the city of Surprise, according to Ray Jones, engineering and development services manager for Citizens.

Relinquishing the CAP water contract is a distinct possibility. Terri Sue Rossi, Citizens water resources supervisor, told task force members last week. "If the group determines we should relinquish the contract, we will relinquish the contract.

"We have made a decision that we cannot continue to pay for the water allocation. That is not a threat."

See ■ CAP WATER, Page 10

Should the task force be unable to reach a conclusion regarding the CAP allocation for Citizens' Sun Cities Water Division, the utility would be willing to seek a water reassignment for the community that saw the need for the water.

"If Sun City West were to decide it wanted the water and Sun City did not, we would go back to ADWR (Arizona Department of Water Resources) and seek a reassignment to accommodate Sun City West," Mr. Jones explained.

Citizens recently received ADWR approval to redistribute its 17,274-acre-foot CAP water allocation between its two local water divisions — Sun Cities and Agua Fria. The plan allotted 11,093 acre feet of water for the Agua Fria Division and the remaining 6,181 acre feet was assigned to the Sun City Water Company, for use in Sun City, Sun City West and Youngtown.

Ms. Rossi noted, "If they decided they wanted a reassignment, only

she continued.

"If the task force decides to relinquish the CAP allocation, we will, but if the task force decides to keep it, we expect to recover the (stranded) costs," Ms. Rossi added.

"There is no wiggle room on this point," she said. "We are not going to eat the costs we have been allowed to defer by the Corporation Commission."

As of Dec. 31, \$2.28 million in stranded costs had been incurred, with the town of Youngtown having paid less than \$10,000 before the town's water company was acquired by Citizens in 1995. Of that amount, "\$1.96 million of the costs have been deferred as instructed by the Arizona Corporation Commission," Mr. Jones noted.

"Seven-hundred and thirty-thousand dollars is deferred today that we would expect to recover from customers in Sun City and Sun City West, or about \$16 per household,"

Mr. Jones said.

West. If they wanted more, that would require a water transfer and other entities would then have the opportunity to bid for the water. There would be no assurance that Sun City West would get it."

Relinquishing the CAP contract would allow Citizens to recover its stranded costs much faster than if the water were to be used in the Sun Cities. "If we relinquish, we would recover all costs, plus 5 percent for administrative costs, plus the cost of money," he said. "It would actually yield the greatest amount of cost recovery for Citizens."

Task force member Preston Welch, one of the two representatives from the Sun City Taxpayers Association, suggested Citizens relinquish the CAP allocation.

"It would allow Citizens to recover the stranded costs," he said.

Fellow task force member Chuck Chadbourn, representing the Recreation Centers of Sun City, did

not concur with Mr. Welch. "That would take the responsibility off Sun City's back and that would not be responsible," he observed.

Don Coleman, a task force member representing PORA, said, "There are tens of thousands of people who don't believe there is a groundwater problem." He said an education program is needed to alert the people to the potential problem. Some reports have indicated that groundwater levels have declined by more than 300 feet since 1900 and the trend will continue unless pumping patterns in the northwest Valley are modified.

Dr. Edward Dapples, professor of geology emeritus at Northwestern University, offered his professional opinion to the task force, which concurred with ADWR findings.

"Over the past 50 years, the groundwater has declined; subsidence has occurred under Luke (Air Force Base) and is spreading in a

circular manner. A U.S. Geological Survey report issued in 1992 indicated that the subsidence has reached the outskirts of Sun City and Sun City West."

Subsidence, at its center has reached 18 feet and it has resulted in a drop in elevation of up to two feet in the area near Olive Avenue, according to Dr. Dapples.

Dr. Dapples has authored five reports over the last 15 years regarding the water table in the Salt River Valley.

In his latest report, published in May 1997, Dr. Dapples observed, "Since 1930, more and more wells have been drilled in the valley, and in some parts groundwater levels have fallen a total of 250 to 300 feet."

"The question is whether Sun City can survive without CAP water," Dr. Dapples said. "You have got to accept that you have to have the CAP water."

Board votes to recommend use of CAP water

By JEFF OWENS
Staff writer

Members of the Northwest Valley Water Resources Advisory Board unanimously voted Thursday afternoon to approve the final report of the now defunct CAP Task Force and adopt its recommendations for CAP water use in the Sun Cities and Youngtown.

It was the first meeting of the board after its summer hiatus.

Resolution 02-98 was approved by representatives from the Property Owners and Residents Association in Sun City West, the Condominium Owners Association of Sun City, the Sun City Home Owners Association,

Recreation Centers of Sun City West, the town of Youngtown, the city of Surprise, and water provider Citizens Utilities.

In the audience were members of the Sun City Taxpayers Association, the organization which is the sole foe of CAP water use in the Sun Cities area and which withdrew from membership in the Task Force earlier this year.

Board members will now concentrate on efforts to educate area residents on the Task Force plan, which calls for watering area golf courses with CAP water by 2002, thus lessening the need to pump dwindling supplies of underground water.

The plan also calls for short term storage of Central Arizona Project water for the Sun Cities area in state and Maricopa County water recharge facilities.

Implementation of the plan, which necessarily includes a rate increase by Citizens, must ultimately be approved by the state Corporation Commission, which refused a similar move by Citizens in May 1997.

The Commission ruled then that Citizens couldn't recover its CAP allocation holding costs from customers until the allocation was actually put into use.

The CAP Task Force met from February to May this year to de-

termine the fate of Citizens' expensive but as yet unused allocation, deciding nearly unanimously that the water was necessary and affordable.

In other action, the board named the absent Larry Watts of Recreation Centers of Sun City West as vice chairman, a post which had been vacant all summer.

Board members were also briefed by Mark Frank of the Arizona Department of Water Resources on that agency's upcoming issue of its third management plan, which outlines state water policy in the Phoenix area from 2000 through 2010.

Frank said the third plan includes a new section on "critical area

management" — a discussion of areas of the Valley which "currently or are projected to run out of water," such as Cave Creek/Carefree, Apache Junction, east Mesa, and the Sun Cities.

The plan, Frank said, has "projected significant problems in the Northwest Valley."

Given the explosive pace of growth in the West Valley, he said, user demand will dwarf renewable water resources such as CAP in the Phoenix Active Management Area "even under the most spartan" water use conditions.

"At the rate we're going ... we will

► See Expert warns, A5

◀ From A1

not achieve safe yield in the Phoenix AMA by 2025," Frank said.

Frank defined "safe yield" as the point at which there is a balance between the amount of water taken from the ground and the amount of water put back in.

He added that ADWR has yet to clearly articulate the borders of those areas considered "critical."

"All we've done is set the stage" he said, for ADWR to recognize that those areas deserve "additional attention" in the third management plan.

Frank said ADWR has set up and allocated \$200,000 for a new Land Subsidence Monitoring Network in the Phoenix AMA to examine the "sleeper" issue of land subsidence and earth fissures.

Subsidence is a threat to groundwater storage which results from depletion of the underground water supply, causing surface areas to sink and crack — which could spell disaster in developing areas.

VF WATER - CAP

Chairman remains objective on CAP water issue

ACC official says he has not reached a decision yet on important issue

By MIKE RUSSO
Independent Newspapers

Arizona Corporation Commission Chairman Jim Irvin wants everyone to rest assured that he will be objective when Citizens Utilities presents its plan to the commission to make Central Arizona Project water "used and useful" in the Sun Cities.

Some proponents of using CAP water have characterized Mr. Irvin as being anti-CAP water, anti-

Citizens Utilities and being "in the pocket of the Sun City Taxpayers," all of which he resents.

"I have made it clear I am not taking sides on this," the ACC chairman said during an interview last week at the offices of the *Sun Cities Independent*.

"The Taxpayers have been very focused on this issue. In 1997, when they were working on the rate case, they gathered a lot of information and knowledge. They are basically leery of Citizens.

Inside:

Plans are being made for local "town hall" forums to discuss the use of CAP water in the Sun Cities.

See Page 20

"The Taxpayers has been a wonderful organization and has saved the community a great deal of tax money," he observed.

Mr. Irvin also has expressed his skepticism of Citizens in the past, and regarding the use of CAP water,

he noted: "We have to examine if they are operating in the best interest of the citizens they are certificated to serve, and are the citizens getting the best bang for the buck," he said. "I don't want to see Citizens capture a lot of credits."

Mr. Irvin said he is not opposed to the use of CAP water.

"I have never said no to CAP water," he said. "I support the use of CAP water."

See ■ CHAIRMAN, Page 8

”

I have never said no to CAP water. I support the use of CAP water.

Jim Irvin
ACC Chairman



OVER

Surrendering Citizens' 6,181 acre-foot CAP allocation would not be advisable. Mr. Irvin opined.

"We want to make it useful in the best possible way," he said.

"We need to look at this and decide what is best for the community, and what they want." Mr. Irvin added.

"If the community elects to go with CAP water, we want to be sure they know what they are getting into. Also, if they choose not to take the CAP water, they should know what they are getting into," he said.

"They need both sides of the story. Then the public can make its own decision." However, he believes the public has been getting only one side of the story thus far.

The ACC chairman said he remains unconvinced there is an actual need for the CAP water in the Sun Cities.

"No one has gone out and shown their is a need," he said.

"The first thing, establish is there a need. If yes, is there support?" Mr. Irvin asked.

"The (CAP) task force has come up with a plan, but we have only seen a rough draft of the plan," he mentioned.

Mr. Irvin said the Corporation Commission followed the task force's progress and he is aware of the plan formulated by the task force.

The task force plan recommends using CAP water to irrigate the golf courses of Sun City and Sun City West with Citizens Utilities' CAP

allocation. However, since construction of a conveyance pipeline will take an estimated four years, the task force suggested in the interim the water be recharged with the Maricopa Water District and in the event MWD reaches its storage capacity due to excess rain, capacity would be leased to store water in the Central Arizona Water Conservation District recharge project.

Mr. Irvin cautioned the plan drafted by the task force may not necessarily be the request submitted by Citizens.

He is also concerned about the cost projections bandied about in the task force process.

"The numbers they have presented are incomplete," the chairman said. "We must determine if their cost factors are accurate." Construction estimates for the pipeline allowed for a 30 percent error margin.

"We need to try and get away from cost-plus rate making," Mr. Irvin continued.

He believes engineers should be able to better forecast the cost of constructing the pipeline.

"In the area they intend to build the pipeline, there should be no construction surprises. They are not building in an undeveloped area where the composition of the terrain is not known," he said.

"There has to be some honest forecasting. I don't believe that has been done yet," Mr. Irvin noted. "My concern is to see people of the Sun Cities have information on

”

Everything I have received has supported my position supporting caution. I am serving the best interest of the community.

Jim Irvin
ACC Chairman

what is best for the golf courses and drinking water."

Mr. Irvin pointed out that Citizens and the golf courses in the two communities have yet to reach an agreement to put the CAP water to use.

"Who is going to pay for the pipeline?" Mr. Irvin queried. "If it is used for watering the golf courses, who should pay for it, the golf courses or residents?"

"The residents of Sun City are very discerning," he added. "I don't think the people out here are opposed to CAP water. They are opposed to paying more than fair share."

"This is an issue that needs community input and involvement. This is like raising taxes. It will take money out of their pockets," Mr. Irvin said.

The chairman said he is also concerned about Citizens asking Youngtown customers to pay hold-

ing costs from the time Citizens signed the CAP contract even though they only acquired the YT water system in 1995.

Even though the ACC will be asked to rule on Citizens' request to use CAP water in the Sun Cities area, Mr. Irvin said the issue and the preservation of groundwater is a regional matter.

"There has to be a regional solution," he said. "Everybody does their own thing and does not consider what is best for the region."

ACC's responsibility is the entire state, according to Mr. Irvin. "We need to look at the whole program. We must consider what is in the best interest of the community as a whole," he said.

Mr. Irvin said he has received numerous letters and phone calls from Sun Cities' residents regarding the CAP allocation.

"Everything I have received has supported my position supporting caution," he said. "I am serving the best interest of the community."

In conclusion, Mr. Irvin said, "None of the commissioners are opposed to CAP water. We just want to see it is used in the most efficient and economical fashion."

He asked rhetorically, "What is in the best interest of the community? What is in the best interest of the region? Do the citizens support it and if yes, at what price?"

"Sun Cities residents are in tune to the issues," he continued. "They want a chance to voice their opposition rather than big government telling them what is best for them."

No objections voiced during CAP open house

Supporters prepare for upcoming ACC hearing

By MIKE RUSSO
Independent Newspapers

Naysayers were scarce as nearly 40 Sun Citians strolled through the Bell Recreation Center Social Hall Sept. 28 examining displays and asking questions regarding the usage of Central Arizona Project water in the Sun Cities.

The open house was hosted by the CAP Task Force which met for six months in 1998 formulating a plan to make CAP water "used and useful" in the Sun Cities.

Following much deliberation, the task force recommended using Citizens Water Resources 6,181 acre-foot CAP allocation to water golf courses in Sun City and Sun City West. While the pipeline is constructed, the water would be recharged in the Maricopa Water District's facility.

The plan calls for CAP water to be piped about eight miles from the CAP canal to the golf courses. The estimated cost of constructing the conveyance system is about \$15

million. The system's estimated annual operating cost would be \$1.2 million.

A portion of the annual operating cost would be defrayed by the sale of water to the communities' recreation centers. Annual water sales to rec centers is expected to amount to \$221,000, resulting in a net annual cost of approximately \$979,000.

That would raise water rates for Sun City and Youngtown customers by \$5.80 monthly and \$4.18 for Sun

See ■ WATER, Page 5

City West customers. Sun City West's cost would be less because some infrastructure already exists to deliver water to golf courses and CAP water would not have to be pumped as far for delivery to Sun City West courses.

The cost of the interim recharge program would be about \$2 monthly for all communities.

"Everyone I spoke with (during the open house) favored the plan," said Gene Zylstra, a task force member and president of the Sun City Home Owners Association Water Committee. "There were no negative comments."

Among the Sun City residents supporting the plan are Mort and Lois Reed, who attended last week's open house.

"We have followed the issue closely," Mr. Reed said. "I used to be on the HOA board and respect the effort they have put forth. As a group, they are probably more knowledgeable than most people speaking for or against (the CAP water issue).

"In order to maintain Sun City as a viable community, you have to have the water. To maintain property values, you must have the water. I think it has got to be done.

Mr. and Mrs. Reed said they attended the open house "to make sure we are up to date."

Sun Citian Jim Hawks said he believes the CAP allocation needed to be put to use, but he was not convinced that irrigating the golf courses was the most viable course of action.

"Fifteen million dollars cost is such a significant sum that we should re-examine the possibility of natural recharge. Providing the numbers come out, we need to get going," Mr. Hawks said.

Recharging the allocation was one of the alternatives considered by the CAP Task Force but the members decided the irrigation plan would provide a better direct bene-

fit since it would take many years for water recharged in the Agua Fria river bed to percolate horizontally and vertically to the aquifer that serves the area.

Mr. Zylstra said he was satisfied with the open house turnout.

"It was not a highly-publicized event," he said. "We only sent notices to people who had previously expressed support for the plan, and there was a story in the newspaper. There was no massive advertising campaign like previous open houses."

Many of the attendees asked questions about the task force plan and some inquired how the possible sale of Citizens would affect the delivery of CAP water to the Sun Cities.

"I explained their sale will have no affect on CAP water use in Sun City," Mr. Zylstra said.

The Task Force is now preparing for the Arizona Corporation Commission hearing to decide the fate of its recommended plan.

Daily News-Sun, Sun City, Ariz. Sat., Oct. 30 & Sun., Oct. 31, 1999

Sun Cities study use of CAP water

Would help preserve dwindling supply

By **Connie Cone Sexton**

The Arizona Republic

SUN CITIES — Should Central Arizona Project water be piped into the Sun Cities and onto the communities' golf courses?

Don't think of it as just a means to help the golf courses stay green, said Gene Zylstra, a member of the Home Owners Association of Sun City. The proposal is aimed at shoring up the area's groundwater tables.

For the past few months, Zylstra and other members of an area CAP task force have been reviewing ways to

preserve the water supply for Sun City and Sun City West.

Currently, groundwater is pumped by the communities' water company — Citizens Water Resources — to serve residential and commercial use. The Sun Cities Recreation Centers golf courses are watered by the same wells.

"But our groundwater table is decreasing," Zylstra explained. "We needed to come up with a plan."

The proposal to go after their reserved CAP allocation came out of a study commissioned by the HOA. Its approval could initially mean between \$6 and \$7

more a month for each household water bill. Members of the Arizona Corporation Commission will take up the issue at a 10 a.m. Oct. 18 meeting.

As part of the task force plan, about 6 million gallons of CAP water would be transported each day from a canal north of Sun City to the Sun City and Sun City West communities for use on the golf courses. This would require having a pipeline built from the CAP Canal to the communities at a cost of about \$15 million.

Ray Jones, vice president and general manager of Citizens Water Resources, said piping in the water to the golf

— Please see **SUN CITIES**, Page 4

— **SUN CITIES**, from Page 1

courses would save having to use groundwater on the facilities. That would leave more water for residential and commercial use.

But members of the Sun City Taxpayers Association question the need for piping in the CAP water.

"No one can prove there is a lack of water," said Ray Dare, first vice president of the taxpayers association. His group had been a member of the HOA CAP task force but

decided to drop out after raising concerns about the proposal.

"We didn't like that they were pushing a plan," he said.

Dare worries that the cost to the residential consumer will be too high.

Zylstra said the cost of the proposal to obtain the CAP water would involve:

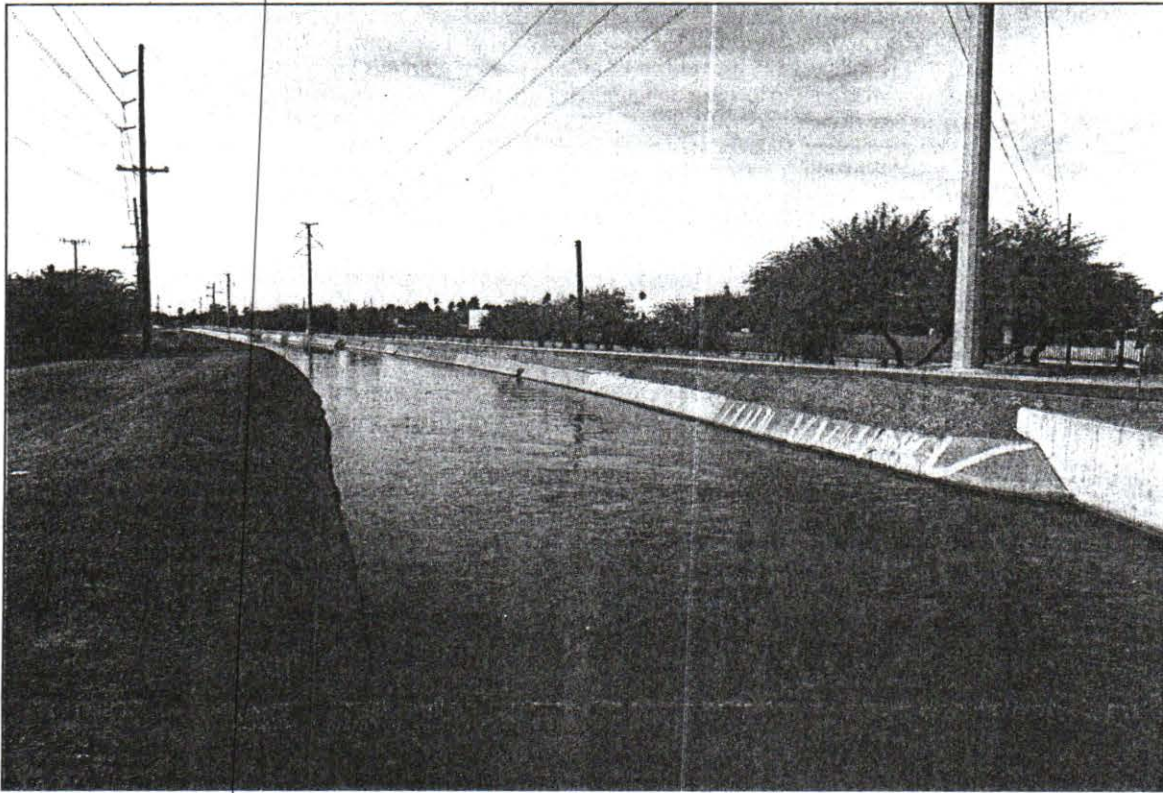
- A one-time charge to pay for the investment that Citizens Water Resources has made to hold the CAP water. This would mean about

\$22-\$24 per household, broken down over 42 months, or about 40 cents a month more on the water bills.

- An additional \$1.25 per month for the next three years to transport the CAP allocation and place it in the Maricopa Water District recharge area north of Sun City.

- An extra \$5.50 per household in Sun City and \$4.15 per household in Sun City West per month to offset the cost of constructing the \$15 million pipeline.

Water supply dwindling



Mike Ryneason/The Arizona Republic

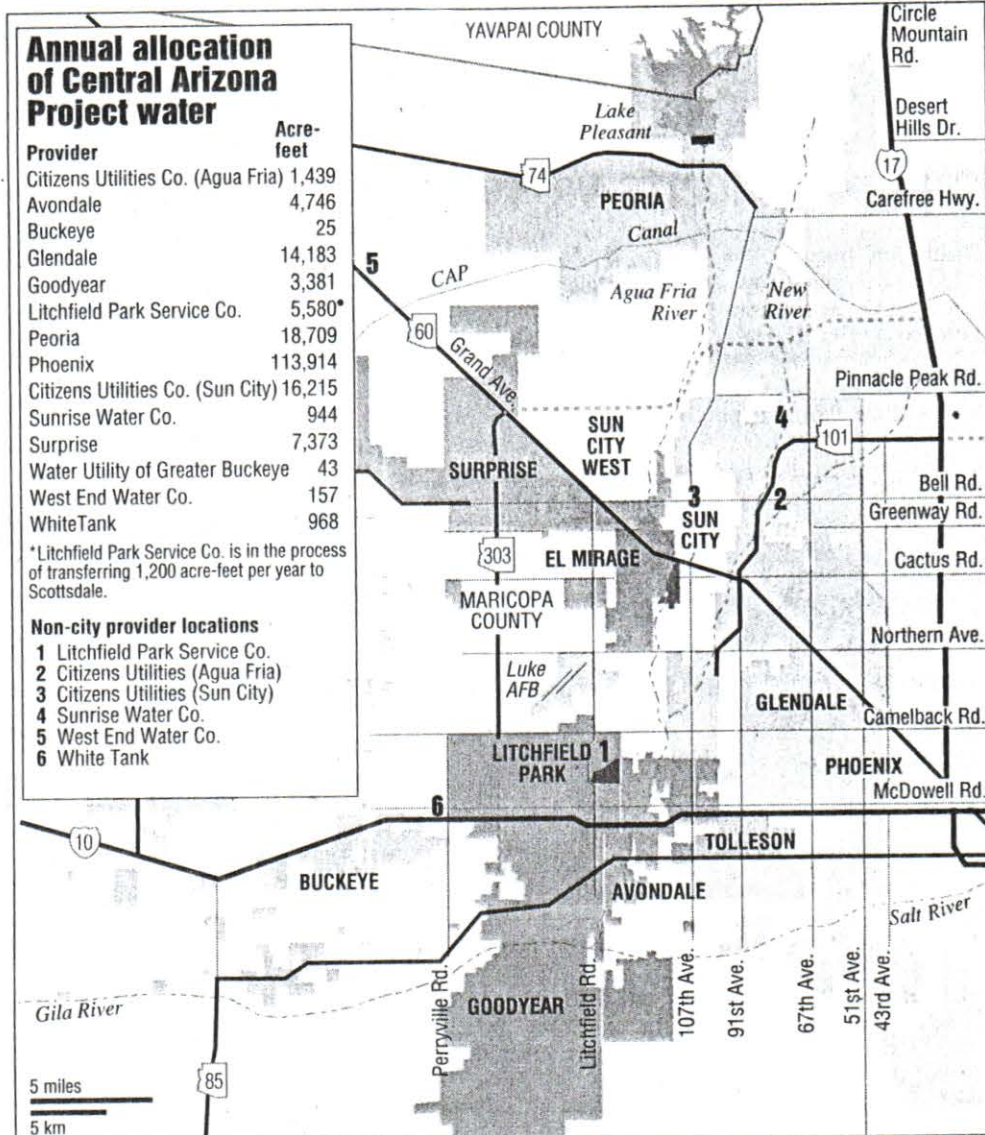
West Valley communities are looking more and more to water from the Central Arizona Project Canal, shown here near 43rd and Peoria avenues, to solve their problems of dwindling groundwater supplies.

“

As we mine our groundwater, there are ramifications. The land subsides and then flood-control measures don't work, sewers back up, and land fissures open up.

Water quality degrades with depth. And the more we mine out, the deeper we have to drill, and the deeper we drill, the more it costs to pump it out.

BRAD HILL
HYDROLOGIST
FOR PEORIA



Gus Walker/The Arizona Republic

over

W. Valley looks for new sources to supplement groundwater

By Shaun McKinnon
The Arizona Republic

The water's rising in the southwest Valley, falling in the northwest and, with a little hydrologic luck, starting to level off a bit in Surprise.

And that's just underground.

As the West Valley continues to grow, officials are keeping a close watch on the region's water supply, looking for ways to stretch it, manage it and maintain its quality even as the demand for it increases.

Work has begun on a long-range regional management plan, but water experts say at least one thing is clear so far: The old rules won't cut it anymore. The days of drilling a well and calling it good have passed. What has to happen now, those experts say, is a more balanced way of taking care of the desert's most precious resource.

"Central Arizonans have been very spoiled," said Brad Hill, a hydrologist for Peoria. "But there are limits. Clearly, we have to be looking for other water sources."

Underground aquifers have always provided the West Valley with a steady and, so far, abundant water supply, especially for communities unable to tap into the canals that carry surface water.

But years of pumping water have depleted the aquifers faster than nature can replenish them. In the far West Valley, for example, the water table has dropped 300 feet since the turn of the century, according to a study conducted for the Sun City communities.

In terms of actual water, the northwest Valley pumps about 60,000 acre-feet of groundwater each year, the study says, but barely 7,500 acre-feet is returned, either naturally or through artificial recharge projects.

"As we mine our groundwater, there are ramifications," Hill said. "The land subsides and then flood-control measures don't work, sewers back up, and land fissures open up. Water quality degrades with depth. And the more we mine out, the deeper we have to drill, and the deeper we drill, the more it costs to pump it out."

The state stepped in a number of years ago, requiring water providers to cut back on groundwater use or replace what's pumped out. To get a certificate of assured water use — proof that a provider or a builder has enough water for 100 years — a new project in the Phoenix area can't rely on groundwater for more than 7.5 percent of its total supply.

State officials want providers to begin using so-called renewable water sources — water from nearby rivers or from the Central Arizona Project Canal, which carries water to Phoenix from the Colorado River — conserving groundwater for the future, when other supplies might run short.

Some West Valley cities are moving away from groundwater already. Glendale, which relied almost exclusively on groundwater as recently as the late 1970s, now gets about 60 percent of its supply from the Salt River Project. The rest is a combination of CAP water and well water.

Peoria still uses more groundwater than anything else, but, Hill said, the city is taking significant steps to comply with state law and use more of its CAP allocation. By the end of this year, he said, CAP water will make up as much as 19 percent of Peoria's supply, a record.

Work is also beginning on a \$36 million water-treatment plant that will enable Peoria to use even more water from both the SRP and CAP.

Surprise still takes almost all of its water

— WEST VALLEY, from Page 1

from the ground but recharges its treated wastewater back into the ground. Jim Swanson, the city's water resources manager, said Surprise actually recharges more water than it takes out and will begin using some of its CAP allocation to pump even more water underground.

Citizens Utilities, which provides water for the Sun Cities communities, also is trying to use more of its CAP share. The company is awaiting a decision by the state Corporation Commission on a plan to build a \$15 million pipeline that would deliver water to golf courses, freeing water used there for use by residents.

In the southwest Valley, the water level hasn't dropped nearly as far and, in some cases, it's started to rise again. Dave Ellis, general manager of Litchfield Park Service Co., a private company, said the water table has risen in some areas as farmland has been converted to residential property.

So secure is the Litchfield company in its future supply, it has been working with federal officials to transfer 1,200 acre-feet of its CAP allocation to Scottsdale.

Farther west, in Buckeye, water is percolating all the way to the surface in some areas, which isn't necessarily a good sign for water providers, experts say, because high water levels usually mean poor water quality.

Whether the water's too high or too low, "the end result's the same," said Harold Thomas, executive director of Westcaps, a group of West Valley water providers. "We have to use less groundwater."

Westcaps members are working on a regional water plan that would help providers better manage their

water supplies and begin to use more renewable water sources, primarily CAP water. Elements of the plan could include a regional water-treatment plant, improvements to the canal system and new underground recharge sites.

The key is cooperation, Thomas said, and so far, the various providers have worked together well enough that a draft of a regional plan should be ready as early as spring. That plan likely will map out strategies to help water providers use more surface water and probably also will ask the state to look for more recharge sites in the West Valley.

Another possible approach, Thomas said, is to form a small regional water bank with agricultural users. Municipal providers could divert unused CAP water to the farmers, who would then cut back on their use of groundwater.

Even good management won't solve water problems forever. The CAP supply is finite, and Peoria's Hill said growing communities will have to look elsewhere for help.

To move ahead with its Anthem development north of Phoenix, Del Webb spent \$80 million to build a water-treatment plant and lease 75,000 acre-feet of water from the Ak-Chin Indian tribe. Officials say that as Arizona tribes win more and more water in settlements with the federal government, deals like Webb's will become commonplace.

Thomas said that although no water crisis is looming in the West Valley, most providers feel a sense of urgency about coming up with a plan to protect the area's water. The consequences of waiting, he said, are clear to everyone: "If we don't do it, it could affect growth and development in the future."

Shaun McKinnon can be reached at (602) 444-7116 or at shaun.mckinnon@pni.com.

Daily News-Sun • Tuesday, Jan. 18, 2000

CAP water expected by March

WATER ON WAY:
Pipeline could put water directly onto the Sun Cities' golf courses by the end of 2003

JEFF OWENS
DAILY NEWS-SUN

Citizens Utilities officials are "cautiously optimistic" about the future of Central Arizona Project-delivered water in Sun City, Sun City West and Youngtown in the wake of a formal Arizona Corporation Commission recommendation that the company be allowed to bring it to the communities and charge customers for it.

ACC hearing officer Jerry Rudibaugh recommended that the commission approve the interim solution for CAP water use and the associated customer fees proposed by the CAP Task Force in 1998.

Rudibaugh further

See ACC to, A5

From A1

recommended ACC approval of the concept for the Task Force's long-term solution to CAP water use — a \$15 million Citizens Utilities pipeline system that would begin pouring CAP water directly onto the Sun Cities' golf courses by the end of 2003.

"We feel it's a very good order," said Terri Sue Rossi, Citizens' water resources supervisor. "We're very pleased with it. Everything the Task Force asked him to do, he did. We obviously think it's a positive signal, but it's only a recommendation, and we're hopeful that the Corporation Commission will support its hearing officer."

The interim plan to store the water in nearby county facilities would enable Citizens to start using its Sun Cities CAP allocations immediately, thus enabling the company to charge customers for it. Because the allocations have yet to be used, the company has had to pay the high holding costs out of its own pocket.

"At the end of last year, we scheduled delivery of the entire CAP allocation dedicated to Sun City, Sun City West and Youngtown," said Ray Jones, vice president and general manager for Citizens Water Resources. If the commission approves Rudibaugh's recommendation, "On March 1, the CAP will begin delivering the Sun Cities' CAP allocation to farmers in Maricopa Water District to replace groundwater pumping occurring today."

The long-term plan — the Sun Cities/Youngtown Groundwater Savings Project — would bring renewable surface water directly to the Sun Cities, which currently continue to mine a slowly dwindling supply of largely unrenewed underground water.

"While there are clearly less costly options, the Task Force has represented there is general agreement in the Sun City areas for the Groundwater Savings Project," Rudibaugh said in his finding. "As a result, we will approve the concept of the Groundwater Savings Project and approve the reasonable and prudent costs associated with the completion of the preliminary design/updated cost estimate."

Jones said Citizens has "prepared a work plan and schedule for designing the Groundwater Savings Project with the local golf courses. Citizens is now revising that plan to incorporate the deadlines set forth by the hearing officer in his recommendation. By the time the Task Force's proposal goes to the commission, Citizens will be prepared to begin preliminary design work."

Rudibaugh's recommendations will now go before the three commissioners for a final vote. ACC spokeswoman Heather Murphy said the case could be heard as early as January 25, but Citizens Utilities officials said a mid-February date appears more likely.

In Rudibaugh's recommendation, Citizens would be allowed to recover most of its costs for holding the unused water for several years, plus charge customers for all of its on-going CAP costs according to the rate design proposed by the CAP Task Force.

After the ACC refused a Citizens rate increase in May 1997, the company assembled the CAP Task Force in 1998 to take another shot at preserving the allocations and recouping holding costs. The group consisted of representatives from major community groups in Sun City, Sun City West and Youngtown, plus Citizens and several at-large members.

- SUN CITIES INDEPENDENT— JANUARY 19-25, 2000 -

Hearing officer gives nod to CAP water plan

Citizens official pleased

By MIKE RUSSO
Independent Newspapers

An Arizona Corporation Commission hearing officer has recommended approval of Citizens Water Resource's request to make Central Arizona project water "used and useful" in the Sun Cities.

Following consideration of testimony taken during an October 1999 hearing, Hearing Officer Jerry Rudibaugh issued his recommendation Friday afternoon.

Citizens' request was based upon

a plan formulated by the CAP Task Force that recommended the construction of a \$15 million pipeline to convey Central Arizona Project water to golf courses in the Sun Cities. It was felt that using Citizens' 6,181 acre-foot annual CAP allocation to provide some of the courses' water needs would preserve groundwater for potable use.

The plan recommended that the allocation be recharged in a Maricopa Water District facility in the interim

See ■ CAP PLAN, Page 10

while the pipeline is constructed.

The task force plan involves an additional monthly charge of \$4.15 per household in Sun City West and \$5.80 per household in Sun City and Youngtown to fund the pipeline.

Additionally, the request seeks recovery of deferred charges accumulated in retaining the CAP allocation for more than a decade.

The matter will now be placed on an open meeting agenda of the ACC commissioners.

Heather Murphy, ACC public information officer, said that could happen as early as Jan. 25. However, anyone may file an

exception to Mr. Rudibaugh's findings before Jan. 24, which could delay ACC consideration until February, she noted.

Ray Jones, manager of Citizens Water Resources, was pleased with Mr. Rudibaugh's recommendation.

"He (Mr. Rudibaugh) found the short-term solution satisfied the terms of the previous (ACC) decision (requiring the CAP be used and useful)," Mr. Jones said.

"He also recommended approval of the long-term plan," he added.

"The hearing officer clearly understands the hard work the committee did ... and recommends the

plan the task force put forward," Mr. Jones said.

"This looks like a great opportunity to finally get CAP water to use in the Sun Cities," he continued.

Mr. Jones noted, "He has adopted the task force proposed rate structure, which had been a contentious issue."

The Sun City Taxpayers Association has vociferously opposed the plan, and provided the main opposition when intervenors presented testimony in October. Other intervenors included the Arizona Utility Investors Association, Residential Utility Consumers Office, and the

CAP Task Force.

Mr. Jones said the only basic difference between the Citizens request and the hearing officer recommendation was "we requested recovery of the deferred costs over a 42-month period and he has recommended they be recovered over a 60-month period."

In its filing, Citizens noted total deferred costs accrued as of Dec. 31, 1998, were \$1,195,515 — \$762,320 attributable to Sun City and \$433,195 attributable to Sun City West. Those figures would be updated before recovery would commence.

January 22, 2000

CAP water proposal advances to panel

By Lori Baker
The Arizona Republic

PHOENIX — An Arizona Corporation Commission hearing officer has recommended approval of a plan to pipe Central Arizona Project water into the Sun Cities and Youngtown.

Jerry Rudibaugh's recommendation last week will be considered by the commission in mid-February.

Under Rudibaugh's recommendation, Citizens Water Resources, a private water company serving the Sun Cities and Youngtown, would be allowed to recover most of its costs for retaining its CAP allocation over the past several years and all of its ongoing CAP costs.

Groundwater now is pumped by Citizens Water Resources to serve the communities' residential and commercial use. The Sun Cities Recreation Centers golf courses are watered by the same wells.

"We're trying to save groundwater, and by getting this approval from the commission, we would be able to bring in the CAP water into the Sun Cities area and reduce groundwater pumping on the golf courses," said Gene Zylstra, a Sun City resident who served on the CAP Task Force.

The task force, composed of Sun Cities and Youngtown residents, proposed that Citizens go after its reserved CAP allocation. It initially means \$6 to \$7 more a month for each household water bill.

As part of the task force's plan, about 6 million gallons of CAP water would be transported each day from a canal north of Sun City to Sun City and Sun City West for use on the golf courses. This would require having a pipeline built from the CAP Canal to the communities at a cost of about \$15 million.

Terri Sue Rossi, manager of water resources of Citizens, said piping in the water to the golf courses would save having to use groundwater on them. That would leave more water for residential and commercial use.

Members of the Sun City Taxpayers Association question the need for piping in the CAP water and worry that the cost to the residential consumer would be too high.

The cost of the proposal to obtain the CAP water would involve:

- A one-time charge to pay for the investment that Citizens Water Resources has made to hold the CAP water. This would mean about \$22 to \$24 per household, broken down over 42 months, or about 40 cents a month more on the water bills.

- An additional \$1.25 per month for the next three years to transport the CAP allocation and place it in the Maricopa Water District recharge area north of Sun City.

- An extra \$5.50 per household in Sun City and \$4.15 per household in Sun City West per month to offset the cost of laying the \$15 million pipeline.

Sun Cities tap CAP water

BATTLE: 2-year fight ends with water storage plan and \$15 million pipeline

JEFF OWENS
DAILY NEWS-SUN

Before a packed hearing room, the Arizona Corporation Commission unanimously approved a proposal Tuesday afternoon to bring CAP-delivered water to the Sun Cities and Youngtown.

The vote ended more than two years of debate over one of the most hotly contested issues in the Sun Cities. CAP water comes from the Central Arizona Project canal system, which brings it from the Colorado River. It is intended to replace diminishing ground water supplies in Arizona.

Specifically, Commissioners Carl Kunasek, James Irvin and William Mundell passed a slightly amended version of a formal recommendation by ACC Hearing Officer Jerry Rudibaugh. Their vote established an immediate short-term storage plan for the Sun Cities' CAP water allocation, and the concept of a long-term plan — a pipeline system that could cost as much as \$15 million.

Irvin's "yes" vote surprised many, and he noted in casting it that "this order is not perfect. This order has some flaws." He also said the plan would remain "under very close scrutiny."

Kunasek said he was "glad the people of Sun City understand the precarious position they would be in" should their groundwater supply one day run dry.

"We're very happy with the decision, and the commissioners did the right thing," said Ray Jones, Citizens Utilities vice president and general manager. "We now have an approved concept to focus on, and that's going to allow this process to move forward."

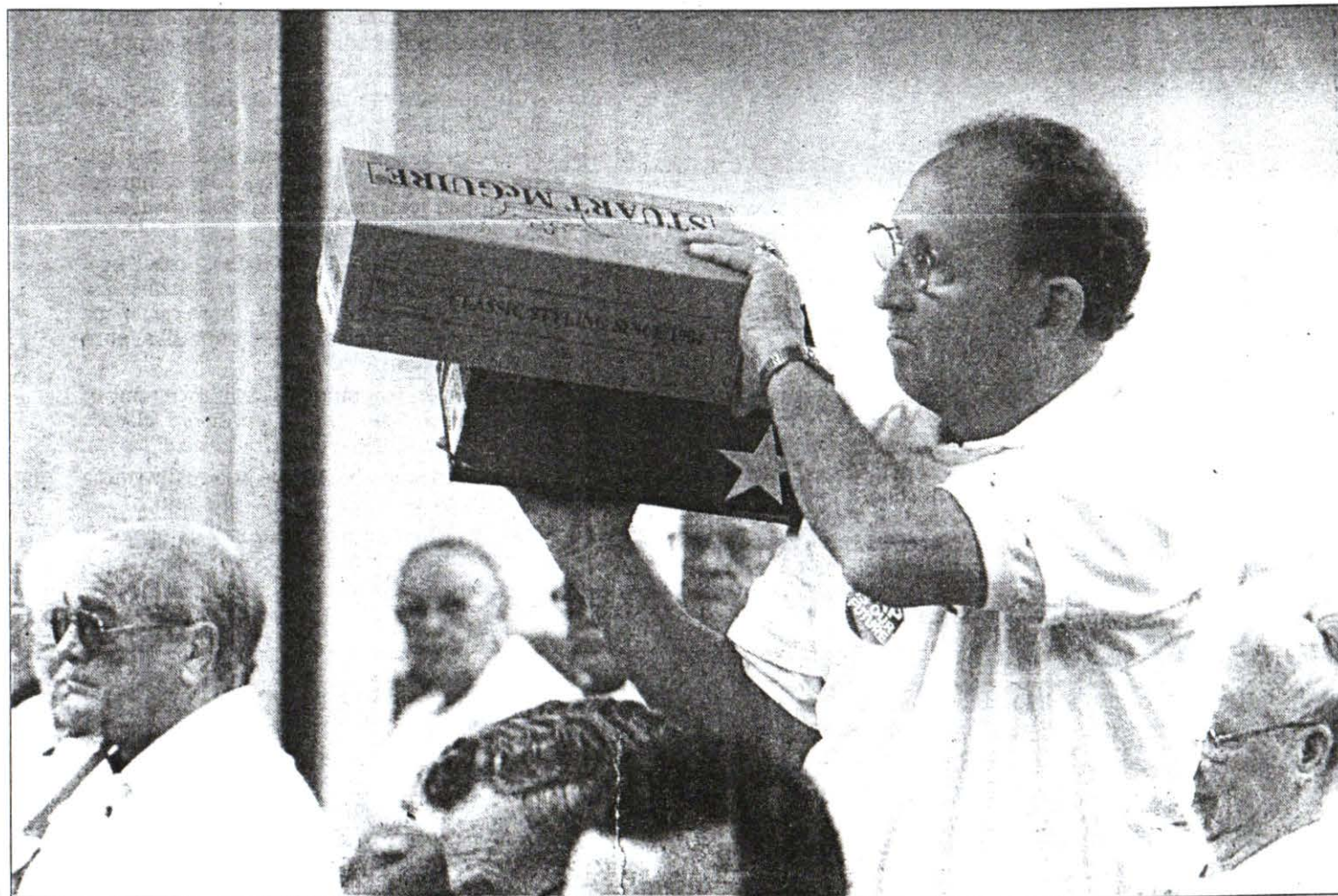
The vote was seen by many as a victory for Citizens Utilities and the former CAP Task Force and its supporters, but even the Sun City Taxpayers Association claimed it got what it wanted.



Mary Charlesworth
Sun City Taxpayers
Association

"The Sun City Taxpayers Association was generally pleased with the outcome," said Paul Michaud, SCTA's attorney. "The commission approved an order allowing Citizens (Utilities) to proceed with a preliminary design/cost estimate, which must include specific cost-cutting measures that were proposed by SCTA and approved by the commission."

The hearing room was packed with a



Paul White of the Sun City Home Owners Association carries boxes of petitions in favor of the CAP water issue at a hearing Tuesday before the Arizona Corporation Commission.

STEVE CHERNEK/DAILY NEWS-SUN

See CAP water. A5

over

VF WATER (CAP)

From A1

small army of CAP plan supporters, many of whom were based downtown by the Sun Cities/Youngtown Water Committee, the successor group to 1998's CAP Task Force. A small contingent of SCTA members were also present.

In a Who's Who of the Sun Cities' biggest players, CAP supporters filed to the podium one by one to voice their support for the proposal.

The plan was "the surest way of getting the water that we're paying for," said Bob Briscoe, Recreation Centers of Sun City president.

"We strongly support the findings of the hearing officer ... and we'll back it up all the way," said Bob Jones, Recreation Centers of Sun City West director.

Mundell said he was pleased that his amendment helped win approval of Rudibaugh's recommendation, but added that "the CAP Task Force did the heavy lifting."

The proposal also allows water provider Citizens Utilities to recover its deferred and ongoing CAP costs by raising its customer rates.

While approving the proposal, the ACC reserved the right to approve updated design and cost estimates that Citizens Utilities must furnish to the commission within six months.

In other words, the ACC approved the *concept* of the pipeline plan, contingent on the acceptability of future, more detailed design cost estimates.

Irvin restated his long-held position late in the hearing that while he approved of the use of CAP-delivered water by anybody, he did not approve of handing Citizens Utilities "a blank check."

Under an amendment to the proposal drafted by Mundell, within 60 days of the updated estimates the ACC's Utilities Division and intervenors in the case would have 60 days to file comments, objections or recommendations. Citizens Utilities would then have 30 days to file a response, and then the matter

would be set for hearing or other consideration by the ACC within another 30 days.

Citizens' Terri Sue Rossi said: "Without the people of Sun City, Sun City West and Youngtown, we would not have been successful. We owe our success to them. It's their CAP water; they fought for it, they won it, and it's theirs. Now we'll deliver it."

Sun City Condominium Association President Joe Moore called Rudibaugh's recommendation "prudent and reasonable."

"I feel we must proceed with the pipeline as proposed," said Phil Garner, Sun City West's Property Owners & Residents Association president.

Bill Hafeman, president of the Sun City West Community Coalition, said his group "strongly endorses the use of the CAP allotment. Recharging the aquifer is of paramount importance to Sun City West and Sun City."

Sun City Home Owners Association member Nancy Nieman said the Sun Cities have "a moral obligation" to use alternate sources of water "as soon as possible."

"It's our responsibility to contribute to the Northwest Valley," HOA's Gene Zylstra, a former Task Force member and current leader of the Sun Cities/Youngtown water committee, told the commissioners. "we need your acceptance of the hearing officer's report."

Zylstra also brought "a couple shoe boxes full" of petitions signed by Sun City residents supportive of the plan.

City of Peoria Water Resources Manager Brad Hill said "Peoria supports any efforts" by surrounding communities — including the Sun Cities — to comply with state water policy. "This is a landmark first step for them, and Peoria supports them."

Citizens Utilities' original rate increase bid was rejected by the ACC in May 1997. The commissioners approved of the company's intention to keep and use the Sun Cities' CAP allocations, but not the plan submitted. Citizens went "back to the drawing board" in 1998 by forming a joint

group of major Sun Cities area community organizations, the CAP Task Force.

The Task Force originally included the SCTA, but its representatives quit before the Task Force arrived at its final plan.

"We took a valuable lesson away from our last rate case," Citizens' attorney Craig Marks, told the commissioners. "We decided to put the issue in the hands of the communities ... We're not asking for *carte blanche* on the design."

SCTA President Mary Elaine Charlesworth said "we have never been against CAP water. This is a money problem."

"We're in a community that lives on a fixed income," she added, noting that she has received phone calls from Sun Citians who threaten suicide because they can't afford their bills.

"Most of the people in Sun City don't know which end is up," said SCTA board member Eve Holden, saying she spoke on behalf of Sun City's poor people.

Sun City Foundation President Chuck Chadbourn drew a loud crowd reaction when he later countered Holden's remark about poor people in Sun City. The Foundation pays the Recreation Center dues of residents who are struggling financially.

"To date, we are paying the rec center dues of seven people, which rather suggests that the 'poor people' of Sun City do not exist," Chadbourn said.

The commissioners went into lengthy consideration of various combinations of amendments, and at one late point appeared to be on the verge of not approving the pipeline concept, much to the dismay of the CAP supporters present.

"If we leave this room without approving this concept, we have accomplished nothing," Jones said with visible frustration.

Irvin repeatedly emphasized that he was wary of adopting a proposal that would "lock in" the ACC on the pipeline concept, even if it ultimately proved too costly.

Peoples Perspective
**Community efforts made
the difference in
support of CAP water**

By Robert L. Jones

The Central Arizona Project (CAP) Task Force would like to thank the citizens of Sun City, Sun City West and Youngtown for your support in pushing for using CAP water in our communities. This much-needed water supply may soon be a reality in our area, and your vocal support has clearly made the difference.

On Jan. 14, Arizona Corporation Commission Hearing Officer Jerry Rudibaugh, recommended to the Corporation Commission that the Sun Cities/Youngtown Groundwater Savings project be approved. The recommendation for utilizing CAP water was scheduled to go before the com-

mission for a final vote on Jan. 25.

This action represents more than two years worth of work on behalf of residents representing all three communities. The CAP Task Force was formed in February 1998 to advise Citizens Water Resources on whether it should keep its CAP allocation, and how the allocation should be used. This Task Force represented several community organizations, including the Sun City Condominium Owners Association, Sun City Home Owners Association, Sun City Taxpayers Association, Recreation Centers of Sun City West, The Town of Youngtown, and Citizens Water Resources.

In July 1998, we recommended a combination of options, including a groundwater savings project with local golf courses and an interim recharge project. Citizens Water resources submitted these recommendations to the Corporation Commission in October 1998 and the case was heard almost one year later.

The Hearing Officer's report stated that Citizens' decision to obtain allocations of CAP water was a prudent planning decision. His recommendation allows Citizens to recover most of its costs for retaining the CAP a location over the past several years, and all of its on-going CAP costs. Both elements will be paid for utilizing a rate design that our Task Force developed. Our plan will use CAP water for recharge over the next few years, until the water can be used directly to replace groundwater use by local golf courses, sometime around 2003. The cost of the project will amount to a few pennies a day for our residents.

To ensure final approval of this plan, the Corporation Commissioners need to hear from you. Please express your continued support for the use of CAP water by contacting the three commissioners, Carl Kunasek 602-542-3933, Bill Mundell 602-542-3935 and Jim Irvin 602-542-4143. You can also write them at: Arizona Corporation Commission, 1200 W. Washington street, Phoenix, 85007.

The wise use of CAP water will keep our future water supplies intact and keep our water rates manageable for years to come. Thank you again for your past support and continued participation in the effort to bring

CAP water to our communities.

Bob Jones is a Board member for the Recreation Centers of Sun City West. He is also the Chairman of the Sun City West Water Committee, Chairman of the Northwest Valley Water Resources Advisory Board, and a member of the CAP Task Force.

Water bills will increase after March 1

RATED: Sun Citians face small rate hikes for CAP water delivery

JEFF OWENS
DAILY NEWS-SUN

Now that the Arizona Corporation Commission has signed off on plans allowing Citizens Utilities to bring CAP-delivered water to the Sun Cities, what will happen to the average Sun Citian's monthly water bill?

Until March 1, the answer is: Nothing.

After March 1, there will be a rate hike.

The proposal approved Tuesday by the ACC enables Citizens to introduce rate hikes in Sun City and Sun City West. While the ACC has approved the concept of putting CAP-delivered water to work for the Sun Cities, slight modifications to the proposal mean the ink has yet to dry on the actual numbers.

"We will come up with a rate schedule that will be worked out with ACC staff," said Marvin Collins, Citizens spokesman. "They'll review it to make sure it meets the commission order."

So how much will monthly household water bills go up? While a firm figure has yet to appear, the answer is likely "not much" said Ray Jones, Citizens' vice president and general manager.

After March 1, Sun City residents can expect a projected increase of around \$1.35 per household per month, Jones said, with Sun City West residents looking at about \$1.45. Water bills will remain at or around those level for about 60 months.

"These charges will remain at or near these levels, with minor annual adjustments, until the long term project is constructed and put on line," Jones said.

The long-term project and its attendant larger rate increase — a \$15 million dollar pipeline system to deliver CAP water directly onto the Sun Cities' golf

courses — is still years away. Again, the ACC's order has approved of the concept but is reserving judgment on future preliminary design cost estimates.

"In anticipation of this order, we ordered the water last October for deliveries beginning in March," Jones said.

Citizens had hoped to start a new rate structure on Jan. 1 — the two-month delay is one of the reasons costs must now be recalculated in the wake of ACC approval.

Other factors include the ACC's stipulation that Citizens recover its deferred CAP holding costs over 60 months instead of the 42 months originally proposed by the company.

Also, the rate of return is different than originally proposed. Citizens had asked for an interest rate of 8.73 percent on recovery of its deferred CAP holding costs. ACC staff had asked for no rate of return at all.

As approved by the ACC Tuesday, the proposal contains a compromise solution

— a 4.365 percent rate of return. Citizens wasn't thrilled about it but accepted it gladly to move the decision forward.

There is no interest rate paid on Citizens' ongoing CAP costs.

With all those adjustments, the soon-to-be recalculated actual initial rate increase is "going to be smaller than proposed by the company because of the longer recovery period and the smaller percentage rate," Collins said.

The \$1.35 and \$1.45 figures represent "a compromise between Citizens' proposal and the (ACC) staff proposal," Jones said.

Those numbers break down like this:

For Sun City, Citizens proposed an increase to recover deferred CAP costs of 55 cents per month per household. ACC staff proposed slightly more than 34 cents. For Sun City West's deferred CAP costs, Citizens proposed slightly less than 60 cents; ACC staff proposed slightly more than 37 cents.

Jones said the final deferred increase

figures will likely be closer to those proposed by the ACC staff.

For the ongoing CAP costs, which include the charges for the short-term CAP water-storage solution accepted by the ACC, Citizens proposed less than the ACC staff.

For Sun City, Citizens proposed an increase covering ongoing CAP costs of 80 cents per month per household. ACC staff proposed slightly more than \$1. For Sun City West's ongoing CAP costs, Citizens proposed slightly less than 87 cents per household; ACC staff proposed slightly more than \$1.10.

Jones predicted that final ongoing increase figures will be closer to those proposed by Citizens.

Whatever outcome the ACC approves, Citizens is required by law to give its customers written notification of any rate change.

"When they get their bill in March, there will be an insert explaining the charges," Collins said.

THE WESTER Thursday, March 2, 2000

CAP water starts flowing locally

By Ruth Borchardt

At last week's SCW Rec Centers' Governing Board meeting, Director Bob Jones, head of the water committee, brought residents up to date on what is going on with Central Arizona Project (CAP) water. Citizens Water Resources scheduled a press conference for Wednesday, more or less of a banner day because it marked the first time CAP water was put into distribution into Sun City West, Sun City and the Youngtown area with initial usage by farms.

For years, many proponents of CAP water have fought for the right to use it. Finally the Arizona Corporation Commission approved the project. This will make the first time Citizens Water Resources has been able to make use of the opportunity now presented to ease the need for use of well water.

CAP water comes from the Colorado River, and will be piped in allocated amounts for Sun City West's use hopefully by 2003. This still leaves a need for additional water, so at the present time the Board is in the process of looking into the possibility of sufficiently purifying effluent water which is completely different from CAP water. It is sewage water that is treated at

a facility to eliminate nitrates, snails, and other debris to make it usable for the golf courses.

Several years ago effluent water was tried on the golf courses, but with all the impurities, it was more of a detriment than as asset. Since the need for additional water still remains and the plant has been upgraded, there will be a major effort to find ways to make the water usable, thus easing the strain of having enough water, without using well water, according to Jones.

Daily News-Sun • Thursday, March 2, 2000

It's official: CAP water flows to Sun Cities

WATER BILLS:

Customers can expect additional charge monthly

BRUCE ELLISON
DAILY NEWS-SUN

Water from the Central Arizona Project began flowing toward the Sun Cities early Wednesday — in time to meet a March 1 deadline that will allow

Citizens Utilities to begin charging customers for that water.

A connection opened early Wednesday between the CAP canal and the Beardsley Canal. Water flowed south of Grand Avenue and into the 40,000 acres or so of cropland irrigated by the Maricopa Water District.

The water district, for its part, will shut down some of its wells, in effect trading water to legalize Citizens' withdrawals of well-water from the aquifer in and near Sun City, Sun City West and Youngtown.

Bills later this month will reflect the added cost of the CAP water, with the typical residential bill rising between \$1.20 and \$1.30 a month, Citizens officials said.

The process was approved by the Arizona Corporation Commission, one of whose members, William Mundell, was on hand for Wednesday morning's ceremony next to the CAP canal about 15 miles north of the Sun Cities.

Use of the CAP water in agriculture is only the first step, said Ray Jones, manager of Citizens' Sun Cities-area

operations.

By 2004, the utility should be piping CAP water directly to golf courses for irrigation in both communities, preserving the well water that now goes to keep the grass lush.

But as he and the CAP President George Renner pointed out: "It was a long, slow process" to get the water into use.

"We've been waiting for this moment since 1985," Jones said.

Thursday, March 9, 2000 THE WESTER

The CAP comes off...finally

By Ruth Borchardt

No champagne corks popping, but with balloons and dignitaries, it had all the trappings of a celebration. It was the "christening" of the first Central Arizona Project (CAP) water flowing to the agricultural lands of the Northwest Valley representing approximately 40,000 acres currently irrigated by the Maricopa County Water District.

The "turn on" is located about 12 miles north of Bell Road. The water flowing over a small dam-like structure gives the effect of a low waterfall as it starts its journey into the Beardsley Canal.

After years of struggle to get CAP water approved, the day had finally arrived, starting its course, eventually to end up in pipes leading to Sun City West, Youngtown and Sun City. It will take approximately four years to accomplish the task. With at least the scenario set, it is onward and

upward.

The day (March 1) was a little overcast and breezy, but the dignitaries saw only a "sunny day"—the day they had been long striving for.

"We faced many challenges and discouraging events," Ray Jones, vice president and general manager of the Arizona Water Operations of Citizens Water Resources, said, "We thought CAP water was going to be rejected and given to others. CAP water is so important. We embarked on a strategy—CAP water and how it would be used. It was put up to the communities. This represents more than two years of work by a task force representing all three communities."

As Gene Zylstra, chairman of the Sun Cities/Youngtown Water Committee said, "This is just the

See CAP, Page 2

first part. Without the support of the communities, it would not have been accomplished."

George Renner, president of the Central Arizona Water Conservation District, said, "The efforts are the culmination of an enormous amount of time and effort."

Jim Sweeney, general manager of the Maricopa Water District, who had the misfortune of having a sign and balloons blow over in back of him, said, "I've heard of windy speeches, but it's the first time I've seen one."

Mark Frank, area director, Phoenix Active Management

Arizona Department of Water Resources, called attention to the many people involved in working for the fulfillment of this project.

Leaders of the community from Sun City West were present, including former presidents of the Rec Centers' Governing Board Carole Hubbs and Larry Watts, who had both worked so tirelessly to bring the water goal to fruition. Pres. Phil Garner, of PORA, was also on hand.

It was anticipated there will be an increase in water charges, about \$1.20 to \$1.30 a month, beginning in March.

- SUN CITIES INDEPENDENT— MARCH 8-14, 2000

CAP tap turned on Citizens CAP water allocation begins to flow into NW Valley

by MIKE RUSSO
Independent Newspapers

The first drops of Citizens Water Resources Central Arizona Project water allocation began flowing into the northwest Valley last week, marking the first CAP water delivered to the region other than to the city of Glendale.

The water is the first Citizens has taken delivery of since signing its initial CAP allotment contract in 1985.

In January, the water company won approval from the Arizona Corporation Commission for a concept to eventually use its 6,181 acre-foot annual

CAP allocation to irrigate public golf courses in the Sun Cities via a 4,600-foot pipeline.

That was the long-term solution developed by the CAP Task Force to preserve groundwater in the the Sun Cities and Youngtown.

That pipeline, carrying an estimated price tag of \$15 million, is to be built by 2004.

The Task Force plan involves an additional monthly charge of \$4.15 per household in Sun City West and \$5.80 per household in Sun City and Youngtown to fund the pipeline. Those fees, based upon the \$15 million project cost estimate, will be assessed upon completion of the pipeline.

A final construction plan, containing more precise cost estimates, it to be submitted to the ACC by late July.

The water, which started flowing from the CAP canal into the Beardsley Canal, around

See ■ CAP WATER, Page 3

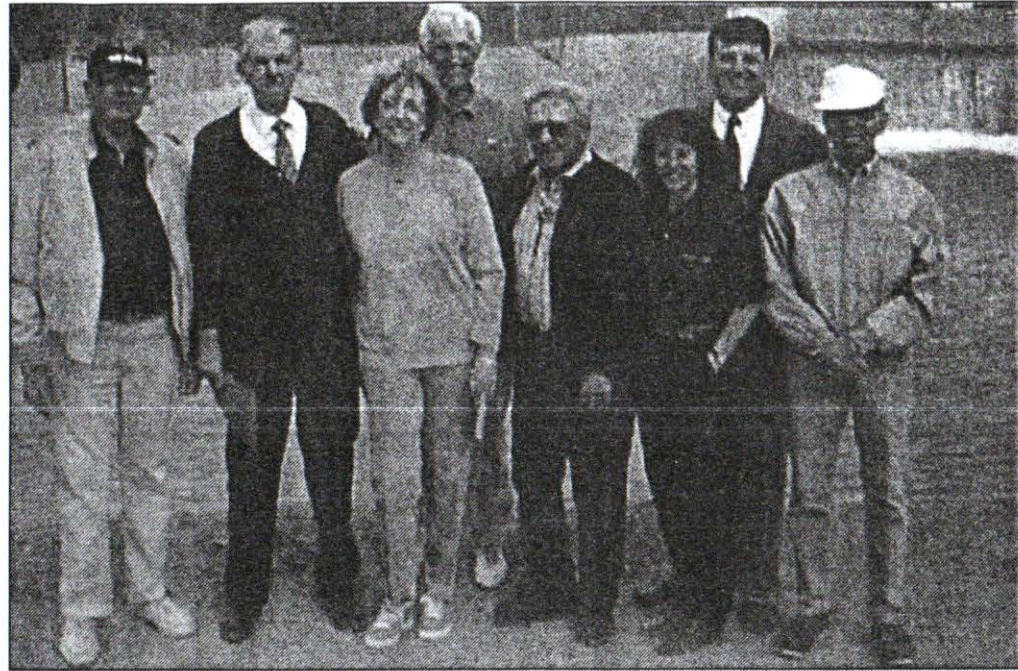


Photo by MIKE RUSSO/Independent Newspapers

Several members of the CAP Task Force were present March 1 to celebrate the initial delivery of Citizens Water Resources' CAP water allocation. Members present for the ceremony were, from left, Dess Chappelle, Sun City West; Gene Zylstra, Sun City; Carole Hubbs, Sun City West; Larry Watts, Sun City West; Bob Jones, Sun City West; Terri Sue Rossi, Citizens Water Resources; Ray Jones, Citizens general manager; Don Coleman, Sun City. CAP water flows over the weir in the background.

over

midnight March 1, will be delivered to the Maricopa Water District for agricultural use, according to Ray Jones, vice president and general manager of Citizens Water Operations.

"This water will be used to irrigate crops that would have been irrigated by groundwater, thereby preserving groundwater," explained Mr. Jones.

"The Maricopa Water District is purchasing the water from Citizens for a price equivalent to the cost of pumping groundwater," Mr. Jones said.

With the first delivery of water, Citizens is able to begin billing customers in the Sun Cities and Youngtown for deferred costs associated with retaining the CAP allocation.

In its ACC filing, Citizens listed total deferred costs accrued as of Dec. 31, 1998, as \$1,195,515 — \$762,320 attributable to Sun City and \$433,195 attributable to Sun City West. Those figures would be updated before recovery would commence.

Recovery of the deferred cost will occur over a 60-month period.

Residential customers will pay a flat fee while commercial ratepayers will pay based upon usage, according to Mr. Jones. The exact fee will depend on the negotiations with the ACC staff.

That cost was originally expected to be in the \$6 to 7 monthly range, but will now be offset by the payments received from MWD, Mr. Jones noted.

Several state, county, local, Citizens and CAP officials participated in a ceremony March 1 at the CAP turnout on the Beardsley Canal marking the first water delivery.

"We have been waiting and working for a long time for this," Mr. Jones said.

"Citizens Water Resources is extremely pleased with the research and effort that the CAP Task Force has done on behalf of the residents of the Sun Cities and Youngtown," Mr. Jones said.

In praising the CAP Water Task Force, Mr. Jones said, "You have worked hard for your water. You have earned it. Today, it's yours."

One of the task force members, Gene Zylstra, said, "This is only the first part of the Task Force plan."

As for the ultimate plan, Mr. Zylstra said, "Golf course irrigation is the only way for the Sun Cities to get direct benefit from AP water."

Jim Sweeney, MWD general manager, observed, "This is just a

“

Citizens Water Resources is extremely pleased with the research and effort that the CAP Task Force has done on behalf of the residents of the Sun Cities and Youngtown.

Ray Jones
Citizens General Manager

piece of a puzzle ... which will improve the water management

effort in the west Valley."

George Renner, president of CAP Water Conservation District, saluted the Task Force members for their effort.

"Water and the ability to put water to use is critical to the economic development of the northwest Valley," Mr. Renner said.

As the ceremony was concluding, Mr. Jones said Citizens remains committed to completing the pipeline project by 2004.

"Citizens recently completed assembling the technical team to come up with the final plan," Mr. Jones said. "I assure you we will submit that plan to the Corporate Water Commission within six months

Daily News-Sun • Tuesday, July 11, 2000

Potential irrigation costs exceed expectations

CENTRAL ARIZONA PROJECT:

Infrastructure to deliver water to Sun City golf courses to cost near \$9 million

BRUCE ELLISON
DAILY NEWS-SUN

Pipelines to take Central Arizona Project water to Sun City golf courses for irrigation will cost almost \$9 million to install, engineers say.

That's more than the estimated cost to get the water from the CAP canal nine miles north of Sun City down to the area. And if the figure remains that high, it

puts the total cost of irrigating area golf courses with CAP water at about \$2 million more than the initially planned \$15 million.

Distributing the water to Recreation Centers of Sun City West golf courses is relatively cheap — half a million dollars or so — because the lines already exist there.

In Sun City West, original course construction called for use of treated effluent on the courses, though that never happened. But the pipelines intended for such use, including one across the Agua Fria River from the treatment plant near Peoria, could be used for CAP water.

Estimates of the costs for Sun City distribution were made public at a Friday meeting of a group of stakeholders in the process, including Recreation Centers of Sun City.

But those plans were questioned by some centers board members who thought there was no need to irrigate all the courses. Eliminating some could save piping costs, they argued.

The engineers didn't agree, saying in order to use all the CAP allotment, water should be distributed over a wider area.

The plans call for water to be piped down Del Webb Boulevard/107th Avenue, with taps for various courses.

Customers of Citizens Utilities in both Sun Cities and in Youngtown began paying for CAP water earlier this year, but the cost of the new lines and related control equipment isn't part of that rate hike. Those costs will be added later to water bills in the communities.

Citizens is required to have a specific plan for CAP-water use

filed with the Arizona Corporation Commission by the end of the month for review.

"There will be months after that when you can comment on the details," and see if costs can be reduced, said Ray Jones, local manager at Citizens.

Corporation Commissioner William Mundell attended much of the Friday session in the Hoover Room of the Sun City Library.

That session ended rather abruptly when Librarian Charles Youngman asked participants to leave because the library was to close at 4 p.m.

When conversations continued in the hallway, Youngman insisted the building be vacated and ushered visitors out the door, telling them they could talk in the parking lot.

Daily News-Sun • Saturday, Aug. 26, and Sunday, Aug. 27, 2000

Water shares in limbo

UNCERTAINTY: Kyl bill leaves cities wondering if they'll get their Central Arizona Project allocations

BY BORNHOFEN
DAILY NEWS-SUN

In Arizona, whiskey is for drinking and water is for fighting.

That old saying defines the golden status of water in this state, but determining who has rights to the resource isn't so simple. More than 30 years into the process, federal and state officials are still trying to settle old claims, and the closer they get, the more sought-after each drop becomes.

Several Valley cities thought at least one issue that would bring certainty to their future planning had been settled, but with the stroke of a powerful pen, Sen. Jon Kyl may have brought their momentum to a standstill. Kyl's intervention halted all Central Arizona Project reallocations for more than a year, or until a

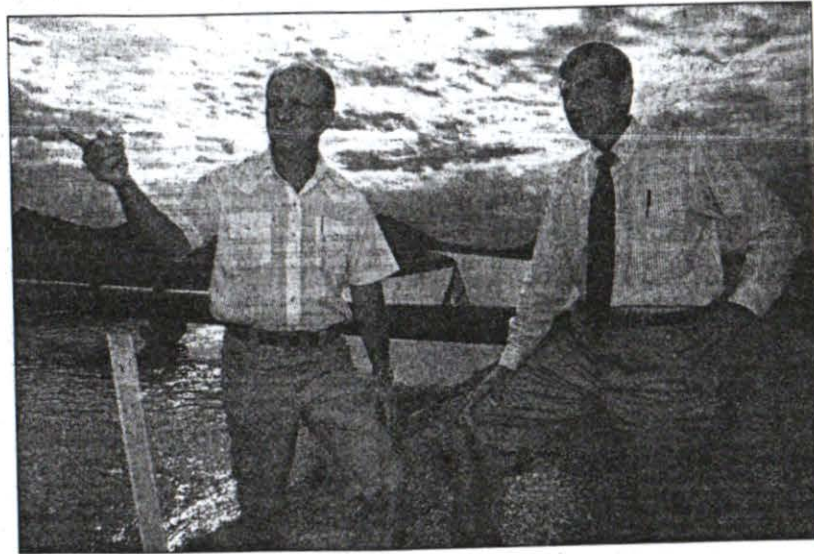


First of 2 stories

Congressional act overturns his action, according to the Department of Interior's Bureau of Reclamation.

Valley cities seeking to buff up their water supply portfolios by snatching up water discarded by other cities and providers will have to wait. The water — and the developers eyeing it as a way to secure their required 100-year guaranteed water supplies — hang in limbo.

Kyl attached a rider to a fiscal 2001 Military Appropriations bill that orders the Bureau of Reclamation to cease all work on an environmental impact statement ordered by Secretary of the Interior Bruce Babbitt as part of the Central Arizona Project repayment settlement and ongoing negotiations involving the Gila River Indian Community



MOLLIE J. HOPPES/DAILY NEWS-SUN

Larry Dozier, left, deputy general manager of the Central Arizona Project, and George Renner, board president of the Central Arizona Water Conservation District, discuss the CAP turnout near the Pyramid Peak Water Plant in north Glendale.

Adjudication.

The CAP repayment dispute centered on how much the state of Arizona owed the federal government for construction of the canal, and its settlement is intertwined with the resolution of long-standing Indian water right

claims. The CAP settlement stipulates that within three years, the state and federal governments must settle water right disputes with the Gila River Indian Community and Tohono

See Kyl bill, A5

(OVER)

CAP allocations

In a Dec. 2, 1999, letter to Secretary of the Interior Bruce Babbitt, Arizona Department of Water Resources Director Rita Pearson Maguire recommended which cities should get part of a 65,000-acre-foot reallocation of Central Arizona Project water. They include:

- Peoria, 5,527 acre-feet per year
- Surprise, 2,876 acre-feet per year
- El Mirage, 508 acre-feet per year
- Glendale, 3,053 acre-feet per year
- Goodyear, 7,211 acre-feet per year
- Phoenix, 8,206 acre-feet per year
- Tucson, 8,206 acre-feet per year
- Chandler, 4,986 acre-feet per year
- Mesa, 7,115 acre-feet per year
- Scottsdale, 2,981 acre-feet per year.

From A1

Arizona Water Conservation District, which operates the CAP, will repay \$1.65 billion in construction costs and deliver about 200,000 acre-feet of additional CAP water to the federal government to settle the Indian water-right claims.

Although work on the environmental impact statement was hobbled, public comments on the draft statement were being accepted until today. But unless citizens already were familiar with the draft, they'd likely have little to comment about, and they'd have a hard time getting answers from the Bureau of Reclamation, Central Arizona Project officials said.

Reclamation officials "have been told to not spend money so they are taking it to the extreme of not answering questions," said Crystal Thompson, CAP community relations representative.

"Frankly, out of spite, the Department of Interior solicitors decided, 'Oops, that has to stop too,'" said Larry Dozier, CAP's deputy general manager.

Bruce Ellis, chief of Reclamation's Environmental Resource Management Division in the Phoenix Area Office, said the

bureau stopped all work on the environmental impact statement once Kyl's amendment passed into law July 13.

"We requested some guidance from our solicitor's office back in Washington (D.C.) about what was on hold and what was not on hold," Ellis said. "Any movement of water from one subcontractor to another" is prohibited, he said.

That means cities including Peoria, Glendale, Surprise, El Mirage and Goodyear, along with several East Valley cities, will not be getting additional water they expected at the end of this year. Peoria, Glendale, Chandler, Goodyear, Mesa and Scottsdale have hired a lawyer to represent their common interests in pending lawsuits and water reallocations.

The West Valley cities account for about 30 percent of a proposed 65,000-acre-foot reallocation that has caused much of the recent contention. In December 1999, Department of Water Resources Director Rita Pearson Maguire recommended Babbitt give the water to the cities. They're still waiting, however, and Babbitt has since showed signs of turning the water over to the tribes.

Ellis said the solicitor's guidance allows the Bureau of

Reclamation to continue participating in GRIC negotiations, but reallocation of the 65,000 acre-feet is at the heart of those negotiations.

Kyl's concern about an option that would turn that water over to the tribes, something Babbitt included in the draft environmental impact statement, spurred his bill amendment.

"His first federal register notice was consistent with (original plans)," Kyl said. "But a few months later, the secretary listed another notice in which several alternatives were listed and all of them went outside the negotiated agreement. It was the intention of all the parties that the rest of the water be used by the municipalities."

Kyl admitted his amendment prohibits any more money being spent on the environmental impact statement, but said Babbitt's office is exaggerating the impact of his amendment. It does not prohibit the transfer of already allocated water, including the 65,000 acre-feet, Kyl said.

"Why would you want to spend money on a different proposal than all of the parties have agreed to? My view was, it's a waste of money, and secondly, it's not (what the parties agreed on)," Kyl said. "Ironically, his

action makes it more likely there won't be an agreement.

"What the secretary would be doing is taking away an allocation that's already been given."

Since the 65,000 acre-feet already has been allocated to cities, there's nothing preventing Babbitt from giving them that water today, he said.

"If the Bureau of Reclamation is saying they're somehow prohibited from doing something that has to be done right now, that's simply wrong," Kyl said. "It's the Washington Monument Syndrome: 'Oh my God, this Kyl amendment is going to stop us from doing something we have to do.' ... They're trying to put the worst spin on it."

Kyl said the state wanted Babbitt to award the 65,000 acre-feet to the municipalities it was allocated for, but Babbitt hasn't done that.

"The secretary says he's not going to allocate water until the Indian settlement is finalized," he said. "We wanted him to do it a year ago and he wouldn't do it."

Calls to Babbitt's office were not returned as of press time.

Katy Bornhofen can be reached by e-mailing kbornhofen@aztrib.com or by calling 623-876-2514.

JAN. 31-FEB. 6, 2001

HOA produces water education booklet

Publication outs CAP water usage

by **MIKE RUSSO**
Independent Newspapers

Sun City Home Owners Association has received a 500-copy shipment of a booklet, "CAP Water Sun City," to be used to educate residents on the value of Central Arizona Project water. Funding for the booklet was provided by HOA through a \$48,600 grant from the Arizona Department of Water Resources Conservation

Assistance Fund. DWR had final approval of the booklet's contents.

Much of the book's information was compiled by the CAP Task Force while it studied the issue of using Citizens Water Resources CAP allocation in the Sun Cities.

Following three months of study in early 1998, the task force formulated a plan to use Citizens' 6,561 acre-foot CAP allocation to irrigate Sun Cities public golf courses. That would require construction of a 46,398-foot pipeline along Lake Pleasant Road, which will take an estimated four years to build, carrying an estimated price tag of \$15,036,691. Maintaining and operating the pipeline will cost an estimated \$1,424,238, according to the plan.

Although much of the informa-

tion in the booklet was derived from the task force study, Gene Zylstra, who was a member of the task force and is presently a member of HOA's Water Committee, said. "There is a lot of new stuff in there. It is much more non-technical. It was produced to educate the people in Sun City."

The booklets are available for perusal at both branches of the Sun City Library, HOA's office, at most of the banks along Bell Road and the Sun City Visitors Center in the Prom-



Gene Zylstra

enade Center, according to Mr. Zylstra. They also will soon be available at the Sun City recreation centers.

"The Condo Association also has copies and we intend to put them at the golf courses, bowling alleys and perhaps in the exercise rooms at the recreation centers," Mr. Zylstra said.

Booklets are also available to interested organizations by contacting Mr. Zylstra at HOA, 972-5954.

Mr. Zylstra said it is still undecided if the HOA Water Committee is going to make any public presentations using the booklet.

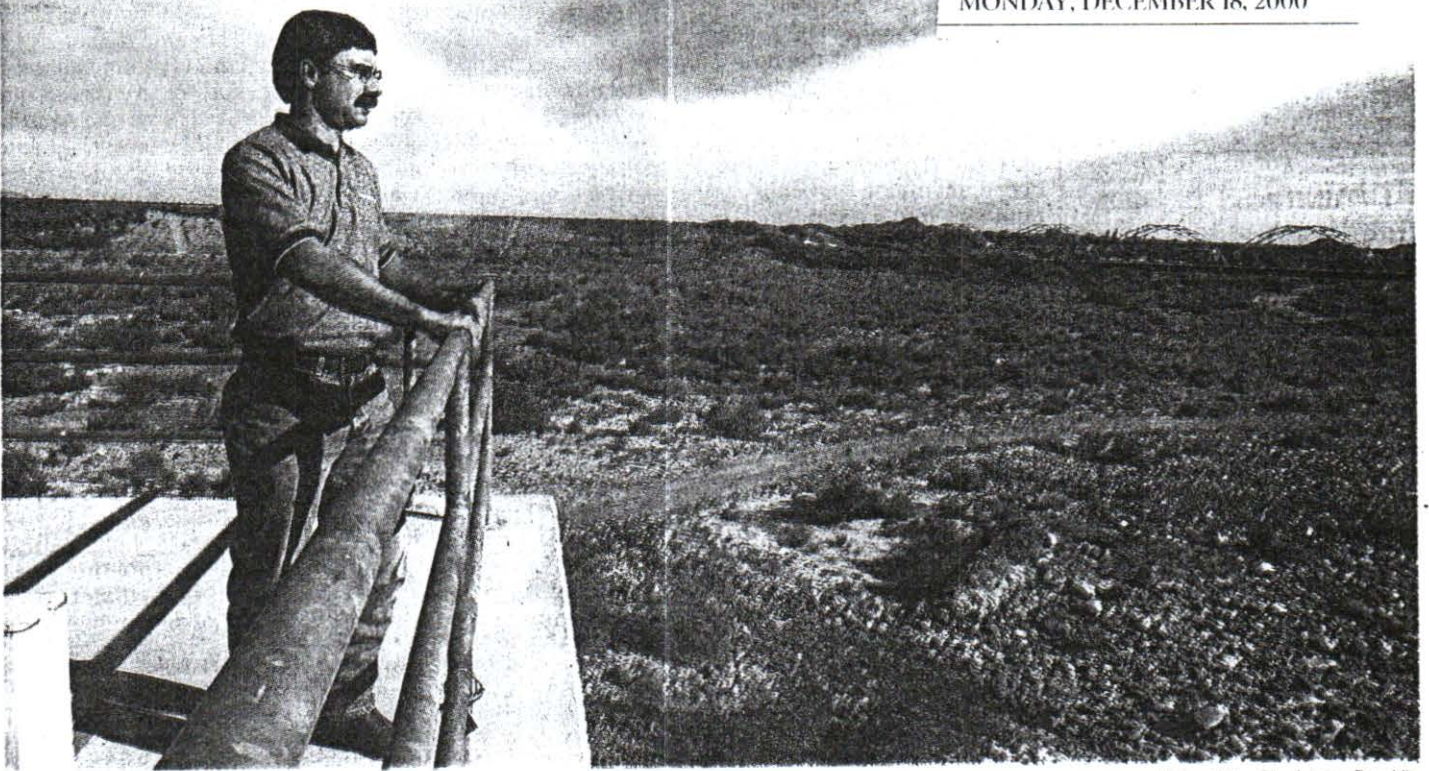
"We are very proud of that manual," Mr. Zylstra said.

The task force plan was used as the basis for Citizens Water Resources' plan to implement its groundwater savings project.

Citizens submitted its plan to the Arizona Corporation Commission Aug. 1, 1999, to construct a pipeline to deliver CAP water to Sun Cities golf courses.

The water purveyor won ACC approval in January 2000 for a concept to eventually use its annual CAP allocation to irrigate the golf courses. Using the water to irrigate the golf courses is intended to preserve groundwater in the Sun Cities area.

Although ACC commissioners approved the pipeline concept, they instructed Citizens to develop a more exact cost projection, and present it to the commission, before final approval would be granted. That projection was presented to the commission but no new hearings have been scheduled.



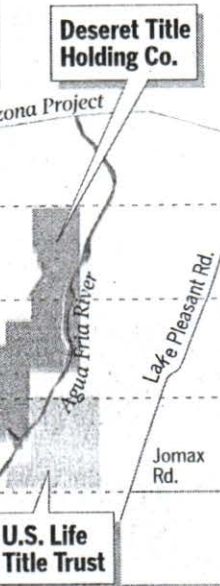
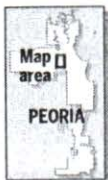
Michael Ging/The Arizona Republic

Tom Harbour of the CAP looks out over the Agua Fria River where water diverted from the canal through this diversion valve will recharge the groundwater downstream from Lake Pleasant.

12-18-00

CAP Recharge Project

The Central Arizona Project wants to start a massive "recharge" water project next year. But it still must acquire about 48 acres of land in the West Valley from Deseret Title Holding Co., a business arm of the Mormon church, and a dozen acres from a private trust. CAP may condemn both properties if the parties can't negotiate a settlement.



Tony Bustos/The Arizona Republic

CAP water plan for West Valley

By Craig Harris
The Arizona Republic

For the past three years, Tom Harbour has negotiated contracts, lobbied the Legislature and attended numerous meetings to push through a West Valley water project that supporters say will help maintain economic growth in the area.

Now, if all goes as scheduled, the water recharge plan will take place next fall, helping provide a reliable, long-term water resource to cities and developers in the area.

Recharging is taking surface water and using it for future use by storing it below ground in aquifers that have been tapped too low or are partially depleted.

"This project has been on somebody's plate since the late 1980s. This would be very rewarding to me," said Harbour, project manager and a hydrologist for the Central Arizona Project. "It has been a challenge to say the least. ... A lot of people are counting on us, and we are anxious to get this done."

Recharge project will help growing area

But CAP faces one major hurdle: It must acquire a key piece of land from the Mormon church.

For the past three years the two sides haven't agreed on a price for the nearly 48 acres that's needed to help complete the project. CAP has started the process to condemn the land, and its

board could take formal action in January, said Sid Wilson, CAP general manager.

"But I am trying to work cooperatively with them on something that works for them and us," Wilson said.

On Dec. 11, CAP offered approximately \$934,000, but a church official says the land is worth millions of dollars because of the potential to mine sand and gravel. However, the church currently can't mine the land because it doesn't have the necessary permits.

"The area is just starting to develop, and we have a long-term vision for this property," said Jim Faber, general manager for

duu

VF WATER (CAP)

the church's Arizona farm management company. "We don't want to hold up the project, but we want to protect the assets of our owner, the Church of Jesus Christ of Latter-day Saints."

Faber said the church is studying the latest offer, but it has proposed having CAP build temporary ponds on the LDS property. That would allow the water to flow around a future mining operation, Faber said.

But CAP would rather have the water flow directly, and the pond proposal may not work because CAP doesn't plan to constantly run the water and the ponds could dry up, Harbour said.

Water is the key to any construction in the Valley because the state requires a 100-year water source for any new development. The state Department of Water Resources said there are no communities in the West Valley currently in danger of not meeting that requirement, but Peoria's Water Resources Manager Brad Hill said that problem could occur in the next few years.

"It all depends on how many subdivisions get submitted to the state," Hill said. "Bankers don't like to loan money to areas that have a fragile water supply."

CAP operates the canal that takes water from the Colorado River and delivers it to Phoenix and Tucson. For the recharge, CAP plans to release hundreds of millions of gallons of water from its aqueduct into a desert area about four miles north of 99th Avenue and Jomax Road.

The water would flow from a "blowoff structure" down a quarter-mile wide sandy channel on the dry Aqua Fria River for about five miles into 115 acres of holding ponds. The water then would percolate downward, recharging 100,000 acre-feet of water per year.

An acre-foot is roughly 326,000 gallons — the amount of water a family of four uses a year.

"It is very important," said John F. Long, a prominent West Valley developer. "This is something that should have been done 20 years ago. It is definitely a project they need to move ahead with."

CAP already has bought or

gained access to roughly 440 acres of land for the estimated \$8 million to \$10 million project. To complete the deal, it must acquire the church property from Desert Title Holding Co., an investment arm of the Mormon church, and a dozen acres from U.S. Life Title Trust, whose parent is in Hong Kong.

CAP has offered the trust \$245,000, but CAP officials said they may have to condemn that stretch of land, too.

Because of the difficulties in getting the final pieces of land, CAP last year went to the Legislature to get condemnation authority. Lawmakers, seeing the need for the project, gave CAP that power.

Harbour, who helped lobby lawmakers, also said CAP doesn't want to condemn the land unless it is forced to do so. The church could appeal in court.

Phoenix first considered operating a recharge project in the late 1980s but dropped the idea, according to Harbour. He said CAP has been working on gathering permits and the design since 1994,

and he...
ager the...
Construction is...
begin in the spring, and...
water should flow by late...
summer or fall, Harbour said...
The project would be good...
news for Peoria, which also...
with Sun City and Surprise...
would benefit...
Peoria's Hill said.

"Clearly, economic growth...
depends on a sustainable (water)...
supply, and this project...
will provide that. This project...
is going to assist historic...
economic growth in the West...
Valley," Hill said.

Sam Colgan, vice president...
of land development for De...
Webb Corp., said the CAP...
recharge project is a vital...
component to long-term sus...
tainable growth in the Phoe...
nix area. But he adds there...
are other smaller recharge...
being planned in the area.

"There is no one solution to...
the water issues in Arizona...
Colgan said. "This (CAP) is...
one tool that is certainly...
support to achieving better...
groundwater solutions."

Reach the reporter at
craig.harris@arizona
republic.com or (602) 444-8995.

SCTA requests hearing on CAP water plan

Questions raised about Citizens Water Resources expanding its coverage area

By **MIKE RUSSO**
Independent Newspapers

Oral arguments were heard Feb. 7 by an Arizona Corporation Commission hearing officer in the Sun City Taxpayers Association request for an evidentiary hearing regarding the Citizens Water Resources application to construct a pipeline to deliver Central Arizona Project water to golf courses in Sun City and Sun City West.

No decision was rendered by the hearing officer. "She has taken it under advisement," said Heather Murphy, ACC public information officer. "She will either set it for hearing or set the matter for consideration by the commissioners without a hearing." A decision is expected within two weeks.

SCTA officers requested the hearing because they feel irrigating the golf courses is not the best use for Citizens' CAP water allocation.

Corporation Commission and ADWR that it is OK to expand its service area and supply groundwater to a new development while telling already existing customers that they should be conserving groundwater," said Ray Dare, SCTA president. "Shouldn't ADWR and the ACC insure that a utility is complying with water law and good business practice in all dealings with customers, new or existing?"

"Sun City's taxpayers will be saddled with paying for a pipeline while Citizens sells groundwater to new customers in Surprise," Mr. Dare continued.

Mr. Dare said SCTA objects strenuously to the pipeline plan. "It is a burden to the community," Mr. Dare said.

SCTA favors recharging the water.

They also believe all the evidence was not considered during last year's ACC hearing which resulted in the commissioners approving the pipeline concept but requested a more detailed cost analysis.

Using the CAP water to irrigate the golf courses is designed to preserve groundwater.

Following three months of study in early 1998, the task force formulated a plan to use Citizens' 6,561

SCTA favors recharging the CAP water with the planned Agua Fria Recharge Project.

The project, scheduled to start March 1, will encompass 115 acres north of Jomax Road, according to Warren Miller, SCTA board member. "One hundred thousand acre-feet of water will be recharged annually," Mr. Miller reported. "The water would recharge the aquifer."

"Recharge is the most beneficial use (of the CAP water)," Mr. Dare said.

acre-foot CAP allocation to irrigate Sun Cities public golf courses. That would require construction of a 46,398-foot pipeline along Lake Pleasant Road, which will take an estimated four years to build, carrying an estimated price tag of \$15,036,691. Maintaining and operating the pipeline will cost an estimated \$1,424,238, according to the plan.

SCTA believes it is unfair that Citizens was granted approval by

"People have not been informed," he added.

SCTA officials claim implementation of the Citizens plans will result in a 36 percent increase in water rates for Sun City residents, in addition to the construction cost.

"No one in Sun City really knows what the water situation is about," said Gerald Dolezal, SCTA first vice president. "I doesn't seem right."

"We want to make sure what the people of Sun City are paying for and why," Mr. Dare concluded.

the Arizona Department of Water Resources to expand its CNN to provide water to Canyon Ridge West subdivision, on Bell Road, just west of Sun City, pumping groundwater from the same aquifer that serves Sun City, while forcing Sun City residents to pay for a costly pipeline.

"It cannot be good policy to have the same utility be told by both the

See ■ WATER, Page 3

Saturday, Feb. 10, and Sunday, Feb. 11, 2001

HOA aids water works

SUN CITY: 20-page book promotes CAP, pipeline expansion to maintain golf courses

JOHN SOKOLICH
DAILY NEWS-SUN

Trying to whet the interest of residents, a book circulating through the community is shedding light on the issue of CAP water use.

The 20-page book, "CAP Water in Sun City," is the effort of the Sun City Home Owners Association, which aimed to inform community members of how the water can supplement the dwindling drinking water supply in the state.

"This is something that about a year ago, we thought would be important to put together," said

Eugene Zylstra, HOA's water committee chairman. "The book is inclusive of all the water problems, and says it in a simpler, non-technical way."

CAP water comes from the Colorado River and is delivered through the Central Arizona Project canal, which winds its way through the state from Lake Havasu to Tucson. The canal's water is used directly on agricultural crops and golf course turf irrigation, but also may be used for drinking after being treated.

"The book is available to anyone in Sun City who wants to read it," Zylstra said, "but we ask that it is just used as a reference right now, because we don't have enough of them to give to every resident."

Filled with background information, maps and explanations, the book extols the virtues of CAP water and insists Sun City residents

should support its use to ensure groundwater is conserved.

"The major problem with the use of groundwater is that our population is increasing far faster than natural recharge can replenish it," the book's introduction states. "The problem is particularly acute in the Northwest Valley, which includes the Sun City area."

The book is available at all recreation centers within the community, as well as local libraries, the HOA office and the visitor's center.

With the water table in the Northwest Valley already lowered hundreds of feet — and continuing to drop, according to the book — the HOA publication reports that it is in the best interest of all Valley residents to support CAP water use.

But another organization in Sun City is fighting HOA's support of the water's use, and reports that using CAP water would cost residents too much money.

The Sun City Taxpayers Association — the self-proclaimed watchdog of the community's pocketbook — has worked hard to combat the growing community support for CAP water, especially for golf course irrigation.

The association on Nov. 1 filed with the Arizona Corporation Commission its objection to a preliminary engineering report about a golf course water delivery system, stating such a system would be economically and operationally unfeasible.

The report suggests a water pipeline be built to irrigate golf courses with CAP water, thereby saving drinking water, which currently is used on the courses. But SCTA directors, although agreeing with the need to conserve water, said the pipeline's price tag was too high.

"The cost of \$17 million for the ratepayers for the pipeline is too much," SCTA Vice President Gerald Dolezal said. "We think this type of thing should go to a vote."

The controversy about how to irrigate Sun City's golf courses is part of the overriding and long-standing battle over the state's water resources in general, and Sun City's responsibilities in particular.

WEDNESDAY, APRIL 18, 2001

SC rec board faces water suit

iling made over golf-course deal

By Lori Baker
The Arizona Republic

The Sun City Taxpayers Association board filed a class-action lawsuit Monday to try to force the Recreation Centers of Sun City board to hold an election regarding a \$15 million Central Arizona Project water pipeline. Board members on Thurs-

day questioned the legality of a water-exchange agreement between the Recreation Centers and Citizens Water Resources' Sun City Water Co. that was submitted to the Arizona Corporation Commission in October, board President Raymond Dare said.

The commission is expected to make a decision on the proposal at its May meet-

ing.

The taxpayers board wants Sun City residents to vote on whether the Recreation Centers should have an agreement with Citizens to use CAP water to irrigate the Sun City golf courses, which now use only groundwater.

An agreement also has been reached between the Recreation Centers of Sun

City West and Citizens for irrigating Sun City West golf courses, but the taxpayers board is just concerned with the Sun City agreement.

The pipeline proposal would increase average water bills in Sun City and Youngtown by about 36 percent, or about \$5.50 monthly per household. Sun City West households would pay slightly less, \$4.15 per month more, because Sun City West has a distribution system to the

golf courses already built.

The pipeline would bring 6 million gallons of CAP water each day from a canal north of Sun City to Sun City and Sun City West golf courses, saving an equal amount of groundwater under those retirement communities. The pipeline is expected to be completed in 2003 or 2004.

Reach the reporter at
lori.baker@arizonarepublic.com or
(602) 444-6924.

Lawsuit filed against RCSC over CAP water plan

Sun City Taxpayers Association still seeks vote of membership

By MIKE RUSSO
Independent Newspapers

The Sun City Taxpayers has fired another salvo in its ongoing battle to have voided the exchange agreement between Citizens Water Resources and RCSC to use CAP water on RCSC golf courses.

A class-action lawsuit was filed last week on behalf of the SCTA and some of its individual members, after the RCSC board rejected a demand that the agreement be voided.

That request was made in a March 26 letter sent from the SCTA to the RCSC board. In the same letter,

SCTA officials demanded the matter be put to a vote of the entire Rec Centers membership.

That letter was rejected by the RCSC board because, "The Taxpayers are not members of the RCSC and therefore do not have any legal standing to demand a vote of the membership," board President Jerry Swintek said.

SCTA had threatened the lawsuit if their letter did not draw a favorable response, and the organization followed through on the threat last week.

A lawsuit was filed in Maricopa County Superior Court April 16 by the law firm, Moyes Storey, Ltd. on

behalf of the SCTA and individual members Bernard and June Berardini, Charles and Joan Sedgewick, Roland Franquemont, Bruce and June MacDonald, Elmer Becsi, Raymond Dare, Warren Miller, Oren Lane, Gerald and Ruth Dolezal and Larry Spitz.

In addition to the Recreation Centers of Sun City, Inc., Sun City Water Company, Inc., operated by Citizens Water Resources, was named as a co-defendant.

The three-count lawsuit:

- Seeks a vote of the entire RCSC membership on the CAP water issue.
- Contends the Rec Centers board

breached its contract with the members to protect the members' interests.

• Also, the board breached its fiduciary responsibility.

"The lawyer said, basically, you (the membership) paid for the rec centers, so you own them. As residents you are the rec centers," said Ray Dare, SCTA board president.

"Each center agrees to maintain its facilities, so they breached the agreement," he continued.

SCTA is not seeking any punitive damages from the RCSC board, but is seeking reimbursement of legal fees.

"We are really not asking for any-

thing," Mr. Dare said. "We just want to have the three counts rectified."

Jerry Swintek, president of the RCSC board of directors, confirmed the Rec Centers received a copy of the lawsuit and it was forwarded to legal counsel.

"We will not issue a response until we hear from them," Mr. Swintek said. "For now, we are sticking with our first response, that we will not meet their demand for vote of the entire membership."

The plan to construct a 46,398-foot pipeline along Lake Pleasant Road to deliver Citizens' 6,561 acre-

foot CAP allocation to irrigate Sun Cities golf courses was formulated by the CAP Task Force following three months of study in early 1998.

The pipeline's estimated price tag is \$15,036,691. Maintaining and operating the pipeline will cost an estimated \$1,424,238, according to the plan Citizens submitted to the Arizona Corporation Commission.

Construction of the pipeline would increase water bills by about 36 percent, or \$5.50 per month in Sun City and \$4.15 in Sun City West. The Sun City West increase would be less because the community already has a distribution system to deliver water to the golf courses.

Using the CAP water to irrigate the golf courses is designed to preserve groundwater.

SCTA would rather have the CAP water recharged in the Agua Fria Recharge Project rather than used to irrigate golf courses.

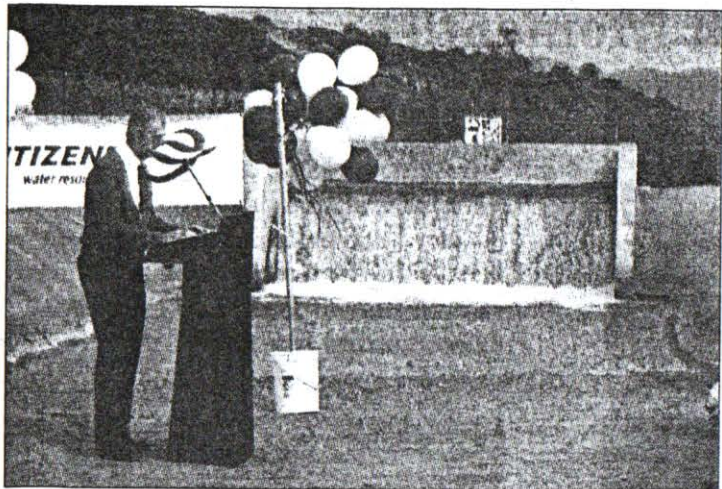
~~The organization~~ believes the pipeline plan was ill-conceived. "The task force was actually a symposium orchestrated by the water company," Mr. Dare said.

Mr. Dare said the lawsuit is also sending a message to people who volunteer to serve on the community's various boards. "You have got to wake up and find out to whom you are responsible when you take these positions," he said.

He said he had no idea when the case would be heard by Superior

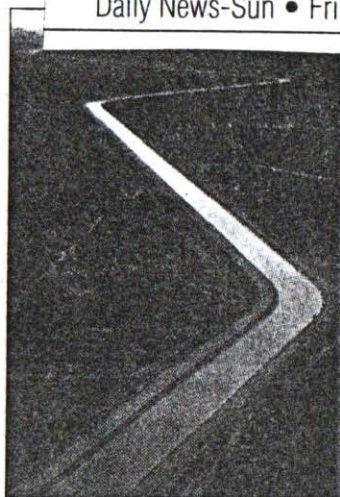
Quenching Sun Cities' desert thirst

Daily News-Sun • Friday, May 4, 2001



STEVE CHERNEK/DAILY NEWS-SUN

Gene Zylstra, chairman of the Sun Cities/Youngtown Water Committee, speaks in front of water spilling from the CAP canal into the Beardsley Canal in this file photo.



FILE PHOTO/DAILY NEWS-SUN

The Central Arizona Project canal shimmers in reflected sunlight.

Parties agree CAP water needed

JOHN SOKOLICH
DAILY NEWS-SUN

The battle over a Central Arizona Project water pipeline is pitting Sun Citians against themselves — or a bulldog against neighbors — even though both sides agree on certain points.

The Sun City Taxpayers Association — the self-proclaimed watchdog of the community's pocketbook — filed a lawsuit against the Recreation Centers of Sun City two weeks ago for not having a membership vote on whether to allow a pipeline to run through the community carrying CAP water to golf courses.

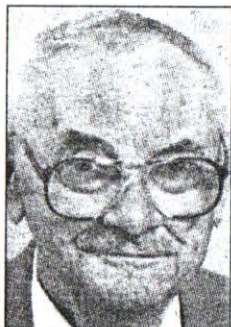
The main line would come

down 99th Avenue, snake onto Del Webb Boulevard and branch to the golf courses from there. The untreated water would be used on the courses, which currently are being watered from potable groundwater.

The group said the cost of

the pipeline — some \$17 million — is not justifiable, especially since there are other options available. Namely, SCTA wants to use Sun City's CAP water allotment in a recharge facility on the Agua

See SCTA: Cost, A4



Dare



Swintek



Jones

From A1

Fria River, north of Jomax Road.

"We are doing this for the future of Sun City," said Ray Dare, SCTA president. "We are not against CAP water, we just don't think we should pay for a pipeline."

Because of the lawsuit, RCSC officials have declined to comment on it. But earlier, President Jerry Swintek said the board has the power to decide such issues without a membership vote.

"We are elected and make up a republic type of government," he said shortly before SCTA filed the lawsuit. "All nine members of the board voted for the pipeline and did so with the best interests of the community in mind."

Ray Jones, vice president of Citizens Water Resources Co. — the water utility serving Sun City that also was named in the lawsuit, said the suit is baseless and that he assumes it will be taken care of quickly.

"Clearly, what's best for Sun City is to do the project

that received the most community support," Jones said. "And that would be the pipeline. Even today we are getting phone calls from residents expressing their support for the project."

Newspaper advertisements, letters to the editor, mass mailings, newsletters, fliers and booklets have been circulating throughout the community for the past few weeks, giving opinions about one side or the other on the issue. But one fact about CAP water is agreed upon: The Sun Cities and all surrounding municipalities were built in a desert where water is a precious resource.

In that desert, water is being taken from the underground aquifer faster than it can be replenished. Using CAP water to offset some of the groundwater pumping will aid in keeping the aquifer viable for years to come.

John Sokolich can be reached at jsokolich@aztrib.com or at 876-2526.

OVER

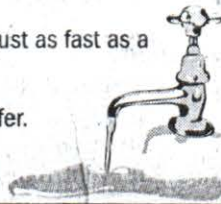


CAP WATER

Facts and myths surround the use of Central Arizona Project water.

The following list clarifies some of the misconceptions. The answers are based on information obtained from the Central Arizona Water Conservation District and the Arizona Corporation Commission.

- **Fact:** Without the use of Central Arizona Project water, the Agua Fria aquifer will run out of water.
- **Fact:** The Agua Fria aquifer has more water pumped from it than is returned.
- **Fact:** Sun City is entitled to more than 2.8 trillion gallons of CAP water per year.
- **Fact:** Using CAP water on golf courses gives an immediate solution to a dwindling water supply.
- **Fact:** Sun City is entitled to its share of the water in the Agua Fria aquifer.
- **Fact:** By 2025, all communities will be required to return the same amount of water to the aquifer as it pumps out.
- **Fact:** Sun City residents already pay for CAP water.
- **Myth:** The aquifer can be replenished on its own.
- **Myth:** Sun City will lose its allotment of CAP water if it is not used soon.
- **Myth:** A recharge basin will save the aquifer just as fast as a pipeline.
- **Myth:** Sun City owns all the water in the aquifer.
- **Myth:** Sun City is already using CAP water.



Agua Fria River will flow again

RECHARGE PROJECT:
Colorado River water will begin to flow in September

HAYLEY RINGLE
DAILY NEWS-SUN

Water will again flow in the Agua Fria River, probably by the end of the year, transporting Colorado River water to man-made spreading basins for future water use.

Central Arizona Project officials held a ceremonial ground-breaking for the Agua Fria Recharge Project on Thursday near the mouth of the blow-off structure where the water will enter the river.

The Colorado River water will be released into the riverbed probably in September, said Tom Harbour, CAP's water planning supervisor and water recharge project manager.

It will take several months for the water to flow about five miles downstream, where it will be channeled by a concrete diversion into 115 acres of spreading basins, said John Newman, CAP's assistant general manager.

"(The flowing water) will be a benefit to the environment," said George Renner, president of the Central Arizona Water Conservation District board of directors, the board that oversees the CAP. "This has been a long and worthwhile effort."

Around March, the water will be captured in the basins and percolate into the aquifer to be stored for future water use in the Valley, Newman said.

"It's a sort of savings account for water," said Bob Barrett, CAP spokesman.

The water probably will be stored in the

ground for about 30 years, or until the Valley experiences a drought, Newman said.

The basin is designed to handle 100,000 acre-feet per year, which is about enough for 100,000 homes.

Peoria Mayor John Keegan said the project is an opportunity to use water that has been in the planning stages since the early 1920s.

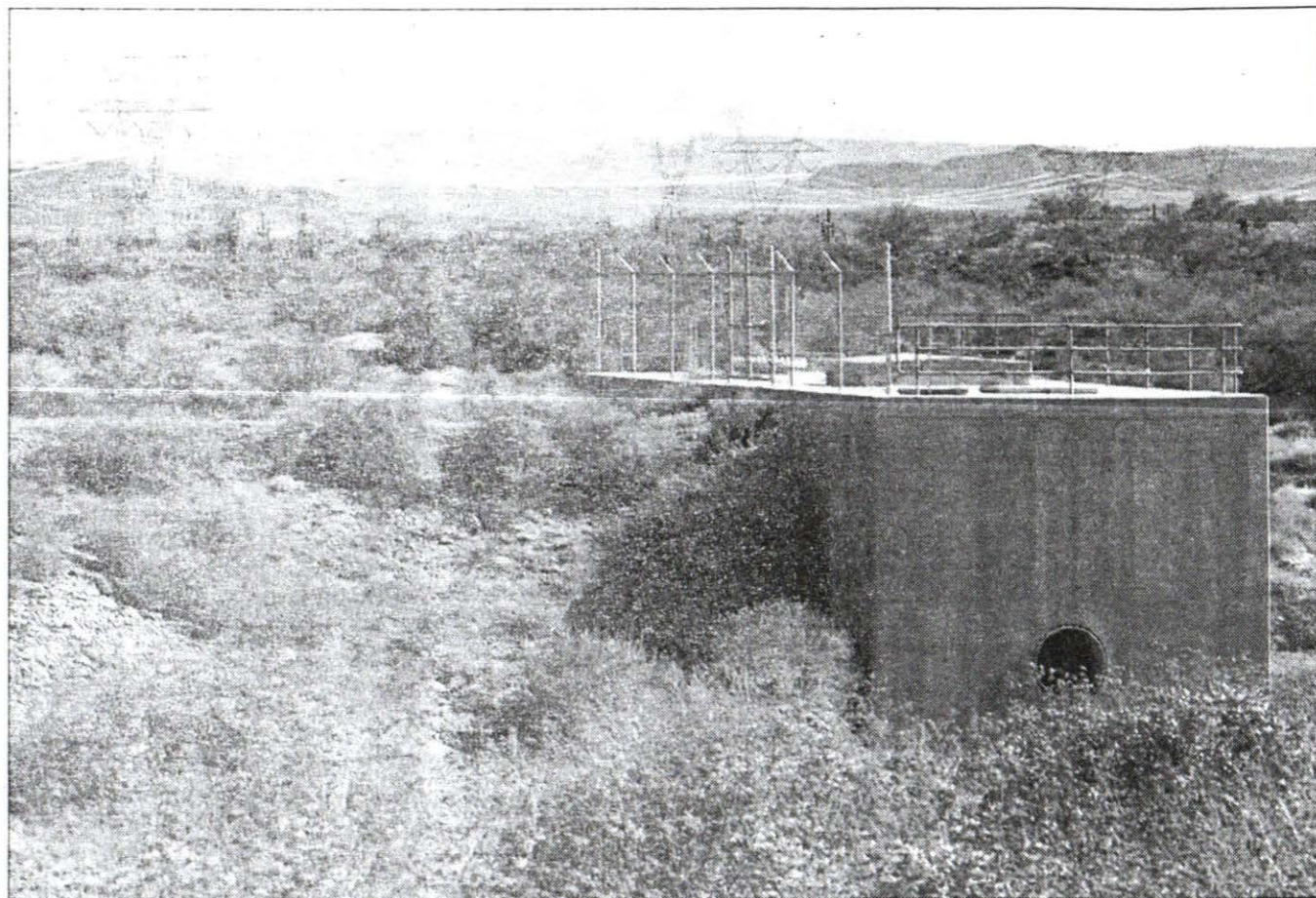
"We've spent many years building CAP structures; this will put it into productive use," Keegan said.

The basins are located on Bureau of Land Management land, immediately west of the Agua Fria riverbed and south of Jomax Road in Peoria.

The spreading basins impound the water and allow it to filter into the ground. The basins are above ground, have earth embankments and porous sand and gravel on the bottom.

"It's a lot easier to get water out of the ground than to put it back in," Newman said.

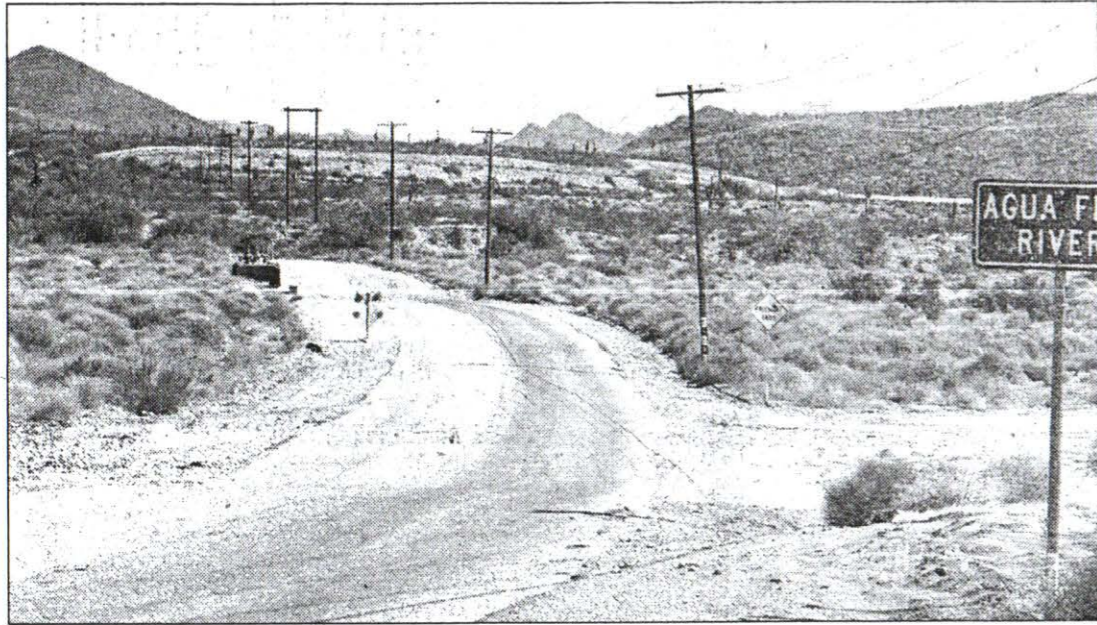
The sand and gravel will remove toxins in



STEVE CHERNEK/DAILY NEWS-SUN

A blow-off structure for the Central Arizona Project canal in north Peoria will discharge water into the riverbed in the CAP Agua Fria Recharge Project.

OVER



STEVE CHERNEK/DAILY NEWS-SUN

Spreading basins for the Central Arizona Project Agua Fria Recharge Project will be in the river channel south of Jomax Road.

the water as the water percolates down, Newman said.

"We don't just want to flow the water down the river because of pollutants along the river bed," Newman said. "We take a lot of precautions to ensure there are not any toxic materials along the way, to control the quality of the water."

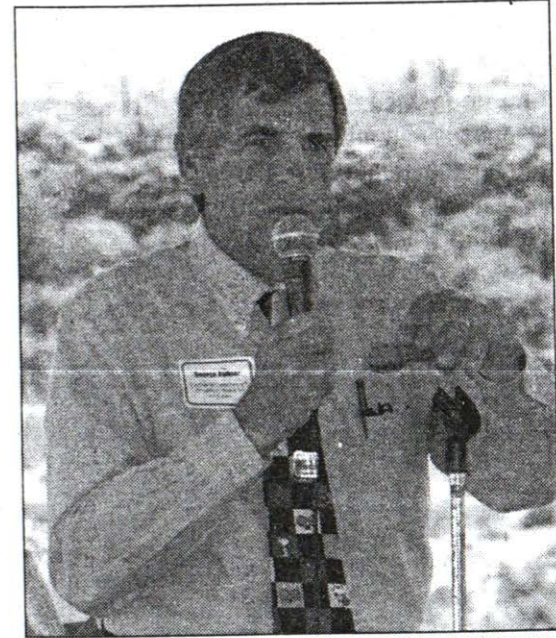
The water from the basins will combine with the rest of the groundwater already in the aquifer, and will slowly migrate into several cones of depression in the Sun City, Sun City West and Luke Air Force Base areas, which use groundwater, Newman said. The cones of depression are areas where the groundwater levels are lower because the water being pumped out is not replenished.

However, it will take years for water to fill in the existing cones of depression, since the water flows in the aquifer in feet per years.

"It won't happen overnight," Newman said.

The CAP was constructed to allow Arizona to take its portion of Colorado River water. It consists of 14 pumping plants, 330 miles of open canals and a multitude of underground pipes, Newman said.

Hayley Ringle can be reached by e-mail at hringle@aztrib.com or by calling 876-2519.



STEVE CHERNEK/DAILY NEWS-SUN

George Renner, president of the Central Arizona Project board of directors, welcomes guests to the ceremonial groundbreaking for CAP's Agua Fria Recharge Project Thursday.

SUN CITIES INDEPENDENT MAY 30-JUNE 5, 2001

Committee plots strategy for CAP water plan

SCTA still prefers recharging the water

By JULI NESSETT
Independent Newspapers

A request for an evidentiary hearing on the Sun Cities Groundwater Savings Plan has been granted by the Arizona Corporation Commission.

The request was filed by the Sun Cities/Youngtown Water Committee, consisting of most of the former members of the Central Arizona Project Task Force, which met May 2 at the Sun City Homeowners Association.

According to William Gray Beyer, attorney representing the

committee and the governance entities of the Sun Cities, the group convinced the ACC hearing officer to grant the evidentiary hearing regarding the Groundwater Savings Plan. The major component of the plan is a 4,600-foot pipeline that will deliver Colorado River water, via the CAP canal, to Sun Cities golf courses.

ACC commissioners failed to make a final determination on the Citizens plan, instead referring the matter back to a hearing officer for consideration during their May 11 meeting.

The timetable for resolving the

matter is as follows: by July 10, all parties must file testimony in which they specifically take issue with objections to the project; responses must be made by July 31; schedule of replies are due by Aug. 8 and hearings before the hearing officer will take place Aug. 15-17.

The Sun City Taxpayers Association is currently suing the Recreation Centers of Sun City and Citizens Water Resources seeking to void the exchange agreement between Citizens and RCSC to use CAP water on RCSC golf courses.

See ■ WATER, Page 3

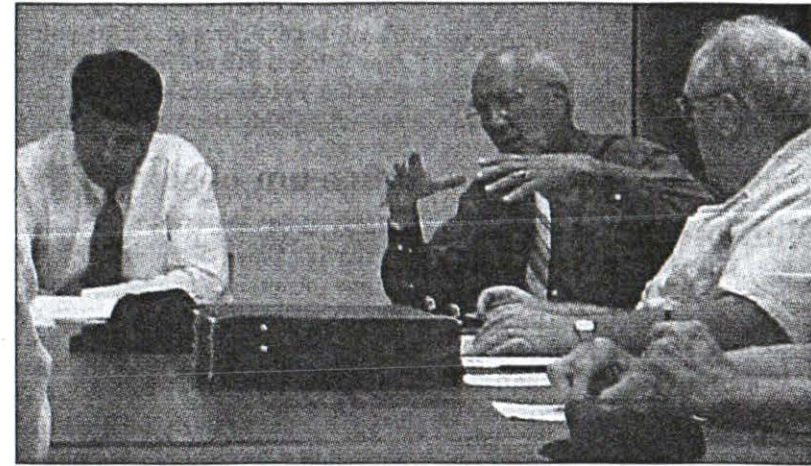


Photo by JULI NESSETT/Independent Newspapers

Attorney William Gray Beyer, middle, discusses issues with Ray Jones, left, vice president and general manager of Citizens Water Resources, and Eugene Russell, Youngtown mayor.

over

SCTA asserts the RCSC illegally entered into the water exchange agreement with Citizens because a vote of the membership was not taken.

The group insists the pipeline is not the most effective use of taxpayer money and the Agua Fria River Recharge Project will produce as great a benefit with less cost.

The CAP Task Force, studied several possibilities for using Citizens 6,581 acre-foot CAP allocation and determined the pipeline would provide the greatest direct benefit.

According to an informational booklet created by HOA, the CAP pipeline will bring immediate benefit to the growing problem of water shortage, while the recharge project will not bring benefit to the community for several decades, if ever.

Water Committee members wanted to be certain everyone was in agreement regarding support for the program and that the group still was a united front.

They also wanted to brainstorm ideas how to bring the plan to residents in a clear and concise manner.

Members were concerned residents did not clearly understand the project and how it will benefit the area.

The Sun City Taxpayers Association has asserted that no water will be saved under this program.

The basics of the CAP water agreement are:

- Water for the entire northwest valley is supplied from one aquifer. There is not one just for Sun City. Surrounding communities are



From left, Peoria Mayor John Keegan, Rita Pearson, director of the Arizona Department of Water Resources, and George Renner, president of the Central Arizona Conservation District board of directors, participate in the May 24 groundbreaking ceremony for the Agua Fria Recharge Project in north Peoria, near Lake Pleasant. The Agua Fria Recharge Project is preferred by the Sun City Taxpayers Association for using CAP water.

growing quickly and therefore the water is being pumped out at a much faster rate than it can be replenished (or recharged) naturally by rain and runoff.

With water levels dropping, it takes more electricity to pump the water to the surface, therefore costing more money. As water levels diminish, poorer quality water is pumped.

The last problem caused by the diminishing water level is land subsidence. As water is continually

pumped out of the ground and not replenished, the ground begins to drop. This causes land fissures, which result in upended and broken pavement and underground piping. This is currently happening near Luke Air Force Base, but is spreading toward Sun City. Once land subsidence occurs, it is irreversible.

- The Recreation Centers of Sun City annually pumps over 5,000 acre-feet of water (one acre-foot is equivalent to 325,851 gallons) to water the golf courses.

Between Sun City and Sun City West, the two recreation centers will cease pumping 6,581 acre-feet of water out of the aquifer each year.

- Citizens will continue pumping its normal amount of water from the aquifer to supply its customers.

- Cost for CAP water will be incurred in two ways. First, residents began paying \$1.21 a month in March 2000. This charge is to allow Citizens to recover deferred costs. Deferred costs since signing the CAP water contract in 1985 have amounted to roughly \$1.2 million. This will be recovered over a 60-month period.

Once the pipeline is complete, which should take four years, residents will begin paying \$5.80 a month, per household, in Sun City and \$4.15 monthly in Sun City West.

Although this may seem like a large jump in the average bill, Sun City's water rates are among the lowest in the Valley. According to the HOA booklet, "a single family home in Peoria, using 8,000 to 10,000 gallons of water per month, would pay double what a single-family home in Sun City would pay for the same amount of water." Peoria will also face rate hikes in the next few years. Even with the \$5.80 increase, Sun City residents will still be paying less than surrounding areas.

For more information about the pipeline, call HOA at 974-4718.

SUN CITIES INDEPENDENT JUNE 20-26, 2001

Few Sun Citians respond to SCTA plea Recreation Centers receives few objections to CAP water plan

By MIKE RUSSO
Independent Newspapers

A Sun City Taxpayers Association effort to get Sun City residents to protest the Recreation Centers of Sun City, Inc. use of Central Arizona Project water on RCSC golf courses caused hardly a ripple of activity, according to an RCSC official.

SCTA recently distributed a flier in the *Independent* urging residents to contact the Recreation Centers and request a public vote on the Sun City Groundwater Savings Program.

The program was the plan developed by the CAP Task Force to use CAP water to irrigate the public golf courses in the Sun Cities. The task

force felt it was the best way to reap a direct benefit from Citizens Water Resources' 6,581 acre-foot CAP water allocation.

The CAP water would be delivered from the CAP canal to the golf courses via a pipeline.

However, the response to RCSC was less than overwhelming, according to Jerry Swintek, president of the RCSC board of directors.

"We have 42,000 members in Sun



Jerry Swintek

See ■ RESPONSE, Page 3

City and we had a grand total of 65 responses; 50 phone calls, and one was a duplicate, and 15 letters," Mr. Swintek said. "That is not an overwhelming response.

"The silent majority is telling us everything is fine," he continued. "It is not exactly a mandate."

Mr. Swintek said it appears that a group of SCTA directors and their friends are "pushing this without a lot of support from the general membership.

"We feel there is a strong silent majority," Mr. Swintek added.

"It appears they don't have the support of their own organization," Mr. Swintek remarked. "You would think they could marshal their own members to call us or write us."

Mr. Swintek also objected to the SCTA flier referring to the ground-water savings program as the pipeline project.

"Everything they referred to in the brochure is the golf course pipeline project. This is a ground-water savings project. When the water comes to the golf courses, we can reduce our pumping," Mr. Swintek said.

"We are using the golf course, because CAP water required heavy filtration costs for filtration as potable water," he added.

Mr. Swintek was not the only person objecting to wording in the SCTA flier.

Ray Jones, vice president and general manager of Citizens Water Operations, said references to Scottsdale's use of CAP water on

golf courses was misleading.

"Not only did Scottsdale get to vote on the exchanges and purchases of CAP water, but the golf courses paid for the pipeline through development fees," the SCTA flier contends.

Mr. Jones said the election was required because Scottsdale used revenue bonds to fund some of its CAP water acquisitions.

"They are not a private water company," he said. "It is a city utility. We are a private utility."

As for holding an election to decide the issue, Mr. Jones said Citizens would not be able to do that.

"We serve the Sun Cities and Youngtown, as well as parts of Peoria, we cannot organize an election like a city can," he said. "It is just not practical.

"Our rates are set by the Arizona Corporation Commission based on law and policy and the Corporation Commission is the entity charged with regulating us. They are the appropriate group to make this decision," Mr. Jones said.

SCTA charters bus to hearing

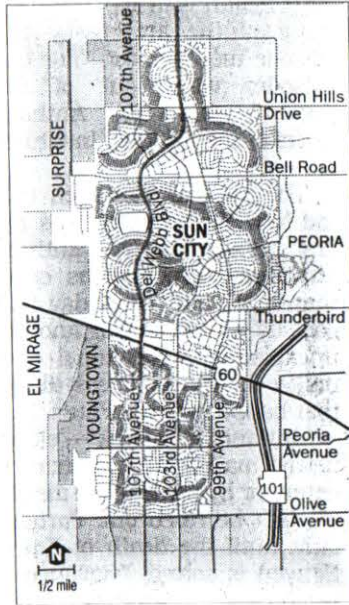
SUPERIOR COURT:

Watchdog group
fights motion to
dismiss lawsuit

MICHAEL MARESH
DAILY NEWS-SUN

The Sun City Taxpayers Association is preparing for its lawsuit against the Recreation Centers of Sun City and Citizens Water Resources over a proposed pipeline that would bring Central Arizona Project water to Sun City golf courses.

During its Tuesday meeting, SCTA officials decided to have at least one bus take its members downtown Nov. 16 to the Maricopa County Superior Court for the hearing to see if the case will be allowed to go forward. The bus will leave the SCTA parking lot at 103rd and Grand avenues at 8 a.m. The court



DAILY NEWS-SUN

A pipeline carrying CAP water would course south on 99th Avenue to Del Webb Boulevard.

hearing will start at 9 a.m.

The motion-to-dismiss hearing — filed by Citizens and RCSC in response to a lawsuit the Taxpayers filed against those two organizations — will allow all three organizations 30 minutes to state their side of the issue. SCTA officials plan to videotape the proceedings to show members who cannot make the trip.

SCTA President Ray Dare

See SCTA squiring, A5

From A1

said the only thing his organization is asking for is that recreation-centers officials follow their own rules and bylaws. The association insists the centers violated those rules by having only the board vote on the pipeline issue, and not the entire membership.

The cost of the pipeline is estimated between \$15 million and \$17 million.

Tracy Spoon with SCTA informed the directors that as of Nov. 1, American Water Works took over Citizens Utilities, and she does not know if the lawyers will change because as a result.

Another hearing on the pipeline, this one to see if the Arizona Corporation Commission will approve its construction, is scheduled for

Jan. 6, but that may have changed based on the Nov. 16 hearing results.

"The case in front of the ACC is pretty much dead in the water until Nov. 16," Spoon said.

She said every SCTA member is also a recreation-centers member, but most SCTA members are opposing the pipeline.

SCTA Director Bernard Berardini said a larger turnout would show the court the objections to the pipeline, but added the presiding judge is probably knowledgeable on the issue.

"I have to assume the judge has read the pleading and citation of authority by now," he said.

Berardini said he would not be surprised if the judge dismissed Citizens from the

suit, although he would be shocked if the recreation centers were also removed.

The water company, he said, has nothing to do with elections, and the judge may take that into consideration.

At issue is the proposed pipeline that would bring CAP water into Sun City for use on its golf courses. The pipeline also would tie into an already constructed pipeline in Sun City West to serve golf courses there.

SCTA officials insist plans that are under way to build a recharge basin near the Agua Fria River north of Jomax Road would be cheaper than building the pipeline and would still fulfill the goal of recharging the aquifer.

Michael Maresch can be reached at mmaresch@aztrib.com or at 623-876-2513.

Pipeline agreement seals groundwater pumping rights

JOHN SOKOLICH
DAILY NEWS-SUN

Although the proposed Central Arizona Project water pipeline through Sun City remains tied up in the courts, an operating agreement for its use remains intact.

In late April, the Sun City Taxpayers Association filed a civil lawsuit against the Recreation Centers of Sun City and Citizens Water Resources to force the RCSC board of directors to allow its members to vote on the pipeline, which would bring water to golf courses in the Sun Cities. The issue remains in litigation, with a court hearing on a motion to dismiss scheduled for Nov. 16.

The Arizona Corporation Commission, meanwhile, has pushed its expected hearing date on the pipeline to Jan. 3 so the civil case can be resolved.

However, a key element of the pipeline's construction, which already has been approved by RCSC's board, is the operating agreement made between Citizens Water Resources and the community.

The nine-page agreement has drawn criticism from some residents who have seen it, but it remains in place — ready for the pipeline's construction, should it actually be built— despite the lawsuit.

Most of the criticism is centered on the fees associated with building the pipeline. Residents would see an extra \$3 charge on their monthly water bills for the pipeline's construction.

"Once you get past the legal mumbo-jumbo about the pipeline and the groundwater, the point of the project is to show that it saves groundwater," said Bob Briscoe, RCSC vice president. "The point that we have to get across is that by using the pipeline to get CAP water here, it's saving more than 4,000 acre-feet of groundwater per year."

One acre-foot, which would cover an acre of ground 1 foot deep, is 325,851 gallons or about enough for a family of four for one year. Sun City has an allotment of 4,189 acre-feet of CAP water per year.

In the agreement, Sun City would get its share of CAP water and use it to irrigate community golf courses. The pipeline also would tie into Sun City West golf courses, where a pipeline already is in place, and put CAP water to use there as well.

The agreement also ensures Sun City will not lose its groundwater pumping rights. By using the CAP water, Sun City would save an equivalent 4,189 acre-feet

See Agreement details, A5

From A1

of groundwater per year, and would receive credits allowing Citizens to pump that much groundwater for the community.

Ray Jones, president of Citizens Water Resources, said the aquifer that feeds the Sun Cities is being drained quicker than it is recharged with water flowing back into the ground. Using CAP water on the golf courses helps balance that inequity.

"The water is being used," Jones said. "By using the CAP water, it allows that much more to be saved from the ground."

The nuts and bolts of the contract deal primarily with RCSC's and Citizens Water Resources' responsibilities in getting the CAP water to the golf courses.

The proposed pipeline would course down 99th Avenue, snake onto Del Webb Boulevard and branch to the golf courses from there. The untreated water would be used on the courses, which currently are being watered with potable groundwater.

The agreement lays out the entire pipeline project and its upkeep, and states residents will bear the costs of construction. It also explains that RCSC would use the CAP water on its golf courses and Citizens Water Resources would ensure that the correct amount of CAP water is delivered on a predetermined schedule.

John Sokolich can be reached at jsokolich@aztrib.com or at 876-2526.

THE ARIZONA REPUBLIC

WEDNESDAY

November 28, 2001

Lawsuit challenging pipeline tossed out

By Brent Whiting
The Arizona Republic

A judge dealt a blow to the Sun City Taxpayers Association by tossing out its lawsuit, saying the group lacked legal standing in challenging a water deal.

The association went to court April 16 seeking to force an election regarding a \$15 million pipeline to feed water to Sun City golf courses.

The pipeline, if approved by the Arizona Corporation Commission, would result in an increase in water rates in Sun City, Sun City West and Youngtown.

The lawsuit, which critics claimed was without merit, questioned the legality of a water-exchange agreement between two Sun City organizations.

Judge Mark Santana of Maricopa County Superior Court issued the ruling last week at the request of lawyers for Sun City Recreation Centers Inc. and Sun City Water Co., a subsidiary of Citizens Water Resources.

Jerry Swintek, president of

the Recreation Centers board, said the group would ask the court for reimbursement of its legal fees from the taxpayers association.

Swintek did not say how much would be sought, but said money planned for member programs had to be diverted to defend what he called a "frivolous" lawsuit.

Keith Larson, a manager for Citizens Water Resources, said the ruling would allow his company to move forward on a plan to allow the use of Central Arizona Project water on golf courses in the Sun Cities.

"We're very pleased with the judge's ruling," Larson said.

Ray Dare, the taxpayers group president, expressed disappointment and said the association would appeal.

Dare said that because of the magnitude of the proposed deal, his group just wanted it to be put to a public vote.

An agreement also has been struck between the Recreation Centers of Sun City West and Citizens Water Resources for irrigating golf courses in Sun City West.

The lawsuit dealt with just the Sun City agreement. It sought an order to force the Recreation Centers board to put the issue to a public vote.

The pipeline proposal, which is part of a groundwater savings plan known as the Agua Fria Recharge Project, is expected to increase water bills in Sun City and Youngtown by about 36 percent, or about \$5.50 monthly per household.

Sun City West households would pay slightly less, about \$4.15 per month, because Sun City West already has a distribution system to its courses.

The pipeline would bring 6 million gallons of CAP water each day from a canal north of Sun City to Sun City and Sun City West golf courses, saving an equal amount of groundwater under those communities.

A hearing on the plan is set for Jan. 9 before the Corporation Commission. The pipeline, if approved, would be completed in 2003 or 2004.

Reach the reporter at brent.whiting@arizonarepublic.com or (602) 444-6925.

Judge dismisses Taxpayers' lawsuit

Groundwater Savings Plan's fate now to be determined by ACC

By Mike Russo
Independent Newspapers

Maricopa County Superior Court Judge Mark R. Santana last week dismissed a lawsuit filed by the Sun City Taxpayers Association against the Recreation Centers of Sun City, Inc. and Citizens Water Resources.

The lawsuit sought to void the exchange agreement between RCSC and the water company to use Citizens' 6,561-acre-foot Central Arizona Project water allocation to irri-

gate RCSC golf courses.

Using the CAP water allocation to irrigate RCSC golf courses is the basis for the Sun Cities Groundwater Savings Plan, which was formulated in 1999 by the CAP Task Force after several months of study and hearings.

Judge Santana's Nov. 20 ruling paves the way for the Arizona Corporation Commission to finally rule on Citizens' requests to implement the Groundwater Savings Plan.

Commissioners had deemed

it prudent to wait for the results of the SCTA lawsuit before rendering a decision on the plan.

The ACC hearing on the CAP plan, which has been postponed several times, is currently scheduled for Jan. 6, 2002.

SCTA opposed the Groundwater Savings Plan on several grounds. The Taxpayers preferred having the CAP water recharged with the Agua Fria Recharge Project rather than being used to irrigate golf courses. SCTA also wanted the issue to be put to the vote of the residents.

SCTA President Ray Dare was quite disappointed by Judge Santana's decision.

"We reviewed the motion to dismiss from Judge Santana and the opinion completely ignored the core of our whole case — the vote of the people on the pipeline," Mr. Dare said. "What our attorney said in the hearing was completely ignored."

"I am very disappointed for the people in the decision," he continued. "They are getting a raw deal."

At the other end of spectrum,

RCSC and Citizens officials were delighted by the decision.

"The court's decision vindicates the Rec Centers board's position that it had the authority to enter into a water exchange agreement with the Sun City Water Company (Citizens)," said SCTA board President Jerry Swintek.

"The current board feels its decision to be good stewards of Arizona's limited water resour-

See ■ LAWSUIT, Page 10

ces and of the Rec Centers' funds has been vindicated," Mr. Swintek continued. "This was an interesting development."

"The only issue remaining is whether the court will require the Taxpayers Association and the individual members to reimburse the Rec Centers for its costs and attorney's fees," he added.

Mr. Swintek said he hoped the court will rule that the RCSC must be reimbursed its legal fees.

"The Rec Centers is a non-profit corporation and paying attorney's fees to defend against frivolous litigation hurts all of the members," Mr. Swintek said. "Money that we had planned for membership programs had to be diverted to defend this lawsuit. Those who brought this lawsuit, which the court has found to be without merit ought to now pay the attorney's fees and costs which they caused the Rec Centers to

needlessly incur."

Citizens officials were equally relieved to have the lawsuit dismissed.

"We are very pleased with the judge's ruling," said Keith Larson, Citizens water resources manager. "We always believed the Rec Centers acted responsibly in executing its governance over the water contracts, and the delivery of CAP water to local golf courses is the best alternative to protect our precious groundwater supplies."

Despite Judge Santana's decision, SCTA is not ready to give up the fight. It plans other legal action, according to Mr. Dare.

"We still say we have a case," he said. "We are going forward. That is our job. That is what the Taxpayers is all about."

"We still want them to put it to a vote of the people and if the people say they want it, fine," Mr. Dare said.

Legal fees mount in pipeline fight

\$93,400 IN TOTAL: Private donations fund SCTA costs

MICHAEL MARESH
DAILY NEWS-SUN

Sun City Taxpayers Association: \$60,000. Recreation Centers of Sun City: \$22,400. Arizona-American Water Co. (Citizens Utilities): \$11,000.

That's the amount of legal

fees incurred thus far in the Taxpayers' lawsuit against the Recreation Centers and the water company over a proposed pipeline to bring Central Arizona Project water to Sun City.

SCTA President Jack McManamon acknowledged the association's costs are escalating as SCTA — after having its case vacated last November — is now asking for new trial. Failing that, the association plans to appeal the decision.

McManamon pointed out the Taxpayers' court costs are being funded through private donations and not from dues from its 14,000 members.

RCSC President Jerry Swintek said the centers members are the ones who will bear the cost for RCSC to continue defending itself.

"We would like to see this end because every dollar we spend (defending ourselves) comes out of our members' pockets," he said.

McManamon said SCTA is

not interested in being reimbursed any of its \$60,000 in legal fees from the entities it has sued. Instead, the self-proclaimed watchdog group still wants the recreation centers to put the Central Arizona Project pipeline issue to a vote of its members.

The case centers on a proposed pipeline that would bring CAP water into Sun City for use on its golf courses. The pipeline also would tie into an already constructed pipeline in Sun City

West to serve golf courses there. The RCSC board approved the pipeline, and the Taxpayers board sued to force the centers to put the decision to a vote of its members.

McManamon said the costs will increase as the case proceeds into its next phase.

"It depends how long the case runs," he said of the final cost. "The rec centers can end this now."

While the Taxpayers board seems willing to accept its

own legal fees as a necessary cost, it may also have to pick up some of the costs of the groups it sued.

Maricopa County Superior Court Judge Mark Santana ruled Feb. 22 that the organization has to reimburse \$8,757 of the Arizona-American Water Co.'s \$11,000 attorney fees. In addition, Santana ruled SCTA has to reimburse RCSC \$14,327 of its \$22,400 in

attorney fees that the centers racked up to defend itself in the civil case.

But since the SCTA is asking for a new trial, those attorney fees are in limbo. If Santana does not grant a new trial, Taxpayers officials have indicated they will appeal the judge's original ruling to vacate the case.

"We are still waiting to hear from the judge's office," McManamon said.

Ray Jones, president of the Arizona-American Water Co., said he believes the case already is over since Santana ruled against SCTA and its motion to amend the complaint.

"We are waiting for the final judgment to be recorded," Jones said. "The case has been dismissed."

However, Jones said Taxpayers officials have the right to go to the appellate court or to ask for a new trial, and he thinks the organization is preparing to do so.

"When and if that time comes, we will deal with it," he said. "We are waiting for the final judgment to be entered," he reiterated.

Swintek said he knows the case is far from over and the centers likely won't be reimbursed attorneys fees anytime soon.

"That is not carved in granite," he said. "We expect they will appeal that decision by the judge. We don't count our chickens until they hatch."

Swintek said the pipeline issue is now in the Taxpayers' hands since the RCSC governing board already voted to construct it. He also said the Taxpayers have been told twice that the centers is not in violation of its articles of incorporation for not putting the vote to its members.

SCTA officials continue to insist using an existing recharge basin near the Agua Fria River north of Jomax Road would be more cost effective than building the pipeline and would still recharge the aquifer from which groundwater is pumped. The cost of the pipeline is estimated at between \$15 million and \$17 million.

(CAP)

WATER

VF

SUN CITIES INDEPENDENT

MAY 22-28, 2002

Judge recommends approval of Citizens' Groundwater Project

ACC hearing set for June 4-5

By Mike Russo
Independent Newspapers

Following several months of deliberation, Arizona Corporation Commission Administrative Law Judge Dwight Nodes issued his recommendation last week regarding the Sun Cities Groundwater Savings Plan.

Judge Nodes recommended approval of the plan when the ACC considers it during open meetings June 4-5.

The Sun Cities Groundwater Savings Plan was formulated in 1999 by the Central Arizona Project Task Force after several months of study and hearings. It proposes to use Citizens Water Resources' 6,561 acre-foot CAP

water allocation to irrigate the public golf courses in Sun City and Sun City West, thereby preserving groundwater.

The Sun City Taxpayers Association has objected to that usage. The organization would prefer the allocation be stored with the Agua Fria Recharge Project, since it is a less costly alternative.

In his recommendation, Judge Nodes wrote, "As part of the preliminary design/cost estimate, Citizens was required to address the following three issues: a) the feasibility of a joint facility with the Agua Fria Division, including the time

frame for any such joint facility; b) the need for all major elements of its proposed plan (e.g., storage and booster stations); and c) binding commitment from golf courses, public and private, and the terms and conditions related thereto.

"We believe the preliminary engineering report and the supplemental engineering report satisfactorily addressed these elements," he continued.

Judge Nodes further opined, "... we believe that the proponents of the GSP adequately rebutted the opposing parties and explained why the GSP is the best alternative for using Citizens' CAP allotment under

the facts and circumstances presented in this case.

"Accordingly, for the reasons stated above, the company's proposed Groundwater Savings Project shall be approved," he added.

Both parties now have 10 days to file exceptions to Judge Nodes' recommendation.

The judge's decision came as no surprise to SCTA, according to Ray Dare, former SCTA president and chairman of its Water Committee.

"It did not surprise us, though we are discouraged," Mr. Dare said.

Although the SCTA directors, as of press time, did not have an

opportunity to formally discuss the ruling, Mr. Dare said, "I am sure we will file some kind of exceptions. We never give up."

SCTA's resolve is evidenced by its filing for a new trial in its lawsuit against the Recreation Centers of Sun City, Inc. and Citizens Water Resources (now Arizona-American Water Co.)

Maricopa County Superior Court Judge Mark R. Santana signed an order March 21, formalizing the court's prior granting of RCSC's motion to dismiss the lawsuit filed by the SCTA and individual members of the organization. The lawsuit sought to void the exchange agreement between RCSC and

the water company to use Arizona-American's 6,561 acre-foot Central Arizona Project water allocation to irrigate RCSC golf courses.

Ray Jones, vice president and general manger of Citizens Water Operations, was unavailable for comment at press time.

Should the ACC commissioners approve the Sun Cities Groundwater Savings Plan, construction of a pipeline to convey the water would take about four years. The project's estimated cost is \$15,036,691, which would result in Sun City residents paying an additional \$5.80 a month, per household and \$4.15 monthly in Sun City West.

Officials warn of subsidence threat in Sun City

PIPELINE DECISION LOOMS: Using CAP water will bring some relief, says Rep. Mike Gleason

MICHAEL MARESH
DAILY NEWS-SUN

Sun City and Youngtown have been sinking at dramatic rates the last three years, but some relief might be on the way.

The Arizona Corporation Commission is poised to make a decision next week on the Central Arizona Project

water pipeline.

But if it is approved, it might not be enough to stem the subsidence in Sun City and Youngtown, said Rep. Mike Gleason of Sun City West, R-District 15, which encompasses Sun City West, Sun City south of Grand Avenue and much of Surprise.

Gleason points to reports

from the Arizona Department of Water Resources and satellite images indicating both Sun City and Youngtown have been sinking at more than an inch a year for the last three years.

The proposed CAP pipeline that the ACC will vote on next week will help, but the task force said the sinking that is already occurring will continue up to a decade because Gleason said Arizona American Water Co. will still use some groundwater.

Sun City Taxpayers Association officials insist using an existing recharge basin near the Agua Fria River north of Jomax Road would be more cost-effective and would still recharge the aquifer from which groundwater is pumped. The cost of the pipeline is estimated at between \$15 million and \$17 million.

Herb Schumann, an independent consultant on subsidence issues, who formerly worked for the U.S.

Geological Survey, said Sun City should have been preparing for the issue well before it reached this point.

"It is a problem, and the people in Sun City have to wake up," he said.

Schumann's studies were commissioned by the Sun City Home Owners Association. He said sinking an inch a year is a significant amount.

Subsidence in the surface of the land is the inevitable result of the overdrafting of

the groundwater aquifer. As water is pumped out of the ground in amounts substantially in excess of natural replenishment, then over time the land above the groundwater table slowly subsides and land fissures develop.

Schumann said if the subsidence level is the same exact amount throughout a community, there would not be much of a problem. However, that rarely ever

happens, he added.

"It does not go down at the same rate," he said.

Schumann said if nothing is done to curb the sinking, roads and streets will be severely damaged and drainage and gas lines could also break.

He said that if subsidence continues, homeowners the foundations of their houses shifting, resulting in cracks on windows and doors.

"These are all very common things," he said. "It's a serious problem."

Schumann said the problem, while not going away, could be slowed if the proper steps are taken.

"Stop the pumping," he said. "It is simply because they are pumping more than Mother Nature is putting into the ground."

Sun City resident Gene

Jensen, who has worked with water issues all his life, said structural damage is not the big issue.

Sewer systems, water and gas mains are what could be damaged the most, he said.

"If one side of Sun City sinks (and the other does not), sewer and street drainage systems would be affected," Jensen said.

If nothing is done, he said, streets could start cracking along with some major drops.

"One inch makes quite a difference," Jensen said.

Gleason said no one should be surprised Sun City is sinking.

"We had been pumping for 20 years," he said. "The question was not when (Sun City would sink), but how much it would."

The former Kansas resident, who's running for a seat on the Arizona

Call us

Please call Michael Maresch at 876-2513 or e-mail him at mmaresch@aztrib.com if your home has evidence of subsidence damage.

Corporation Commission, said he has seen firsthand problems relating to subsidence.

"Sun City is quite large," he said. "Is it uniform, or is it sinking on one end? If the whole town sinks together, there probably will be no major problems."

Gleason said homeowners — if they aren't already, could start to see cracks in their foundations.

"The first thing people

will see if their homes do shift will be their doors not being able to close," he said.

Gleason said Sun City West is not experiencing any problems — yet — because the community is 20 years behind Sun City in pumping water from the ground.

Gleason supports irrigating golf courses with CAP water via a pipeline.

"This would allow us to turn off the rec-centers pumps," Gleason said, adding that if the pipeline is approved, it will bring some relief to the subsidence problem in Sun City.

But the state representative said something else must be done to stop any additional subsidence from occurring.

"In some way in the future we are going to have to get off pumping groundwater entirely," he said.

WATER (CAP)

VF

WEDNESDAY, SEPT. 9, 2002

SCTA wins ally in fight against pipeline

JIM IRVIN: ACC commissioner wants more information on recharge project

MICHAEL MARESH
DAILY NEWS-SUN

The Sun City Taxpayers Association gained a valuable ally Tuesday in its battle against a proposed pipeline that would bring Central Arizona Project water to golf courses in the Sun Cities.

The SCTA is in a dispute with the Arizona-American Water Co. and the Recreation Centers of Sun City. The taxpayers group favors a recharge project, while the water company and the RCSC want a pipeline to bring water onto the community's golf courses.

The Arizona Corporation Commission decision on building a pipeline has been postponed repeatedly as the SCTA has filed lawsuits to stop the process.

In addition, the SCTA has taken the water company and the RCSC to Maricopa County Superior Court in an attempt to force the RCSC to let its members vote on the pipeline.

Superior Court Judge Mark Santana ruled against the SCTA, which left the decision to the Arizona Corporation Commission.

Arizona Corporation Commissioner Jim Irvin, speaking

From A1

at an SCTA meeting Tuesday morning, informed the SCTA he is not prepared to sign off on the pipeline just yet.

Irvin is one of the three commissioners — along with Chairman William Mundell and Mark Spitzer — who will decide the fate of the project.

Irvin said he wants to know from the water company and the recreation centers why the Agua River Recharge Project will not work, and until he receives a good answer, he will not vote for the pipeline.

"We need those answers," he said. "I am willing to compromise. Where are the real benefits?"

Irvin said Sun City and Sun City West are separated on the water issue since Sun City water rights are grandfathered and Sun City West rights are not.

"We need to find a way to help Sun City West," he said. "We need to look at this project as a Northwest Valley solution."

If the ACC approves the pipeline, Irvin said Sun City

residents would be paying for water they are not going to use.

"Nobody should have to pay more for the benefits they are going to get," he said. "Sun City West will not be helped at the expense of other communities."

And with 22 nearby golf courses, Irvin said groundwater pumping would be continuing regardless of any pipeline.

"I don't believe the pipeline is a long-term solution," he said. "It might be short term."

"We have to weigh the positives and negatives, and come up with something that benefits everyone," he said.

The pipeline would bring CAP water into Sun City for use on golf courses, and would tie into an existing pipeline in Sun City West to serve golf courses there as well. The pipeline would run south along 99th Avenue, follow Del Webb Boulevard and branch off to the golf courses from there. Private golf courses would be unaffected.

The cost to build the pipeline is estimated at \$16.4 million.

Michael Maresch can be reached at 876-2513 or mmaresch@aztrib.com.

ACC wants pipeline vote by year's end

PLAYING FAIR: Chairman says opposing camps have had enough time to argue cases

MICHAEL MARESH
DAILY NEWS-SUN

The Arizona Corporation Commission is poised to make a decision before the end of the year on the proposed Central Arizona Project pipeline that would bring water to Sun Cities golf courses.

In a letter to ACC staff, Chairman William Mundell said the time is

right to make a decision.

"I am satisfied that my effort to slow down the process has given all parties ample opportunity to introduce evidence into the record supporting their respective decisions," Mundell wrote to his staff. "I am now prepared to schedule an open meeting so that this matter can be voted on and resolved. I am requesting that the executive secretary

contact your offices to schedule an open meeting prior to the end of the year."

Mundell said the pipeline will tentatively be voted on either Dec. 17 or Dec. 18.

The ACC decision on the pipeline stems from the Sun City Taxpayers Association filing a lawsuit against the Recreation Centers of Sun City because of a lack of public vote on the pipeline, which is expected to cost residents just more than \$16.4 million. The SCTA contended that any issue that can cause residents

to pay extra money should be left to a vote of the residents. The RCSC said that its vote to approve the pipeline was done in the best interest of the community, therefore a public vote was not needed.

Courts have dismissed the lawsuit, prompting the final decision on the CAP water pipeline to come from the ACC. The commission has been reviewing the issue for about a year and wants to make a decision on it before new commissioners come aboard in January.

"I want this matter to be voted on

prior to the end of the year," Mundell said. He said it would be unfair to incoming commissioners for them to vote on the pipeline as it would take an enormous amount of time to get them up to speed on the matter.

However, he said, that is not the reason the ACC has decided to vote on the issue next month.

"The major reason is it is ready to be voted on," Mundell said. "I wanted to give them (Sun City

See ACC moves, A5

From A1

Taxpayers Association) enough time (to respond). They chose not to do so, and now the issue is ready to be voted on."

Mundell said Administrative Law Judge Dwight Nodes months ago recommended to the commissioners to support the pipeline.

"I wanted to be fair to both sides so I slowed down the process," Mundell said of the delay.

Recreation Centers of Sun

City board President Jerry Swintek said he didn't know the commissioners were anticipating a vote in December.

"We would be thrilled if they would," he said. "It seems the general consensus is Sun City needs to stop using groundwater and get on a different water source."

ACC spokeswoman Heather Murphy said the commissioners held a procedural conference with SCTA officials, asking them whether they would put some

testimony on the record to back their claims.

"They declined to do that," she said. "They did not have to hire a hydrologist, but they were asked to support the record."

Murphy said since SCTA officials refused to offer any additional evidence, Mundell decided to move forward.

SCTA interim President Ray Dare said the Taxpayers' officials are working on a report to the latest hearing.

"I don't know what evidence they want," he said.

"There are no more evidentiary meetings."

The proposed pipeline would bring CAP water into Sun City for use on golf courses, and would tie into an existing pipeline in Sun City West to serve golf courses there as well. The pipeline would run south along 99th Avenue, follow Del Webb Boulevard and branch off to the golf courses from there. Private golf courses would be unaffected.

Michael Maresh can be reached at 876-2513 or mmaresh@aztrib.com.

Panel delays CAP pipeline decision again

CORPORATION COMMISSION: Latest postponement means Gleason, Hatch-Miller participate in decision

MICHAEL MARESH
DAILY NEWS-SUN

The long-running on-and-off saga of the proposed Central Arizona Project pipeline to bring Colorado River water to the Sun Cities golf courses is off again.

Weeks ago, the Arizona Corporation Commission staff said the final decision was going to be made on the pipeline in the middle of December.

That changed Wednesday afternoon, when the date was pushed back to sometime in 2003.

ACC spokeswoman Heather Murphy said no reasons were given her as to why the hearing has been delayed once again.

Sun City Taxpayer Association Interim President Ray Dare said he was told by the association's lawyer that the decision was postponed because all commissioners could not attend the scheduled meeting next Wednesday.

Calls to ACC Chairman William Mundell were not returned.

Wednesday's announcement is nothing new, as over the last 20 months, the panel has scheduled meetings, canceled meetings and put off decisions at meetings that took place.

Sun City West Property Owners and Residents Association President Randy Fuller was amazed to hear the hearing had been pushed

back once again.

"They get us all psyched up to get this thing resolved, and then they do this," he said. "I don't know what to say."

Ray Larson of Citizen's Utilities took the postponement in stride.

"It doesn't surprise me," he said. "The commission has to work with their schedule. We will go to the hearing once it has been rescheduled after the first of the year."

Incoming Commissioner and current Arizona House Rep. Mike Gleason of Sun City West will now be voting on the pipeline, though he conceded he and future colleague Jeff Hatch-Miller have a lot of catchup work to do to get up to speed on the pipeline.

"I would have hoped it would have been decided before I came on to the commission," Gleason said.

See GLEASON, A5

From A1

"It will be decided on its merits."

Gleason said he has some knowledge about the CAP pipeline and the issues surrounding it, but said he has to go through the entire record before coming to a final decision. The file, he said, is more than 4-inches thick. Gleason said he wasn't told why the hearing was postponed.

Dare said the process will be more muddled now, as two commissioners will be new to the process.

"What a mess that will

be," Dare said, adding that since all the commissioners could not attend Wednesday's meeting, there was nothing else the ACC could do.

But reviewing the documents will be time consuming for Hatch-Miller and Gleason.

"What do they know about the document?" Dare asked. "That's a lot of records. This could go on for quite some time."

Dare said Mundell realized the importance of resolving the issue before the new commissioners came on board.

"I guess we wait until next year," Dare said.

The proposed pipeline would bring CAP water into Sun City for use on its golf courses, and would tie into an existing pipeline in Sun City West to serve golf courses there as well. The pipeline would run south along 99th Avenue, follow Del Webb Boulevard and branch off to the golf courses from there. Private golf courses are unaffected.

The cost to build the pipeline is estimated at \$16.4 million.

Michael Maresch can be reached at 876-2513 or mmaresch@aztrib.com.

April 27, 2001:

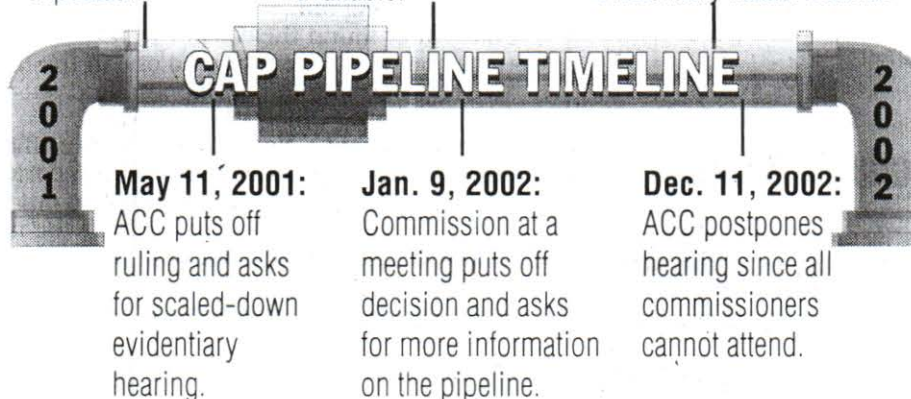
Meeting canceled. ACC cites Gilbert power plant hearing taking longer than expected.

Aug. 8, 2001:

Commission postpones Aug. 15 meeting because some witnesses are not available.

July 8, 2002:

Commission cancels July 15 meeting to have more time to review Sun City Taxpayer Association's evidentiary matter claims.



DAILY NEWS-SUN WEDNESDAY, JAN. 1, 2003

Age-overlay violation tops stories for 2002

STAFF REPORT

Of all the stories that made news in the Sun Cities in 2002, a child captured the most interest in local headlines, according to a Daily News-Sun review of the top 10 local stories of the year.

The Daily News-Sun's editorial staff reviewed back issues to compile the list, which was topped by a court battle involving Sun City's age overlay.

Among other headline-grabbers for the year were the conviction of a Peoria man who killed two women at a Ventana Lakes property owners association meeting; the ongoing battle between Sun City West community organizations; water issues; a football stadium and a corporate bankruptcy.

Following are the Daily News-Sun's top stories of 2002:

● No. 1: Age restriction — April through August

After being allowed a stay of 14 months, Mary Scott and her family left Sun City for Peoria. The family was found to be in violation of the retirement community's age restrictions because Scott's granddaughter, 10-year-old Brittney Shields, was living in the home.

On April 10, the Maricopa County Board of Adjustments ruled that Brittney could stay an additional 14 months in the community. She had been living with Scott in Sun City since her 22-year-old brother was involved in an automobile accident that left him in a wheelchair two years ago.

By August the family had moved.

Under Sun City's Covenants, Conditions and Restrictions, Shields was not

allowed to live in Sun City for more than 90 days in any calendar year.

A couple of neighbors said they thought the family moved Aug. 5, making good on the promise they would be gone by that month's end.

Sun City is an age-restricted community under federal guidelines and the community's Covenants, Conditions and Restrictions prohibit people younger than 19 from living in Sun City for more than 90 days.

● No. 3 (tied): CAP water pipeline: February to present

The on-and-off saga of the proposed Central Arizona Project pipeline to bring Colorado River water to the Sun Cities golf courses remains unsolved after several Arizona Corporation Commission meetings were canceled in 2002.

In November, after several earlier delays dating to 2001, the Arizona Corporation Commission staff said the decision on whether to approve the pipeline's construction would be made during meetings Dec. 17 and 18, 2002.

That changed in early December, when the date was pushed again to sometime in 2003.

The Sun City Taxpayers Association continues to push the Recreation Centers of Sun City board of directors to allow centers' members the opportunity to vote on whether to build the pipeline. The centers' board approved the issue without calling for a membership vote.

The proposed pipeline would bring CAP water into Sun City for use on centers' golf courses, and would tie into an existing pipeline in Sun City West to serve golf courses there as well. The pipeline would run south along 99th Avenue, follow Del Webb Boulevard and branch off to the golf courses from there. Private golf courses would be unaffected.

Pipeline meeting off again

GLEASON: New commissioner requests postponement

MICHAEL MARESH
DAILY NEWS-SUN

Newly installed Arizona Corporation Commissioner Mike Gleason of Sun City West Thursday asked for and was granted a postponement of Wednesday's Central Arizona Project pipeline meeting.

"Today, I respectfully asked Chairman (William) Mundell to postpone the Commission vote on the Sun City CAP Pipeline issue (Docket W-01656A-98-0577)," Gleason wrote Thursday in a press release.

"After meeting with my staff, I have decided that I need time to evaluate whether my actions and statements made prior to taking office have unduly prejudiced my thoughts on the matter. I will consult with the Commission's legal staff in the coming days."

Next week's meeting was suppose to end the debate on the proposed Central Arizona Project pipeline to bring Colorado River water to golf courses in the Sun Cities.

The postponement is one of numerous delays previous and current commissioners have requested since a task force of retirement-community representatives recommended approval of the pipeline project.

Gleason this morning said ACC staff recommended the decision be delayed because of comments about the pipeline he made at commission meetings.

"If I thought it had affected my decision in anyway, I would have recused myself," said the former state House member. "I am absolutely

DAILY NEWS-SUN FRIDAY, JAN. 10, 2003

From A1

sure there is not anything wrong (with what I did).

"I believe it is my obligation to the people of Arizona and the voters who placed their faith in me to ensure that I represent them fairly and honestly. The commission process should place all the parties on a level playing field so that the integrity of the commission's decisions is unquestioned."

Gleason said the commission is under some scrutiny right now, so the ACC needs to proceed cautiously so

there is no hint of any kind of favoritism.

At an ACC hearing in 2001, Gleason informed commissioners he was in favor of the pipeline. He said there was a local group — who did not support the majority — that was opposing the pipeline.

The group, the Sun City Taxpayers Association, wanted the Recreation Voters of Sun City to put the pipeline issue to a vote of residents. The RCSC governing board did approve the concept.

"I regret that this presents

another delay in this case. However, my higher goal of ensuring the integrity of the process and my own ethical standards mandate that I make this request."

Gleason said he expects the issue to be resolved quickly so a decision can be made in either February or March.

The next regularly scheduled open meeting is Feb. 11-12.

SCTA President Ray Dare said he was informed of the delay Thursday afternoon.

"I am not surprised at anything that happens in this case," he said. "Mr. Gleason is taking a second look. What

is going to happen from on I don't know. The commissioners are going to have to iron this thing out."

The proposed pipeline would bring CAP water into Sun City for use on its golf courses, and would tie into an existing pipeline in Sun City West to serve golf courses there as well. The pipeline would run south along 99th Avenue, follow Del Webb Boulevard and branch off to the golf courses from there. Private golf courses are unaffected.

The cost to build the pipeline is estimated at \$16.4 million.

CAP pipeline meeting postponed again

Item pulled from agenda at request of new commissioner

By **Mike Russo**
Independent Newspapers

For a brief time last Thursday, it appeared as though the ongoing saga of the Sun Cities Groundwater Savings program would finally reach a resolution this week. But by day's end, that possibility had gone down the drain.

The Arizona Corporation Commission had scheduled a

hearing for 10 a.m. Jan. 15 at the ACC office, 1200 W. Washington Ave., Phoenix, to consider the GSP.

However, after the agenda was set the morning of Jan. 9, new ACC Commissioner Mike Gleason asked in the afternoon that the item be withdrawn.

In a memorandum sent to ACC Chairman Bill Mundell, Mr. Gleason wrote: "After

meeting with my staff, I have decided that I need time to evaluate whether my actions and statement made prior to taking office have unduly prejudiced my thoughts on the matter. I will consult with the commission's legal staff in the coming days.

"I believe it is my obligation to the people of Arizona and the voters who placed their faith in me to ensure that I

represent them fairly and honestly," he continued. "The commission process should place all the parties on a level playing field so that the integrity of the commission's decision is unquestioned.

"I regret that this presents another delay in this case," Mr. Gleason added. "However, my higher goal of ensuring the integrity of the process — and my own ethical stan-

dards — mandates that I make this request."

Mr. Gleason's assessment of the situation reinforced the beliefs of the Sun City Taxpayers Association, which has opposed the pipeline plan.

SCTA believes Mr. Gleason may have a prejudicial view of the proceedings, according to Ray Dare, SCTA interim president and chairman of its utilities committee.

"(Mr.) Gleason made a direct contact with Youngtown trying to get them to support the pipeline," Mr. Dare contended. "He committed himself before he became a commissioner. He should recuse himself."

SCTA would like the two new ACC commissioners — Mr. Gleason and Jeff Hatch-Miller — to recuse themselves and not consider the matter. They want the decision to be made by the other three commissioners — Chairman Bill Mundell, Marc Spitzer and Jim Irvin, the trio that has considered all of the evidence in the case for the last year.

"They have all the facts," Mr. Dare said.

Hearings on the GSP have been postponed several times this year for various reasons. The case has dragged on since the ACC commissioners approved the plan's concept in January 2000 and

instructed the water company to develop a more definitive cost estimate for the 4,600-foot pipeline. It has twice been endorsed by ACC staff.

The GSP was formulated by the Central Arizona Project Task Force in 1998 following several months of hearings.

The plan recommends using Arizona-American Water Co.'s (formerly Citizens Water Resources') 6,561 acre-foot CAP water allocation to irrigate Rec Centers golf courses in Sun City and Sun City West. The water would be delivered to the two communities via a pipeline that would cost an estimated \$15.3 million.

Approval of the project would result in Sun City customers paying an additional \$5.80 a month per household and \$4.15 monthly in Sun City West.

The Sun City Taxpayers Association opposes the GSP, preferring instead to have the CAP allocation recharged with the Agua Fria Recharge Project.

The town of Youngtown, which originally supported the pipeline project, now also opposes it.

ACC sets pipeline meeting in SCW

TAXPAYERS OBJECT: Group wanted session in Sun City

MICHAEL MARESH
DAILY NEWS-SUN

Sun Citians will not have to travel downtown to voice their opinions to ACC commissioners over a proposed pipeline.

The Arizona Corporation Commission — at the request of the Sun City Taxpayers Association — has scheduled a special meeting in Sun City West next week to afford residents the opportunity to voice their opinions.

At issue is a proposed pipeline that would bring Central Arizona Project water onto recreation centers' golf courses in Sun City and Sun City West.

The meeting is at 9:30 a.m. Tuesday at the R.H. Johnson Social Hall where residents will be allowed to give input.

At 10 a.m. Feb. 12, the ACC will vote on the pipeline at its downtown office without allowing public comment.

SCTA interim President

See PIPELINE, A5

From A1

Ray Dare said his organization wants the hearing in Sun City, not Sun City West, and added that what the ACC is doing will keep some of its members from attending.

ACC spokeswoman Heather Murphy said the pipeline hearing is being split into two different meetings — one for public comment and one for the actual vote.

Murphy said the SCTA asked for the vote to be held in the Sun Cities, and the ACC thought using the R.H. Johnson Recreation Center as a site for public comment would satisfy all concerned parties.

"We thought this was the best possible way to obtain the objective," Murphy said. "I would put it this way. The gist of it is they were concerned about the cost of leasing the vehicles to bring people down to the meeting."

Dare said that is only part of why the organization requested a meeting in Sun City.

Dare said there are people in the community who want to speak, but are not going to leave their comfort zone to do

so. Some, he said, are unable to travel because of physical limitations.

"What we want to do is obtain an element where people will get to speak out," he said. "What we have found through our (correspondence) is 30 percent of the people do not even come out of their homes."

Dare said the meeting in Sun City West does not do the residents in Sun City any good. He said if residents cannot travel to downtown Phoenix, they likely will not be able to travel the eight to 10 miles to get to Sun City West.

"People are not going to drive out of Sun City," he said, adding the ACC appears to be answering the Taxpayers' request with this decision.

Murphy said having meetings outside of the hearing room does have some drawbacks. She said the ACC hearing room is equipped to seat hundreds of people.

But she said the decision to have the meeting in Sun City West was an easy one.

"The primary concern is to allow people to voice their thoughts," she said. "This

certainly accomplishes that."

Arizona-American Water Co. officials in a Jan. 27 letter from the law firm of Gallagher and Kennedy disagreed with SCTA's request to move the ACC meeting to Sun City.

The letter states: "Based on past experience from various hearings related to the Groundwater Saving Project, Arizona American believes the commission hearing room is adequate for the February 2003 open meeting."

The letter states that throughout the pipeline process, SCTA attendance numbers never exceeded 40.

In addition, the letter reads the meeting should be in the commission's main hearing room so people could use the listen line to hear the proceedings.

The letter also stated SCTA's request was "designed to create a politically charged and hostile environment for supporters of the Groundwater Savings Project and the commissioners."

Keith Larson, Arizona-American's director of water resources, said while the company opposed the actual vote taking place in the Sun

Cities, it favors public comment being taken in Sun City West.

"It has always been an open process," he said.

ACC Commissioner Mike Gleason, who asked for a postponement of January's meeting to re-examine the pipeline issue because of previous comments he had made on the matter as a state legislator, said he is ready to vote on the issue.

In a statement, he said he had studied the issue as well as his previous comments and is now prepared to make an educated vote on the pipeline.

The pipeline would bring CAP water into Sun City for use on golf courses, and would tie into an existing pipeline in Sun City West to serve golf courses there as well. The pipeline would run south along 99th Avenue, follow Del Webb Boulevard and branch off to the golf courses from there. Private golf courses would be unaffected.

The cost to build the pipeline is estimated at \$16.4 million.

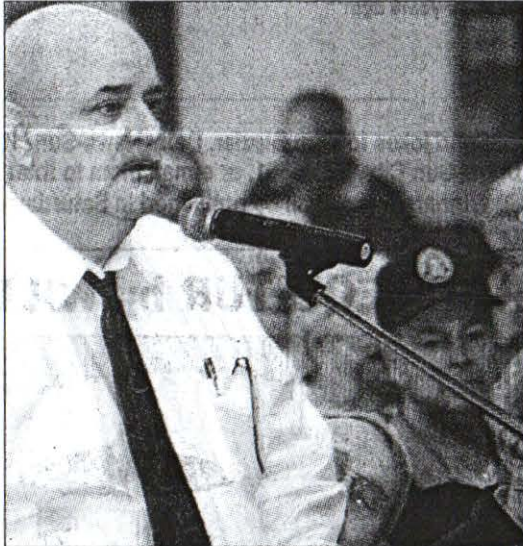
Michael Maresch can be reached at 876-2513 or mmaresch@aztrib.com.

DAILY NEWS-SUN WEDNESDAY, FEB. 5, 2003

Pipeline boosters outnumber opponents

NO

Youngtown Manager Mark Fooks told the Arizona Corporation Commission, "For Youngtown, we don't think we should be paying for a project that we get no benefits from, and at this point no one has convinced us otherwise."



JOY LAMBERT-SLAGOWSKI/DAILY NEWS-SUN

ACC HEARING: Commissioners take comments before rendering decision

MICHAEL MARESH
DAILY NEWS-SUN

A majority of Sun Citizens speaking Tuesday at an Arizona Corporation Commission meeting supported a pipeline project that would bring Colorado River water to area golf courses.

More than 300 people attended the four-hour public hearing in Sun City West and most of those who voiced their opinions said the pipeline project is long overdue.

"We at the (Sun City)

Home Owners Association are looking to the future of Sun City, and this Groundwater Saving Project is our future," said President Floyd Brown. "We must go beyond this. This is a stepping stone."

ACC commissioners will meet at 10 a.m. Feb. 12 at their Phoenix office, 1200 W. Washington St., to vote on the case, taking into account Tuesday's comments.

Despite the support for the project, detractors remain,

See PIPELINE, A5

OVER

From A1

most notably the Sun City Taxpayers Association and the Youngtown council.

Youngtown Mayor Daphne Green said her council opposes the pipeline.

"A 25 percent increase (in water bills) with no benefit for Youngtown (should not be allowed)," she said, adding a \$5 monthly water bill increase would affect a lot of people in Youngtown since average annual incomes in the town of about 3,000 people is \$29,319.

Youngtown had originally supported the pipeline as a member of the CAP Task Force charged with making a recommendation regarding use of Colorado River water.

Commissioner Mike Gleason of Sun City West, who asked most of the questions, said since there is subsidence in Youngtown, the community would benefit from reducing reliance on groundwater.

Youngtown Manager Mark Fooks didn't agree.

"For Youngtown, we don't think we should be paying for a project that we get no benefits from, and at this point no one has convinced us otherwise," Fooks said. "We are hoping you vote no on the 12th."

Rep. Carole Hubbs of Sun City West, R-District 4,

announced she was speaking as a resident, not as a lawmaker.

Hubbs informed the commission of past history where small groups opposed using CAP and Salt River water. If the groups had been successful back then, it would have proved to be disastrous for the Valley.

"If we had listened to all the naysayers (what would have happened)," she said. Hubbs said the commission when voting next week needs to look at long-term effects and goals.

"We need to get off the (groundwater) pumps," Hubbs said.

Sun City West Property Owners and Residents Association President Randy Fuller said his board unanimously supports the proposed pipeline.

Interim SCTA President Ray Dare said the association has been accused of many false things but has only asked the board of the Recreation Centers of Sun City to allow residents to vote on the matter.

The RCSC board of directors voted to support the pipeline, and the SCTA filed suit to try to force a community-wide vote.

"Our right to vote has been denied," Dare said.

Gleason asked Dare how

the judge in the Taxpayers' suit against Arizona-American Water Co. and the RCSC ruled.

Dare said the case is being appealed, and Gleason said he understands the judge ruled the case did not have any merit to proceed.

"He just dismissed the case," Dare said to laughter from the audience.

SCTA Vice President Gerald Dolezal said the issue is not all about water rights.

"This is about money being used to build the pipeline. We are not seeing justice here, and justice cannot be granted if your organization (ACC) allows the pipeline to be constructed," he said.

Former RCSC and Home Owner Association Director Gene Zylstra said it is evident there is a water shortage in the state, and the pipeline would help to some degree. Zylstra told commissioners all the main players support the pipeline, including both rec centers, HOA, PORA and

the Condominium Owners Association.

Larry Spitz, president of the state charter union clubs for retirees as well as a Sun City resident, had a different view.

"No one in my organization has ever opposed using a pipeline, but we do oppose the water company using the water as they see fit," he said. "We are being asked to pay for a pipeline that the water company will own.

"We do not like it," he added. "I resent the fact the SCTA has been pushed around."

He said SCTA has a right to voice its opinion without being criticized.

The proposed pipeline would bring CAP water into Sun City for use on its golf courses, and would tie into an existing pipeline in Sun City West to serve recreation centers golf courses there as well.

Michael Maresh can be reached at 876-2513 or [mmaresh@aztrib.com](mailto:mmmaresh@aztrib.com).



YES
Rep. Carole Hubbs of Sun City West recalled history, when groups opposed using CAP and Salt River water. If they had been successful, it would have proved to be disastrous for the Valley, she said.

© THE ARIZONA REPUBLIC WEDNESDAY, FEBRUARY 12, 2003

Groundwater plan would hike rates

SC golf courses would use CAP water

By Christine L. Romero
The Arizona Republic

An increase in water rates could be in store for the Sun Cities and Youngtown in an effort to save groundwater.

The "Groundwater Savings Plan" would use Central Arizona Project water on Sun City and Sun City West golf courses. Many say they wouldn't mind paying about \$5 extra a month to save groundwater, but Youngtown residents would also have to pay, and they can't use the golf courses.

"We just would like it to be fair," said Youngtown Mayor Daphne Green. "We think that if we have to pay for something, we should be able to use it."

The Sun Cities recreation amenities are open only to its residents.

The Arizona Corporation Commission held a public comment meeting last week for four hours in Sun City West with more than 300 northwest Valley residents. Some residents representing the Sun City Taxpayers Association say they also oppose the plan. Yet, many Sun City and Sun City

West residents who spoke said they want the commission to approve the plan because the green golf courses are an amenity that help bolster property values. This plan would also benefit the environment, they said.

Historically, there's always some faction opposing changes like this, said Rep. Carole Hubbs, R-Sun City West. Hubbs said she was speaking at the meeting as a resident and board member of the recreation centers.

The "short-sighted thinking will look ... silly in the next 10 years," Hubbs said.

The plan would not affect Sun City Grand because that community is in

Surprise and uses that city's water.

The corporation commission is expected to decide whether to use CAP water rather than groundwater during a meeting today. There will be no time for public comment. Today's meeting will start at 10 a.m. and will be held at the commission's Phoenix office, 1200 W. Washington St.

The Central Arizona Project is a \$4 billion canal that brings water to Phoenix from the Colorado River.

If the plan is approved, about 2.4 billion gallons of CAP water would be piped to the golf courses from the CAP

See WATER Page 11

canal north of the Sun Cities where it crosses Lake Pleasant Road and 99th Avenue. The water would be delivered to the golf courses through an existing pipeline.

At last week's meeting, commissioner Mike Gleason, a Sun City West resident, wondered if Youngtown residents might benefit from the use of CAP water, given that the town has faced subsidence, where the land is sinking because groundwater has been pumped from it.

"Frankly, if you look at the map we are not (sinking)," Green said. "Why they are trying to scare us into it, I don't know."

Arizona-American Water Company has already applied for a rate increase for its Youngtown customers. If all the proposed rate increases went through, it would add \$18 to a monthly water bill.

Green now pays about \$24 a month for water and sewer and she has a gravel yard, she said. The increase could hurt Youngtown residents, many of whom earn less than \$30,000 annually, she said.

"It could take away from food to pay for utilities," she said. "They just don't have it."

SUN CITIES INDEPENDENT

February 12, 2003

Great chasm divides GSP advocates, foes

By **Mike Russo**
Independent Newspapers

A chasm as wide as the Grand Canyon, through which the Colorado River flows, still exists between proponents and opponents of a plan to use Colorado River water to irrigate Sun Cities' golf course.

More than 300 area residents attended the Arizona Corporation Commission Feb. 4 public meeting at R.H. Johnson Social Hall in Sun City West, with many of them expressing their opinion on the controversial plan. The number of proponents and opponents of the proposed Sun Cities Groundwater Savings Plan speaking at the meeting were about evenly divided.

The purpose of the hearing was to solicit public comment on the plan. After numerous delays, the ACC is scheduled to vote on the

GSP when it meets at 10 a.m. Feb. 12 at the ACC office, 1200 W. Washington Ave., Phoenix.

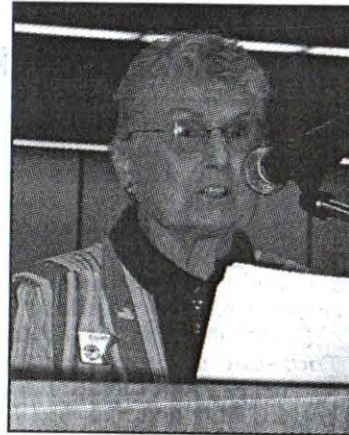
The GSP was formulated by the Central Arizona Project Task Force in 1998 following several months of hearings.

The plan recommends using Arizona-American Water Co.'s (formerly Citizens Water Resources') 6,561 acre-foot CAP water allocation to irrigate Rec Centers golf courses in Sun City and Sun City West. The water would be delivered to the two communities via a pipeline that would cost an estimated \$15.3 million.

Approval of the project would result in Sun City customers paying an additional \$5.80 a month per household and \$4.15 monthly in Sun City West.

The Sun City Taxpayers

See **CAP** — Page 5



Youngtown Mayor Daphne Green implores the Arizona Corporation Commission to reject the Groundwater Savings Plan because of the financial hardship it may create for low-income Youngtown residents.



Ray Dare, interim president of the Sun City Taxpayers Association, urges the ACC to reject the Groundwater Savings Plan.

taxpayers associatio would follow suit. "There will be no comment allowed, so there is no need for us to charter a bus," Mr. Dare explained.

Citizens may follow the ACC proceedings over the listen line, which may be accessed by calling (602) 542-0222.

OVER

CAP

Continued From Page 1

Association prefers to have the CAP allocation recharged with the Agua Fria Recharge Project.

Youngtown Mayor Daphne Green was the first to speak, in keeping with an ACC tradition of allowing elected officials to voice their opinion first.

"Youngtown supports the groundwater recharge concept, but it can be done better with the Agua Fria Recharge Project," Mrs. Green said. The GSP provides no benefit for Youngtown residents, according to the mayor.

Mrs. Green said the higher water rates resulting from approval of the GSP would financially strap many Youngtown residents. Mrs. Green supported her argument by citing 2000 census figures that indicate the median income of Youngtown residents is lower than most Valley communities.

She further mentioned that the rate increase brought about by approval of the GSP would be compounded by the water rate increase for which the water company has applied.

Concerns about potential financial hardships were also expressed by other GSP opponents, but Chuck Chadbourn, a member of the Sun City Foundation Board of Directors, said the organization's board has approved a plan to financially assist the 41 Sun City residents currently receiving help with paying their Recreation Centers' annual assessment.

"We have agreed to pay the rate increase (associated

with the GSP) for those 41 people," Mr. Chadbourn said.

Mark Fooks, Youngtown town manager, echoed the sentiments of Mayor Green.

"Our main concern is not the use of CAP water," Mr. Fooks said. "The utility should have a right to use its CAP water."

He said Arizona-American officials have admitted that the project provides no benefit for Youngtown. "Youngtown should not have to pay for a project it gets no benefit from," Mr. Fooks said.

Larry Watts, a member of the CAP Task Force, disputed that Youngtown had nothing to gain.

"The Groundwater Savings Plans protects the groundwater for everyone, even Youngtown residents," he said, since it will preserve groundwater by reducing pumping necessary to water the golf courses.

State Rep. Carole Hubbs, a Sun City West resident and former CAP Task Force member, urged the commissioners to approve the GSP.

"We need to take a long-range view when considering water issues," Mrs. Hubbs said. "CAP is a major defense against drought."

"Opposing the GSP is short-sighted thinking," Mrs. Hubbs concluded.

Elaine Grossman, another former Task Force member, said, "If we put the water into the basins in the Agua Fria River, it many never benefit Sun City."

Randy Fuller, president of the Property Owners and Residents Association in Sun City West, also spoke in favor of the GSP. "PORA's Board of Directors has formerly passed a resolution that clearly supports the



Photos by Mike Russo/Independent Newspapers

State Rep. Carole Hubbs, a Sun City West resident, urges members of the Arizona Corporation Commission to approve the Sun Cities Groundwater Savings Plan during last week's public hearing in Sun City West.

concepts of the Groundwater Savings Plan," Mr. Fuller said.

Several SCTA members addressed the commissioners and audience in opposition to the GSP.

"The Sun City Taxpayers Association supports the issue of any renewable water resource that by direct or indirect application benefits the aquifer or the community, and has never varied from that position," said Ray Dare, SCTA interim president.

"This matter is not about water, it is about money it takes to build a pipeline," observed Gerald Dolezal, SCTA vice president.

Both men reiterated the SCTA stance that Sun City residents should have been

given the opportunity to vote on the GSP issue before the Recreation Centers of Sun City Inc. Board of Directors entered into an exchange agreement with the water company.

Marianne Sikler, an opponent of the plan, said, "You (the ACC commissioners) will be setting a precedent by allowing Arizona-American to raise rates to construct the pipeline rather than having the company build the pipeline and then applying for a rate increase to cover the costs."

Sun City West resident Roger Hutfletz said he is concerned about possible subsidence caused by the overpumping of groundwater and the damage it could do to his house. "My home

represents a substantial portion of my assets," he said.

Hearings on the GSP were postponed several times last year for various reasons. The case has dragged on since the ACC commissioners approved the plan's concept in January 2000 and instructed the water company to develop a more definitive cost estimate for the 4,600-foot pipeline. It has twice been endorsed by ACC staff and has received the endorsement of the Arizona Department of Water Resources.

Floyd Brown, HOA president, said it was likely the organization would charter a bus to attend the ACC hearing. However, Mr. Dare said it was unlikely the tax-

ACC uncaps pipeline

Unanimous vote pushes CAP project forward

MICHAEL MARESH
DAILY NEWS-SUN

The Arizona Corporation Commission voted unanimously Wednesday to approve a Central Arizona Project pipeline to bring Colorado River water to the Sun Cities, a decision that one commissioner hopes "will bring the community together."

The pipeline, which will carry water to the communities to water golf courses and help conserve groundwater, has divided the community for years. In the end, even Commissioner Jim Irvin, who had sided with the Sun City Taxpayers Association and its attempts to block the pipeline, voted for the project.

"I hope the decision today will bring the community together," Irvin said.

The commissioner said the ACC must now work to ensure water-rate hikes to pay for the pipeline don't hurt

low-income Sun Citizens.

Sun Citizens attending Wednesday's meeting had mixed reactions to the ruling.

Gene Zylstra, a former director with the Recreation Centers of Sun City and Sun City Home Owners Association, was not surprised with the ruling.

"It is just a great relief," he said. "It is something that should have happened three years ago. I am happy something is going to be built. I think everyone on our side is excited."

SCTA interim President Ray Dare said Wednesday's ruling did not surprise him, though he conceded he thought Irvin would back his organization.

"I can't be unhappy, because I knew the decision was coming," he said.

Commissioner Mike Gleason of Sun City West said he

See PIPELINE, A5



STEVE CHERNEK/DAILY NEWS-SUN

Jim Treece, left, and Gerald Dolezal, Sun City Taxpayers Association directors, watch the proceedings at the Arizona Corporation Commission meeting to decide on a pipeline to deliver Central Arizona Project water to the Sun Cities. The Taxpayers opposed the proposal, which the ACC approved unanimously Wednesday.



Jeff Hatch-Miller

What's next?

● Arizona-American Water Co. is responsible for building the pipeline.

● Construction cannot begin until the Sun City Taxpayers Association lawsuit is finalized. The SCTA filed a lawsuit against the Recreation Centers of Sun City in order to force the centers to put the issue to a vote by members. The suit was dismissed in Superior Court and the SCTA is appealing that ruling.

● The next decision for the Arizona Corporation Commission is to implement some kind of rate increase to consumers in order to pay for the pipeline, though, the ACC said that is not going to be decided for several months.



STEVE CHERNEK/DAILY NEWS-SUN

Gene Jensen, left, and Gene Zylstra, both of Sun City, shake hands before boarding a bus to attend the Arizona Corporation Commission meeting on the pipeline Wednesday morning.

WATER (CAP)

VF

has studied the issue extensively since being seated in January.

"I have looked at it with an open mind," he said. "This is not about irrigation of water courses, it is about land subsidence and the lowering of the water tables."

Irvin disagreed with Gleason on the subsidence issue.

"It is with regret that I do accept this pipeline proposal," Irvin said. "If anybody thinks this is the final solution and will solve subsidence or lower subsidence in the Sun Cities, they are nuts."

Before voting, commissioners went through several amendments. Many were written in response to questions Sun Citians asked the panel in last week's public hearing in Sun City West.

Gleason said home prices in the Sun Cities would plummet if there was no pipeline, because few people would buy into a community with water concerns.

"This is one of the best solutions we have to the problem," Gleason said. "Therefore, I vote yes."

Commissioner Jeff Hatch-Miller said the Sun Cities and Youngtown should have already been using CAP water due to their locations.

"I think we are taking a necessary and important step," he said. "I feel we have no recourse but to move forward with this plan."

Commissioner William Mundell said he delayed the decision a few times last year as chairman to ensure fairness to all parties, but said the time was right to vote.

"If we continue to have subsidence in the Sun Cities and Youngtown area, that will affect home prices," he said. "The bottom line to me is, we need to think about our children, grandchildren and great-grandchildren, just like our forefathers did for us."

Irvin said some of the successful amendments will provide safety to residents. A few of the amendments focused on rate increases, as well as what they would mean to low-income Sun Citians.

"What is fair to allocate out there?" he asked. "I believe this project should not be looked at as any kind of a solution to (the water problems) in the Northwest



STEVE CHERNEK/DAILY NEWS-SUN

Gerald Unger of the Sun City Home Owners Association watches the proceedings at the Arizona Corporation Commission meeting Wednesday.

Valley. It is but a large Band-Aid approach."

Irvin said since the pipeline is coming in, he will concentrate on making sure residents are treated fairly when it comes to rate increases.

ACC spokeswoman Heather Murphy reaffirmed Irvin's comments, saying a rate increase to pay for the pipeline still hasn't been set. She said the panel won't necessarily approve the estimated \$5 increase Arizona-American Water Co. is requesting.

"This order does not approve any rate increase," she said. "It is speculation as to what rate increases will be."

Murphy said commissioners will need to set the increases, adding it could take more than a year to reach a decision.

"It's not going to happen that quickly," she said.

Chairman Marc Spitzer said history teaches people the importance of water planning and preparation. He said entire groups of people perished because they failed to have any water plan.

The pipeline, Spitzer said, is not about money, as some people have claimed.

"When I hear this pipeline is about money, I would respectfully disagree," he said. "There are some things money

cannot buy."

Gleason said this morning that many things still need to be decided. Arizona-American Water Co. will be responsible for building the pipeline, though, Gleason said construction will not start until SCTA's lawsuit is finalized.

Before commissioners voted on the pipeline, lawyers bantered with the panel.

Spitzer took exception to two letters from the SCTA lawyer Bill Sullivan that questioned the integrity of a commissioner. The SCTA raised the question Gleason recusing himself for allegedly prejudging the pipeline issue.

Spitzer said he was surprised an attorney would write such a letter, even if his client had directed him to do so — which Sullivan said was the case.

"When a client asks you to do something you can say no," Spitzer said. "Sometimes, before filing the letter, you have to tell your client it has no merits."

Daniel Pozefsky, a lawyer for the Residential Utility Consumer Office, asked the commission to not rush to a decision without having all the facts.

Pozefsky said since the SCTA has appealed the Superior Court's ruling dismissing its lawsuit against the Recreation Centers of Sun City, the commission should wait until the appellate court rules.

"This amendment, as is, does not solve the problem," he said. "If an appeal reverses the lower court, you have an agreement that is no longer viable."

"The way I look at it is, what is the rush. Wouldn't it make sense to look at the GSP after we know all the facts?"

Irvin replied by saying the commission in no way rushed to this decision.

"What I hear is, the commission needs to vote on this, and get it going," he said. "Sometimes you have the bite the bullet and move on."

The pipeline will bring CAP water into Sun City for use on Recreation Centers golf courses, and will tie into an existing pipeline in Sun City West to serve golf courses there as well. The pipeline will run south along 99th Avenue, follow Del Webb Boulevard and branch off to the golf courses from there.

The cost to build the pipeline is estimated at \$16.4 million.

Michael Maresh can be reached at 876-2513 or mmaresh@aztrib.com.



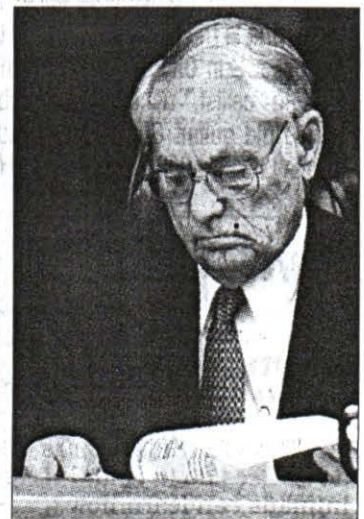
Jim Irvin



Marc Spitzer



William Mundell



Mike Gleason

SCTA vows to fight on

PIPELINE BATTLE: President pledges to take case to Supreme Court

KATY O'GRADY
DAILY NEWS-SUN

Sun City Taxpayers Association directors intend to take their case against the Central Arizona Project pipeline to the state Supreme Court.

"From my standpoint, I say we've got to go for broke, all the way to the Supreme Court," said SCTA President Ray Dare.

"Full steam ahead," said Director June MacDonald.

The Taxpayers' case against the Recreation Centers of Sun City is pending in the state's Court of Appeals, but if that court votes against the group, Taxpayers directors have vowed to take it to the next level.

Taxpayers filed suit in April 2001 demanding the RCSC board of directors ask its members whether they want to support a Central Arizona Project pipeline. RCSC called for a board vote only when deciding to support the project, which the Arizona Corporation Commission OK'd by a 5-0 vote Wednesday.

"We didn't lose (Wednesday) really. We're still fighting for the people of this community," Dare said.

Construction of the pipeline can not go forward until the suit is resolved, which could take several years.

Ray Jones, president of Arizona-American Water Co., said he wouldn't be surprised if the Taxpayers went to the Supreme Court.

"I think they probably

See SCTA, A5

From A1

will," he said, adding it could take until the end of this year just for the appellate ruling to come back.

Arizona-American bought out Citizens Water Resources, which was named in the Taxpayers' original suit before a judge ruled the company could not be a defendant in the case.

After an Arizona Superior Court judge dismissed the original suit in March 2002, the Taxpayers took it to the appellate level.

The Taxpayers recently sent 5,000 mailers to

members asking for financial support to carry their battle to the Supreme Court. Members answered with \$32,900 in donations.

Dare said he doubted that would be enough to pay for a Supreme Court run, but noted the Taxpayers have other funds.

Director Gerald Dolezal also suggested the Taxpayers thank members for their help in fighting the pipeline to this point.

"We must go on, but we should, even if we can or can't afford it, put an ad in the paper thanking the people for supporting us,"

Dolezal said.

Directors Ralph Schmidt and Jim Hauer took the cause a step further, saying the Taxpayers should consider calling the corporation commission to task for its pipeline decision.

"I think the corporation commission should be challenged," Schmidt said. "The whole thing is a messed-up deal, the secrecy and everything in the last two years."

"I personally think we or I will try to find a lawyer to challenge their decision," Schmidt said.

Hauer said he'd like to ask a federal attorney to

investigate the decision and seek an injunction against the pipeline's construction.

"What you're talking about is another parallel effort to the appellate effort," Dare said.

Hauer reiterated he thought the matter should be taken to a federal level because he doesn't trust the state courts.

"It won't do no good," he said of challenging the decision in Arizona courts. "They already peed on us."

Katy O'Grady can be reached at 876-2514 or kogrady@aztrib.com.

Continued From Page 1

not expected to vote in favor of the pipeline project but did.

"This is a grand victory for the community and the citizens who made the effort to stick behind it," said Ray Jones, Arizona-American Water Co. president. "We clearly got a clear and good decision with this order. ... I didn't expect Commissioner Irvin to approve the plan."

Commissioner Irvin indicated that he hoped a unanimous vote would help heal the division over the issue and bring people together.

"I hope after today's decision we can start to bring the community together to find common ground and preserve water with a regional approach," he said.

Several community leaders said they were pleased with the outcome.

"I was very gratified with the results," said Gene Zylstra, who had been a member of the CAP Task Force. "A lot of hard work went into that plan."

"The support behind this has been over four or five generations of directors of Sun City Home Owners Association, the Property Owners and Residents Association and the Recreation Centers" of Sun City, said Gerry Unger, former director and president of both HOA and the RCSC. "We have waited a long time for this."

"The future is here and now," proclaimed Floyd Brown, HOA president.

Ray Dare, president of the SCTA, said his organization doesn't oppose the pipeline itself.

"We just wanted the people who are going to finance it to have a vote," Mr. Dare said. "The RCSC did not have the authority to do what it did."

CAP water plan clears ACC hurdle

By **Mike Russo**
Independent Newspapers

The Arizona Corporation Commission last week finally ruled on the Sun Cities Groundwater Savings Plan, approving it unanimously, to the surprise of proponents and opponents alike.

More than three years after tentatively approving the plan's concept, the commissioners endorsed the plan, after tacking on several amendments, during a Feb. 12 public meeting.

The GSP is designed to reduce the reliance on groundwater for Sun City, Sun City West and Youngtown.

It was formulated by the Central Arizona Project Task Force in 1998 following several months of hearings.

The plan calls for using Ari-

zona-American Water Co.'s (formerly Citizens Water Resources') 6,561 acre-foot CAP water allocation to irrigate Rec Centers golf courses in Sun City and Sun City West. The water would be delivered to the two communities via a pipeline that would cost an estimated \$15.3 million.

The Sun City Taxpayers Association preferred to have the CAP allocation recharged with the Agua Fria Recharge Project.

Approval of the plan was expected by both proponents and opponents, but the unanimous vote caught both parties off guard.

Commissioner Jim Irvin, who had been publicly vocal in his opposition to the plan, was

See **CAP** — Page 7



Photo by Mike Russo/Independent Newspapers

A sizable contingent of Sun Citizens attended the Arizona Corporation Commission Feb. 12 meeting to learn the fate of the Sun Cities Groundwater Savings Plan, which was unanimously adopted by the commissioners.

There is only one obstacle keeping the project from moving forward, Mr. Jones said, referring to a civil lawsuit filed by the SCTA against the water company and the RCSC. That lawsuit seeks to void the exchange agreement between the RCSC and Arizona-American to use the CAP water to irrigate golf courses.

The water company also has contracts with the Recreation Centers of Sun City West, Inc. and Briarwood Country Club in Sun City West.

"We can only do preliminary work on the pipeline until the SCTA appeal is resolved," Mr. Jones said.

Opening and answering

briefs have been filed with the Court of Appeals in the case, according to Mr. Dare.

He pledged SCTA's continued fight on the matter.

"The donations we received (more than \$33,000) were beyond our expectations," Mr. Dare said.

As a response to that resident support, "we feel that we have got to go forward," said Mr. Dare, adding that the organization would be willing to take the case all the way to the Arizona Supreme Court.

Approval of the project is expected to result in Sun City customers paying an additional \$5.80 a month per household and \$4.15 monthly in

OVER

Sun City West.

"The order did not approve any rate changes," cautioned Heather Murphy, ACC spokeswoman. "That will all be considered at a rate hearing."

Through the amendments, commissioners sought to look out for the lower-income ratepayers who will be affected by the decision, as well as encourage the water company to review its water conservation program. The commissioners also directed the ACC staff to consider revising the company's inverted block rate design, which results in higher volume water users paying a higher rate.

An amendment made by Commissioner Bill Mundell directed the water company to propose a program to assist low-income ratepayers, such as the ones offered by Arizona Public Service and Salt River Project.

The Sun City Foundation has already pledged its support to the 41 Sun Citians it is assisting in paying their annual Recreation Centers assess-

ment. The foundation has agreed to cover the amount of the rate increase resulting from the GSP.

In voting in the affirmative on the GSP, Commissioner Irvin said: "This has been a long case and it's not over yet. There is a case on appeal and the future rate case to deal with.

"I will remain a very strong advocate ... to see that ratepayers are protected and that we address with fairness the allocation of costs among the communities."

ACC Chairman Marc Spitzer observed: "From where I sit, there are three things that need to be considered: Public health and welfare, representative government and the future of the state of Arizona.

"We are taking a step today to make sure we don't gamble away the things money can't buy," Mr. Spitzer added.

Mike Gleason, the only commissioner who lives within the affected area, said, "This case is not about the irrigation

of golf courses. It is about land subsidence and the lowering of the water table in that area. If it (groundwater pumping) is allowed to continue, it would have a drastic effect on the property values of the community.

"This is the best solution," he added.

"The state is in its worst drought since recordkeeping began in the 1880s," observed Commissioner Bill Mundell. "We need to think of our children, our grandchildren and our great grandchildren, just as our forefathers thought of us when they wisely paid for and built Arizona's dams and the Central Arizona Project."

Rehearing requested on CAP water plan

By **Mike Russo**
Independent Newspapers

It took nearly five years from drafting of the Groundwater Savings Project to approval by the Arizona Corporation Commission, but the saga over deciding the method to use Colorado River water in the Sun Cities may not be over yet.

The Sun City Taxpayers Association filed a request for rehearing with the ACC on March 12, confirmed Heather Murphy, ACC spokeswoman.

"In order to protect their right to appeal, they must file a request for rehearing," explained Mrs. Murphy. "The Corporation Commission has 20 days to act on the request or not act on it."

The SCTA believes some evidence that was considered at the ACC's hearing on the matter last month was inap-

propriate, said Ray Dare, SCTA president.

He also said he is concerned that Chairman Marc Spitzer's mention of SCTA's pending civil lawsuit during the hearing could jeopardize that case.

"He has no right to do that," Mr. Dare said. "That could affect our civil case."

"We cannot let statements made in one (judicial setting) affect a case in another court," Mr. Dare said in reference to SCTA's civil lawsuit pending in the Arizona Court of Appeals.

In that lawsuit, SCTA seeks to void the exchange agreement between the Recreation Centers of Sun City Inc. and the Arizona-American Water Co. to use the water company's Central Arizona Project water allocation to irrigate RCSC golf

See **CAP** — Page 7

CAP

Continued From Page 1
courses.

The case was sent to the Court of Appeals after Maricopa County Superior Court Judge Mark R. Santana rejected SCTA's request for a new trial in Superior Court on June 12, 2002.

SCTA had requested the new trial after Judge Santana previously granted the motion of the recreation centers to dismiss the lawsuit filed by SCTA and individual members of the organization.

The Arizona Courts of Appeals has agreed to hear the case, according to Mr. Dare.

"We assume that (they will)

hear oral arguments before summer," Mr. Dare said.

The GSP, which was unanimously approved by the ACC on Feb. 12, is designed to reduce the reliance on groundwater by Sun City, Sun City West and Youngtown.

It was formulated by the CAP Task Force in 1998, following several months of hearings.

The plan recommends using Arizona-American Water Co.'s (formerly Citizens Water Resources') 6,561 acre-foot CAP water allocation to irrigate recreation centers' golf courses in Sun City and Sun City West. The water would be delivered to the two communities via a pipeline that would cost an estimated \$15.3 million.

The SCTA preferred to have

the CAP allocation recharged with the Agua Fria Recharge Project.

Bill Beyer, attorney for the CAP Task Force, indicated he did not plan to file a response to the SCTA request at this time.

"If they deny it, then no action is needed on our part" he wrote in a letter to task force members. "If they agree to a rehearing, then we will have more than enough time to frame whatever response we may wish to make."

SCTA disputes lawsuit dismissal

APPELLATE COURT: No timetable set for decision on reinstatement

MICHAEL MARESH
DAILY NEWS-SUN

The state of the Sun City Taxpayers Association lawsuit against the Recreation Centers of Sun City is in the hands of justice, but the decision to reinstate it could be months away.

The case focuses on the proposed construction of a pipeline that would bring Colorado River water to Sun City golf courses and tie into an existing pipeline in Sun City West.

The SCTA sued the RCSC for failing to allow members

to vote on the Central Arizona Project pipeline, but the case was dismissed in March 2002.

Arizona Appellate Court Judges Susan Ehrlich, Ann Timmer and G. Murray Snow heard oral arguments Wednesday from lawyers representing the two Sun City organizations, as well as Arizona-American Water Co. lawyer Todd Wiley.

More than 20 members of the SCTA attended the hearing. Jerry Swintek represented the RCSC.

The appellate court took the arguments under

advisement and will rule sometime in the future, though there is no set timetable.

Superior Court Judge Mark Santana in March 2002 formalized the court's prior granting of the RCSC motion to dismiss the lawsuit.

The SCTA appealed that ruling.

Conveyance of water rights dominated Wednesday's hearing.

SCTA lawyer Larry Udall said the centers would hold the deed to the groundwater rights, but still would have an obligation to pay more than 80 percent of the pumping costs for the next 86

See LAWSUIT, A5

From A1

years to the water company.

Ehrlich wanted to know if this was an asset or an exchange of groundwater and was told an exchange was agreed upon for Central Arizona Project water.

Udall said the trial court erred in not allowing the SCTA to amend its lawsuit or to conduct additional discovery during the judicial process.

"An exchange is a conveyance," Udall said. "This water agreement is covered by a statute, and there is no conveyance."

"This is about allowing members the right to vote (on the pipeline). Members deserve to invoke their rights to determine whether they would agree to it."

Udall reiterated that the trial court erred in dismissing the case and said the appellate court should remedy the ruling.

"As a matter of law, the people are entitled to vote," he said. "This court can determine that pumping 6,600 acres of water is substantial. We believe this court can take judicial notice of this (amount of) groundwater."

Wiley said there was an exchange of water between the centers and the water company.

Snow wanted to know why it was necessary to exchange rec centers groundwater for CAP water.

"According to this agreement, you have asked the rec centers to give up something for groundwater," Snow said.

Wiley said the agreement with the centers is simply water for water, so the previous court ruling should stand.

"What we would like to see is the appellate court reaffirm the trial court's ruling," Wiley said.

Charles Kelhoffer, the

RCSC lawyer, said the Taxpayers' appeal has no merit.

"We believe the case and amendment is futile and should not be considered," he said.

Kelhoffer said the centers should not be required to let its members vote on every single issue, and added it is clear there is no conveyance.

"We have grandfathered rights for our golf courses," he said. "The water is there for the maintenance of our golf courses."

"We have 40,000 members, and they do not agree on everything. We have to follow the mandate of our articles of incorporation. The RCSC does not have to have an election every time (some members) do not like the outcome."

Udall disagreed, and asked if the RCSC is refusing to allow members a vote.

"Is there merit to it?" he asked. "Let the members have their right under the

articles of incorporation." SCTA President Ray Dare, after the meeting, said he was optimistic the appellate court would reverse Santana's ruling.

"We didn't need a pipeline," he said. "We had a source of water. We want members to vote on whether it's good or bad."

SCTA lawyer Bill Sullivan said he expects a ruling in the next six months.

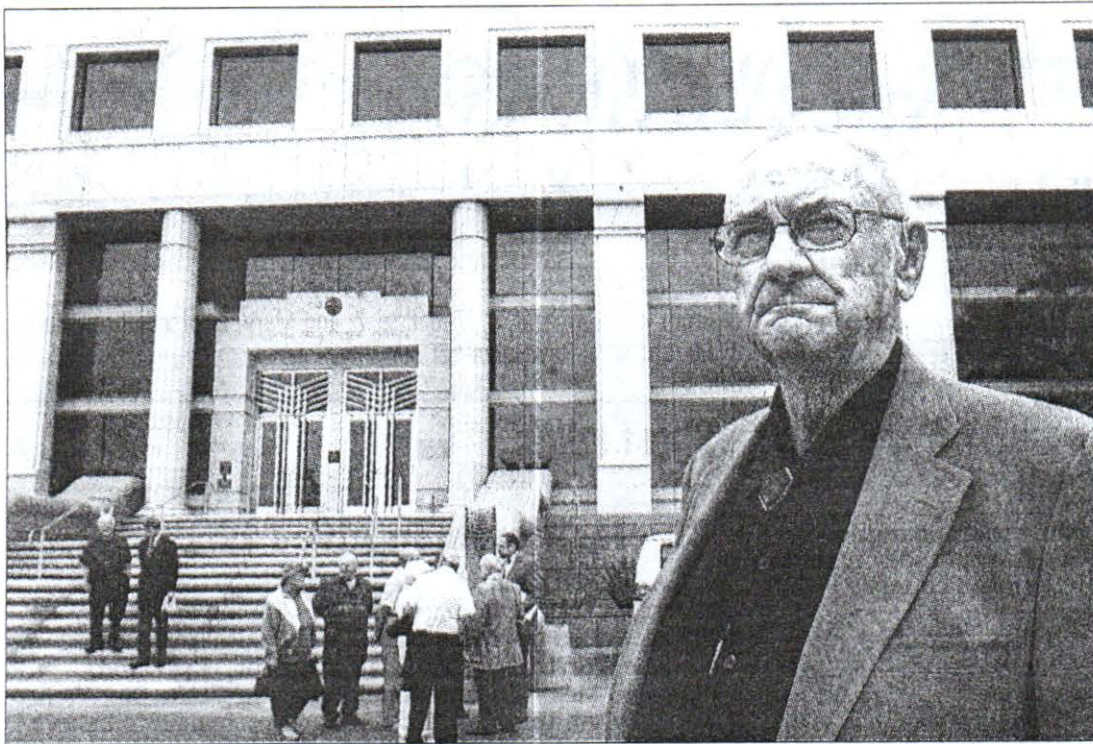
"We feel we have a strong argument," he said. "The issue in the case is whether there was a conveyance right to utilize groundwater. That constitutes an asset, and that was given up in the exchange agreement."

Swintek said all the centers can do now is sit back and wait.

"The judges will decide and get back to you," he said. "In the meantime, we wait. It is up to the judges."

Michael Maresch can be reached at 876-2513 or mmaresch@aztrib.com.

OVER



STEVE CHERNEK/DAILY NEWS-SUN

Ray Dare, president of the Sun City Taxpayers Association, and other SCTA members gather outside the state court building after their case was heard in appellate court Wednesday. SCTA wants the court to reverse a decision to dismiss its lawsuit against the Recreation Centers of Sun City for failing to allow members to vote on the proposed CAP-pipeline project.

DAILY NEWS-SUN

SATURDAY, AUG. 16, AND SUNDAY, AUG. 17, 2003

RCSC, utility file appeal on CAP vote

MICHAEL MARESH
DAILY NEWS-SUN

The Sun City Taxpayers Association lawsuit against the RCSC and Arizona-American Water Co. has taken another turn.

The Recreation Centers of Sun City filed a court brief asking the Arizona Supreme Court to reverse an appellate court ruling allowing Sun Citizens to vote on the use of water from the Central Arizona Project.

Keith Larson, water-resources manager for Arizona-American, said the company has attached its name to the appeal.

The Taxpayers Association has until Sept. 1 to respond to the appeal, and SCTA President Ray Dare said his organization is preparing one.

The Central Arizona Project pipeline the Arizona Corporation Commission approved in February would bring Colorado River water to Sun Cities golf courses, and the Taxpayers want RCSC members to have the opportunity to vote on it.

The pipeline would bring CAP water into Sun City for use on golf courses, tying in to an existing pipeline in Sun City West to serve golf courses there as well. The pipeline would run south along 99th Avenue, follow Del Webb Boulevard and branch off to the golf courses from there.

The appellate court in June vacated the Superior Court's ruling to dismiss the Taxpayer's case, stating the trial court erred when it said the pipeline's delivery of CAP water for up to 86 years did not constitute a conveyance of a recreation

centers asset, as the Taxpayers allege.

"My feeling is it is going to hold," Dare said of the appellate court ruling. "All we are asking for is to allow (RCSC) members to vote. They are all acting like Rome is going to burn because of this decision."

And while the judicial process continues to unfold, the cost of the case continues to escalate for the three involved groups.

Dare said his group's legal fees have increased by more than \$40,000 over the past 17 months to about \$100,000. Taxpayers members have asked the board to pursue this issue, he said.

"It is in the Supreme Court so we are still fighting them," Dare said.

He said the Taxpayers lawsuit is being funded through donations and other

resources that are not linked to the organization's operational costs.

Larson said the water company has spent \$41,000 in litigation fees and is expecting the costs to continue to rise. In March 2002, its legal fees in the case stood at \$11,000.

"Should the Supreme Court not vacate, there would be a trial and there would be a cost associated with the trial," Larson said, adding he would not venture a guess on how the court will rule.

The RCSC said it would not release how much it has spent on the legal process, but in June 2002, its cost in this case stood at \$22,400. RCSC President Dorothy Hirtzel and board member Jerry Swintek did not return phone calls for comment.

Michael Maresch can be reached at 876-2513 or mmaresch@aztrib.com.

CAP-pipeline RCSC vote suit's back to square 1

KATY O'GRADY
DAILY NEWS-SUN

Despite crawling through the Arizona Corporation Commission and the state's court system for five years already, a decision on whether to allow Sun City residents to vote on a controversial water pipeline is heading back to ground zero.

The Arizona Supreme Court on Dec. 4 refused to hear the Central Arizona Project pipeline case after the Arizona Court of Appeals sent it back to trial court, essentially starting the process all over again.

"We're starting from scratch," said Tracy Spoon, executive director

of the Sun City Taxpayers Association, which filed the original suit.

The issue actually started in the early 1980s, when Arizona-American Water Co. — then known as Citizens Water Resources — started looking at ways to obtain and use CAP water in the Sun Cities. It created a task force, which included the Sun City Taxpayers Association and the Recreation Centers of Sun City, that concluded a pipeline was the best way to accomplish those goals, according to court records.

In 1998, Citizens filed an

application with the Arizona Corporation Commission for its CAP Groundwater Savings Plan. In 2000, the company and the RCSC entered an agreement to exchange groundwater for CAP water to irrigate the community's golf courses. The CAP water, which comes from the Colorado River, would cost the centers 80 percent of the cost of pumping the groundwater.

Despite being on the CAP task force that agreed the pipeline should be built, according to court records, the Sun City Taxpayers Association in April 2001 sued the Recreation Centers of Sun City and the water company, claiming the centers did not allow RCSC members to vote on the water exchange.

The SCTA alleges the exchange is a conveyance of an RCSC asset that requires a membership vote. That is still the groups' argument today, although the courts have since ruled the association has no standing in the case. That means the suit will continue with individual plaintiffs going back to trial court, Spoon said. Those individuals include current and former SCTA directors:

Todd Wiley, a lawyer with Gallagher & Kennedy, which is representing Arizona-American, said typical cases can last nine months to a year, although this one could be shorter.

The trial court originally ruled in favor of the RCSC and the water company, but Taxpayers appealed that decision and won a summary judgment sending the case back to Maricopa County Superior Court. No trial date has been set for the latest legal round.

The question now, Wiley said, is whether the conveyance was substantial enough to trigger the RCSC membership vote.

Spoon said RCSC Articles

of Incorporation state a membership vote is required if the board of directors conveys an asset worth more than \$50,000. She said SCTA directors believe the centers' water allocation is valued "in the millions."

"Del Webb set up the articles to make them difficult to change, and he really set it up so assets aren't raided," she said.

Spoon said the individual plaintiffs still believe the courts will rule in their favor. If so, RCSC directors will have to put the pipeline question to the members. Previously, only the board agreed to the water exchange.

If members reaffirm the board's agreement, Spoon said the Taxpayers still believe their fight was worth the more than \$100,000 in legal fees the organization has spent to force the vote.

"At least then the people had the opportunity to vote," she said. "My opinion is, if they had put it to an election four years ago, who knows what the outcome would have been? And it would have been a whole lot cheaper."

Wiley said Arizona-American wouldn't have had the pipeline completed by this time if the court case had never been filed, but "we hoped to start laying some groundwork."

The pipeline, estimated to cost more than \$17 million, would be used to bring CAP water to Sun City golf courses, and would tie in with an existing pipeline in Sun City West to water golf courses there as well.

Recreation Centers of Sun City West Director Carolyn Jennings, who heads the RCSC golf committee, said she believes the pipeline is needed to conserve groundwater.

"The Taxpayers simply don't want to pay for the pipeline," she said.

Katy O'Grady can be reached at 876-2514 or kogrady@aztrib.com.



zona Department of Water Resources (ADWR), stipulating a management code that sets groundwater pumping limits gradually lowering in amount over five, 10-year management periods. (More explanation of rights and the water management code in later articles.)

This affected development plans for Sun City West, since it does not have the abundant supply of Type 2 water rights that Sun City has.

Sun City West lacked a sufficient number of grandfathered water rights to meet the scope of development ultimately planned to include seven golf courses (Hillcrest and Briarwood private). Initially planned for a population of 25,000, Webb later added the expansion area and two more golf courses.

In lieu of sufficient water rights, Webb obtained temporary General Industrial Use permits (GIUs) to serve four golf courses.

Briefly, as applied to Sun City West, GIU permits allow groundwater to be withdrawn if 1) Arizona project water is not available, 2) if surface water or effluent of adequate quality is not available, and 3) if there is an assured water supply for its intended use that can be withdrawn in amounts consistent with the management goals of the active management area established under the Groundwater Act.

Although Sun City West then met the criteria for having an adequate water supply, as it does now, it lacks sufficient water

WATER 101, *From Page 1*

rights to access it for all golf course irrigation needs.

GIU permits can be granted for periods up to 50 years. The Sun City West temporary permits were granted with an expiration of August 2005, at which time they were to be replaced with other water resources.

Looking ahead to that eventuality, Webb then built treatment facilities just Northeast of Sun City West, with a capacity to

treat over 3,000 acre feet of wastewater that would be generated by Sun City West at build-out, presumably to be used as an effluent replacement source for the expiring GIU permits.

That event led to another reason why Sun City West faces a dilemma today over sufficient water resources to serve its needs.

Next: Effluent rights — where have they gone?

Anatomy of the SCW water issue

The Wester is receiving calls and letters requesting a series of articles to better explain and inform residents on the water issue. As one person so colorfully described the need, "There's some 'plainin' to do" to the residents, and they prefer it to be done in terms that can be easily understood.

In view of the increased interest, The Wester, as a public service, has initiated a column devoted to the water issue.

"Water 101" is an ongoing informational column. Its purpose is to report on any and all water activities and events that arise and affect the community.

Future columns will include, but not be limited to, the activities of the Arizona Department of Water Resources, Arizona Corporation Commission, Sun City and Sun City West Recreation Centers, Sun City Taxpayers Association, Central Arizona Project (CAP), and the Arizona-American Water Company.

What role do each of these involved entities play in any action or controversy surrounding the water issue?



By Marianne Sikler

Effluent rights— where have they gone?

Foreword: Sun City West lacked sufficient water rights to serve all its golf courses and required permits to cover the shortfalls. Del Webb then planned and built wastewater treatment facilities to provide effluent as a replacement water source for the temporary permits used to irrigate the four Sun City West golf courses (Echo Mesa, Stardust, Grandview and Trail Ridge), due to expire in August 2005.

In anticipation of build-out, Del Webb signed a 1995 Memorandum of Understanding that committed first rights of ownership of the wastewater facilities to the Recreation Centers of Sun City West.

Conveyed to the Rec. Centers was the effluent, effluent contract, recharge fields, distribution system and the project, at no cost, and with all assets conveyed free and clear of liens and encumbrances.

A change of plan: In June 1998, Recreation Centers representatives participated in Water Task Force proceedings convened by the water company to study alternative water resource options for Central Arizona Project (CAP) water resources. Delegates from Sun City, Sun City West and Youngtown were chosen to participate.

Task Force participants voted at the proceedings in favor of a proposed plan to bring untreated CAP water into the Sun Cities for direct delivery to golf courses. A proposed pipeline was to be built and owned by the water company, and paid for through a special surcharge added to the water bills of Sun City, Sun City West, and Youngtown ratepayers.

This event effectively abandoned the plan Del Webb had put in place to use treated effluent on Sun City West golf courses.

In September 1998, Sun City West board members relinquished all claims to the effluent rights and project as outlined in the 1995 Memorandum of Understanding, and the then Citizens Utilities (now Arizona-American Water Company) took possession of the facilities.

Recreation Centers board members involved in negotiating the effluent agreement gave several reasons for its divestiture.

1. It was considered to be too expensive for Sun City West to maintain and operate the facilities.

2. It was thought Sun City West would not have the manpower and/or wherewithal to operate such a facility, and that the water company was better equipped to manage and maintain the operation.

3. Board members felt threat-

ened by a legal backlash from the water company over its possession.

To sign off on all claims against potential ownership of the treatment facilities, Sun City West receives 1,000 acre feet of credits free yearly against its continued groundwater pumping on the Deer Valley and Desert Trails golf courses.

The treatment facilities were originally designed to treat a projected 3,015 acre feet of wastewater generated out of Sun City West at build-out. While settling for one-third of its projected capacity, according to the agreement, Sun City West has the option to purchase the additional 2,000 acre feet of effluent at \$150 an acre foot per year (or \$300,000).

The water company has since expanded the acquired facilities to almost double capacity, and is planning more than a three-fold expansion as part of long-range plans to expand its service base in the developing areas.

Where has all the effluent gone? To Corte Bella and points North.

At the same time the effluent facilities were being relinquished, the Sun City West Board elected to pay \$6 million towards an estimated \$15 million water company pipeline to deliver untreated CAP water to its golf courses.

The Board later signed on to a water exchange agreement that would turn over disposition of the community's existing water rights to the water company in conjunction with the pipeline plan.

Next article: The pipeline faces opposition.

WATER 101

By Marianne Sikler

THE WESTER Thursday, July 15, 2004

representatives walked out in protest and refused to sign on to it.

It was claimed the pipeline was not a legitimate option according to the original agenda of considerations, and that there was no motion introduced and voted on at the proceedings that called for water exchange agreements to be enacted in conjunction with it.

The Sun City Taxpayers Association (SCTA) filed a lawsuit objecting to the water exchange agreement that would turn over all Sun City's grandfathered Type 2 water rights to the water company.

The SCTA contends the Sun City Recreation Centers Board exceeded its authority by signing a contract to convey the Association's water rights to the water company without a vote of affirmation from the residents.

Refused a hearing on the issue in Superior Court by Judge Mark Santana, the SCTA then appealed its case to the Appellate Court, where a three-judge panel ruled unanimously in its favor.

The Appellate Court ruling determined two important factors: that water rights are an Association asset and as such have value, and that a long-term lease of 86 years represents a transfer of ownership of property. It was further ruled that, despite protests by the Recreation Centers board to the contrary, an asset is still being conveyed under the agreement.

The water company (as an intervener in the case) requested a rehearing by the Appellate Court which was denied, as was its Petition for Review filed in the Supreme Court.

The Appellate Court remanded the case back to the Superior Court for a trial, but upheld a ruling by the lower court that Sun City residents individually, not an association group like the SCTA, had to be plaintiffs in the suit.

Individual Sun City residents then stepped forward to organize into a separate group as plaintiffs in the lawsuit, with separate legal counsel from that of the SCTA. The case goes to trial in March 2005. If the plaintiffs' suit is successful, Sun City residents will vote in an election to determine whether or not to turn over Sun City's water rights to the Arizona-American Water Company.

The March 2005 trial date will mark the seventh year of litigation over the exchange of water rights to the water company.

Of primary concern to the Sun

See **WATER**, Page 2

WATER, from Page 1

City West governing board is the impending expiration of temporary permits used to serve four golf courses, and the importance of finding an alternative means to replace them.

House Bill 2064, a special bill enacted with the help of Mike Gleason, while a member of the Arizona Legislature, extends the expiration date of the temporary permits out seven years from 2005 to 2012, to provide enough time for the construction of the water company pipeline to be completed. However, the bill is contingent on the outcome of the Sun City litigation, and could become negated.

The Arizona Department of Water Resources (ADWR) recognizes the HB2064 legislation

would not apply to a permit extension should the Recreation Centers and AZ-AM agreements be invalidated due to court action.

In an official notification to that effect, the ADWR suggested Sun City West's water supply options for replacing the GIU permits could include 1) the purchase or lease of Type 2 grandfathered water rights, 2) acquiring long-term storage credits of effluent or CAP allocations, 3) acquiring direct deliveries of effluent, or CAP water which would require construction of a pipeline, as well as an effluent or CAP contract, or 4) buying water service from Arizona-American.

Future issue: A discussion of Sun City West's options.

THE WESTER Thursday, July 22, 2004

Who speaks for water ratepayers?

By Marianne Sikler

A recent article by Arizona Corporation Commissioner Mike Gleason provided an informative presentation of that agency's mission and operation.

It explained, step by step, how rate cases are decided on a fair value of the capital asset of an applicant that are being "used and useful," and the procedure for determining rate increases which are supposed to be calculated over several years of operation in order to better gauge actual costs.

Notwithstanding the Commission's efforts, corporations do try to overwhelm the process, which requires careful scrutiny by the ACC.

Not mentioned was the role of the Residential Utility consumer Office (RUCO) as part of the Arizona Corporation Commission (ACC). RUCO is the consumer watchdog arm of the ACC, and represents the interests of Arizona's residential utility ratepayers.

It's probably the only agency of its kind in Arizona that does come down squarely on the side of the consumer. Currently, it's in opposition to the proposed sale of Unisource to an investor group as a deal that would not benefit, or be in the best interests of the public. It's an active participant in the APS rate case, and the Qwest proposal to revise its existing rate structure.

RUCO actively opposed the Arizona American Water Company pipeline because it represented a 45% increase to the Sun Cities and Youngtown ratepayers.

It opposed the recent water company rate increase which it deemed to be too excessive, in some cases representing an 88% increase.

The Arizona American Water Company has recently requested a rehearing on the water case, based on the claim the ACC decision was unconstitutional according to state and federal constitutions.

Arizona American had requested its increase based on a full or true value method as calculated by a hired consultant, rather than by the historical method used by the ACC which deals with fair value and actual costs.

WATER
101

By Marianne Sikler

As a watchdog agency, RUCO stands firmly on the side of the consumer.

The agency was founded as the result of large utility rate increases authorized by the Corporation Commission back in the late 1970's-1980's. While residential consumers paid a large percentage of those increases, their interests were generally not represented in the proceedings before the Commission.

As a class, residential users have a great interest in utility rate cases; however, it is not feasible to any single resident to intervene in the sometimes complex and lengthy cases the ACC handles.

John Ahearn, a member of the Corporation Commission, recognized this discrepancy and led the movement to create a state agency with the expertise to represent the interests of residential utility consumers. After several years of lobbying and persuasion, Ahearn and other consumer advocates convinced the legislature to finally create RUCO in 1983 through assessments to utility companies.

RUCO celebrated its 20th anniversary last September. Ahearn, who had been on its advisory board for several years, and Walter Bush, a Sun City resident who was also one of the principal architects of RUCO, were honored guests and recognized by Governor Napolitano at its anniversary celebration.

Interest has been expressed by Homeowner Association members to duplicate the efforts of a RUCO-type agency with regard to Association management. Recent reform legislation has been enacted regarding Associations, making it easier for its members to have open government, disclosure, and to curb abuses by rogue Association Boards or management companies.

An organization that would give association members equal recourse in such matters is in the talking stages. Perhaps its time has come.

A few facts on groundwater taxes

Are the Sun Cities the only communities relying solely on groundwater for their needs? The answer is No.

Many private water utilities operate throughout Arizona. The Arizona Corporation Commission lists them as numbering 306, most relatively small and serving anywhere from a half dozen customers to a few companies that serve more than 50,000 customers.

Scott Phillips, planning manager for the City of Surprise, referred to smaller companies serving its new developments just Northeast of Sun City West. "We will be receiving water from two small water companies that are now in the area of our planned development, but for the most part the majority of our water needs will be supplied by the Arizona American Water Company."

Arizona American Water Company is a subsidiary of American Water Works Company, Inc., which has been purchased by RWE, A German multi-national company that is one of the world's largest utility groups, and the third largest provider of water and wastewater services in the world.

American Water Works serves 15 million people in 27 states and three Canadian provinces. It was the largest publicly traded water company in the United States before joining the larger RWE family of water utilities.

Various Arizona utilities are included within this extended international water services family, with Arizona-American providing water and wastewater services to more than 230,000 Arizonans.

Besides serving the Sun Cities, Corte Bella and Youngtown area, Arizona-American's service area includes Surprise, Anthem, the Southern half of Paradise Valley, a small portion of Western Scottsdale, Bullhead City, Lake Havasu City and the surrounding



areas of the community of Tubac.

From time to time the question arises of a special tax being levied against groundwater pumpers. This would fall under the approval of the Arizona legislature and affect all groundwater users, including small providers and communities who rely on their service. A recent attempt to enact such a tax was quickly dismissed by the legislature.

Groundwater users already pay consumption taxes. Sun City West ratepayers pay an annual usage state tax through the Arizona Department of Water Resources (ADWR) of \$2.75 for each acre foot of water being pumped on our golf courses.

In addition, the ADWR levies an additional \$2.12 tax per acre foot of water pumped that is directed to a state Water Quality Assurance Revolving Fund (WQARF).

This fund is administered by the Director of the Arizona Department of Environmental Quality. Its assessments are used for costs to monitor, assess, identify, locate and evaluate the degradation, destruction, loss or threat to the waters of the state resulting from a release of a hazardous substance to the environment.

The funds are used for the cost of conducting site investigations, feasibility studies, health effect studies and risk assessments related to environmentally threatened waters, and to control, manage or clean up hazardous substances to protect public health.

Sun City West ratepayers also pay water taxes of \$1 Groundwater Savings Fee, a 7¢ Groundwater Withdrawal Fee, and a

See **GROUNDWATER TAXES**, Page 2

OVER

GROUNDWATER TAXES, *from Page 1*

Water Use Tax of 5¢, for a combined total of \$5.99 in taxes per household.

Some of these taxes pay the Arizona American Water Company's allocation holding costs for CAP water earmarked for the Sun Cities. These unused allocations are being directed down the Beardsley Canal and delivered to farmers in the Southwest area at a discounted cost, who use it untreated for irrigating crops.

It's considered common practice to use CAP water allocations for this purpose that have been contracted for but go temporarily unused, or are being partially used, to maximize its use through the system and into the aquifer.

Library departure at 7 a.m. Pete at 544-2334.

Hikers also have an Oct. 25-27 excursion to Madera Canyon south of Tucson. Again, motel space is limited and reservations must be made in advance. Coordinate with Pat at 214-6538.

Birders will join Birders Anonymous for a trip to Mt. Ord at 6:30 a.m. on Aug. 11. Call 875-7057.

Women's target shooting will continue each Thursday evening at the Ben Avery Range. Meet at the SCW library at 5:45 to ~~carpool to the site~~. Call 214-

7317.

The travel group has a day trip planned to Flagstaff on Aug. 1 to visit Summerfest. Later in the month (Aug. 24-27) it will go to California for the Pageant of the Masters, Getty Museum, Nixon Library and Huntington Gardens. Leslie at 214-1152.

If you would like to participate in these activities, call 214-8890 for membership information.

Pipeline battle trickles into court

KATY O'GRADY
DAILY NEWS-SUN

There is no love lost in the four-year legal battle over a water pipeline that will see both parties facing each other in a courtroom on Valentine's Day, prior to the case heading to trial in early March.

Lawyers representing the Recreation Centers of Sun City and the 75 residents who are suing RCSC are scheduled for an oral argument phase that the plaintiffs hope the battle in their favor before going to trial.

Plaintiffs in the class-action suit have asked Superior Court Judge Jonathan Schwartz to rule on their motion for summary judgment, meaning they want the judge to rule in their favor based on their arguments and accompanying expert testimony before the trial, which is scheduled for 9:30 a.m. March 4.

During the Feb. 14 hearing, which begins 9 a.m. in Courtroom 413 of the East Court Building, 101 W. Jefferson in Phoenix, lawyers will have only five minutes per side to present their case for either the summary judgment or the reasons why it should go to trial.

IF YOU GO

- **WHO:** 75 Sun City residents are suing the Recreation Centers of Sun City in a class-action lawsuit.
- **WHAT:** Oral arguments will be heard in the lawsuit, which will decide whether Sun City residents should have the right to vote on construction of a pipeline to bring Central Arizona Project water to Sun City. The pipeline also would serve Sun City West.
- **WHERE:** The hearing starts at 9 a.m. Feb. 14.
- **WHEN:** Courtroom 413 of Maricopa County Superior Court, East Court Building, 101 W. Jefferson.

Long history

The plaintiffs are supported by the Sun City Taxpayers Association, which was one of the original parties in the suit filed in April 2001. A judge later ruled that since the Taxpayers group isn't an RCSC member, it

See WATER, A5

OVER

cannot be a plaintiff. The 75 individuals have carried the case forth since then, with support from the Taxpayers.

SCTA officials want RCSC members to be able to vote on whether the Central Arizona Project pipeline should be built. The RCSC board of directors had voted for its construction without referring the matter to residents.

RCSC President Norm Dickson could not be reached for comment.

The plaintiffs argue the contract under which the pipeline would be built calls for RCSC to give Arizona-American Water Co. up to 4,189 acre-feet of groundwater per year for more than 80 years, in exchange for an equal amount of CAP water, which is Colorado River water brought in through a canal that winds its way from Lake Havasu to an area south of Tucson.

The plaintiffs believe the contract amounts to a substantial conveyance of Sun City's assets, which in turn requires a membership vote according to RCSC's bylaws.

RCSC argues the contract is not a conveyance of an asset but an exchange.

On Feb. 14, the Taxpayers will have about 10 individuals on hand to offer testimony if needed, in addition to the lawyers' arguments, said SCTA President Gerald Dolezal.

"We're asking for a vote of the people. That's all we want," Dolezal said. "We don't know what the 14th will bring. I'm sure it'll be interesting."

Watching closely

Another group that likely will have someone in the audience is the Recreation Centers of Sun City West, which is a party to the pipeline contract. Briarwood Country Club in Sun City West also signed the contract.

If the plaintiffs win their case and the Sun City membership votes not to build the pipeline, Sun City West faces a water crisis since its ability to pump groundwater to irrigate four of its seven golf courses will expire in August 2005.

The permits Sun City West is using to draw that groundwater were extended through legislation until 2012 with

the understanding that the pipeline would begin construction by August 2005. Because of the lawsuit, Sun City West officials have explored other options.

"I think it's a big deal because it is one of three or four options we have," said Mike Whiting, RCSCW's general manager. "We already had signed agreements for use of CAP through the pipeline. Since we have an agreement, it's an option we have to consider seriously."

Dolezal acknowledged Sun City West might be in worse shape than Sun City should the pipeline project disappear.

"I think they're in trouble. I think they're going to have to come up with money or something because their permits run out," he said.

Whiting said he isn't sure what Sun City West will do if the pipeline contract is killed.

"I think we'd have to seek legal counsel on that," he said.

Dolezal said he believes Sun City will be OK without the pipeline because the community has enough water in the aquifer to supply its needs.

"We have ample water," he said. "When Del Webb originally built this community, we had over 100 years of water."

"We know we need water and we know we're in a desert, but we also want the people to have the right to vote yes or no," Dolezal said. "We're taking junk water for groundwater and these people in Sun City West are included in that."

The Sun Cities are among the few Valley communities that use groundwater exclusively, including for golf course irrigation

Dolezal said he believes Sun City should "participate to help all communities if we have the resources to do it," but he believes Sun City's water supply should be studied further before a pipeline or some other project is built.

"Everybody's talking to the wind," he said. "They should be testing the wells, seeing what type of water we have down there and nobody has ever done that that I know of. We have a lot to protect here in Sun City, and Sun City West does too."

Public education

Although SCTA and the plaintiffs are simply looking

for the decision to go to a membership vote, they have spent more than \$100,000 toward the effort with no guarantee that members would vote differently than the RCSC board.

"We have to go out in the community," Dolezal said. "This is going to be our selling job."

Dolezal said he believes the average Sun City resident would need to be educated on water issues before making an informed decision.

Whiting, who has worked with Sun City West for a year and studied the water issue closely half that time, said he believes educating residents quickly would be challenging.

"Water is extremely complicated and after studying it six months, I think I have a slight grasp on it, but it's a difficult problem to get your arms around," he said.

At least in Sun City West, he said, residents have shown great interest in learning about water.

Whiting said he believes Sun City West and Sun City face similar challenges regarding water supplies.

"I think Sun City West needs to look at the continued use of groundwater not only to be good neighbors but to reduce the use of groundwater," he said. "I think (Sun City) is in an unfortunate situation. They have the same subsidence issues we have. Their options are similar to ours. Unfortunately, we can't move ahead without having some decision made."

Subsidence occurs when the ground level drops or collapses as water is pumped from the aquifer.

Costly battle

Also slated for the Feb. 14 hearing is a request by the plaintiffs to have their legal fees reimbursed. Dolezal said the Taxpayers requested support for the legal battle from residents, and received \$50,000 in response. "We're so grateful to them because they've really given us a mandate as far as our thoughts are concerned," he said.

Still, the organization had to dip deeply into its reserves to pay its legal bills.

"We've used all our reserves that we received in previous cases," Dolezal said.

Also on Feb. 14, the judge is expected to hear arguments from the plaintiffs on six motions to keep what they consider prejudicial information from the trial.

Water trial continues, both sides argue points in CAP case

By Tracy Spoon

Volunteer contributor

The trial started on the civil case filed by Larry Spitz and 74 other Sun City residents against the Recreation Centers of Sun City.

Their case revolves around the issue of whether or not the Board of Directors of the Recreation Centers of Sun City violated the Articles of Incorporation that required an affirmative vote of the membership to convey any substantial portion of the Rec Centers assets. In an earlier ruling, the Arizona Court of Appeals agreed with the lower court's ruling the Sun City Taxpayers Association did not have standing to bring the suit against the Rec Centers, so Larry Spitz and the others took up the mantle to pursue this case to completion.

The Court of Appeals also ruled that the asset in question, the control and use of the Rec Centers groundwater, was in fact conveyed under the agreements in question and remanded the case back to the Superior Court to determine if the groundwater is, in fact, a substantial asset of the Rec Centers.

Judge Jonathan Schwartz of the Maricopa Superior Court is presiding over this case. Attorneys Larry Udall and William Sullivan are representing the plaintiffs. Attorneys Charles Cohen and Chuck Kelhoffer are representing the Rec Centers. Both attorneys were allowed to make their opening statements to the judge.

Mr. Udall in his opening statement stated, "The only issue is whether the conveyance of the water constitutes a substantial asset" and he will present expert testimony to prove the Rec Centers did convey a substantial asset when it agreed to exchange its groundwater for CAP water.

Mr. Kelhoffer for the defendants stated the Rec Centers experts will testify the water exchange is authorized under state law and the Rec Centers did not give up anything when they entered into the agreement with the water company.

After the opening statements, Mr. Udall called the first witness for the plaintiffs, Mark Clark. Mr. Clark is a golf course superintendent for Troon Golf Course in Scottsdale. From 1980 until 1984, Mr. Clark was employed by the Sun City Recreation Centers and was familiar with all eight of RCSC's golf courses. Mr. Clark testified about his knowledge and experience as a golf course superintendent for the past 20 years. Mr. Clark stated he knowledgeable about groundwater, CAP water and treated effluent for turf irrigation of golf courses.

During his direct testimony he explained because the Sun City CAP allocation is not sufficient to irrigate the courses, groundwater would still have to be pumped to make up the difference. He also noted the golf courses would actually have to put more water, a combination of CAP and groundwater, on the golf courses, referred to as leaching, in order to push the salts beyond the root zone of the grass.

During cross examination, Judge Schwartz asked Mr. Clark about the additional expenses a golf course must incur to irrigate with water other than groundwater noting the Rec Centers pump exclusively groundwater on their courses currently. Mr. Clark stated it could cost upwards of \$400 an acre

more to put CAP water on the Rec Centers golf courses.

The plaintiffs' attorney called their second witness, Scott Halver, a real estate appraiser. Mr. Halver is a certified Real Estate appraiser with extensive experience. Mr. Halver stated under direct examination his task was to value the water rights in question, seven separate rights totaling 6,609-acre-feet of water.

Mr. Udall took Mr. Halver through his report and the methods he used to value the water rights. Mr. Halver valued the water rights at \$7.6 million for a total of 6,609 acre feet of water. Mr. Udall asked Mr. Halver to adjust his valuation to include only the water rights owned by the Rec Centers.

Initially, the Rec Centers included, as its own, a water right that actually belonged to Sunland Memorial Park for 1,428 acre feet. Mr. Halver, as well as Judge Schwartz, calculated the Rec Centers water rights were valued at \$5.9 million currently, and at the time of the agreement in the year 2000 valued at \$4.5 million. Under another method of valuation, Mr. Halver adjusted his valuation of \$7.2 million for all 6,609 acre feet, down to \$5.6 million for the rights the Rec Centers owns.

Mr. Udall called Larry Spitz to testify as a lay witness. Judge Schwartz advised Mr. Udall he didn't have to parade a bunch of witnesses before the court saying that they "want the right to vote."

Judge Schwartz assured Mr. Udall he knows the plaintiffs want the right to vote and that, he knows what his job is, if they have transferred any substantial asset, they are going to get a vote.

"If they didn't transfer a substantial asset, they're not going to get a vote," said Judge Schwartz, who allowed Mr. Spitz to testify.

Mr. Spitz was asked to interpret the provision in the Rec Centers Articles of Incorporation, Section 8, paragraph 7, that requires a membership vote when any substantial portion of the Rec Centers assets is conveyed. Mr. Spitz told the court he knew Del Webb personally.

Although Mr. Kelhoffer objected to Mr. Spitz's testimony as hearsay, the judge allowed it, telling the court in his deliberations he would consider it as hearsay and put appropriate weight on Mr. Spitz's testimony.

Mr. Spitz continued by telling the court that as a representative of the United Steelworkers Union, Del Webb was proactive in attracting retired union workers to Sun City. Mr. Spitz and others from the unions visited Sun City and other retirement communities. Del Webb made assurances to Mr. Spitz that the Rec Center water rights would be protected, grandfathered to the Rec Centers, but Mr. Spitz said that concept is being threatened by the actions of the Rec Centers Board of Directors.

During cross examination by Charles Cohen, Mr. Spitz was asked if he used the recreation facilities, was he active in any committees and if he was a member of the Sun City Taxpayers Association. Mr. Spitz replied he was a relatively new member of the SCTA. Mr. Cohen asked Mr. Spitz if it was true that the SCTA is paying the plaintiffs' legal fees. Mr. Spitz said it was true.

He then turned the tables on Mr. Cohen and asked, "and I would

like to know who is paying your fees."

The trial continued in the week with Mr. Udall calling Mr. George Fletcher. Mr. Fletcher is a water resources consultant and water broker.

Mr. Udall asked Mr. Fletcher what his task was. At first, Judge Schwartz questioned the need for an additional appraiser to testify, but Mr. Udall assured the judge Mr. Fletcher would testify on the value of the Rec Centers water if it were to be leased or sold on the open market. Judge Schwartz allowed Mr. Fletcher to testify. He explained his process of contacting individuals, businesses, corporations or farms about their water rights and if they would consider leasing their water and if so what would they charge per acre foot.

OVER

Mr. Fletcher determined from his analysis that \$100 per acre foot per year was what the market would bear. For the 4,189 acre feet of groundwater to be conveyed, the cost would be \$418,900 per year. Mr. Udall then asked Mr. Fletcher to calculate the amount it could be leased for under the initial contract period of 43 years. Mr. Fletcher replied \$22 million for 43 years. Mr. Udall asked him to calculate the amount for the entire contract period of 86 years and he replied \$44 million.

Attorneys for the plaintiffs then rested their case.

Mr. Kelhoffer put forth a motion asking the judge to rule in favor of the defendants. Mr. Kelhoffer argued the plaintiffs had not made their case. He argued Mr. Udall, through the expert witness testimony, did not present evidence of value of the asset conveyed and that the judge should enter judgment for the defendants.

Judge Schwartz disagreed with Mr. Kelhoffer's argument and stated the plaintiffs had established value saying the groundwater was "very valuable" and estimated in the "millions." Judge Schwartz denied the defendants' motion and asked them to proceed with their case in chief.

Mr. Cohen called Keith Larson to the stand to testify. Mr. Larson is employed as the Water Resources Manager at AZ-AM water, formerly Citizens' Utilities, since April of 2001. Mr. Larson explained to the court what his duties were with the water company.

Mr. Cohen took Mr. Larson through provisions included in both the Water Exchange and Operating Agreements asking Mr. Larson to comment and construe the intent of those agreements from the water company's perspective. Mr. Larson stated the water exchange was not a water for water exchange, but a "water for water credit exchange."

Judge Schwartz asked Mr. Larson exactly what that meant. Mr. Larson explained to the judge the water company would receive water credits from the water exchange that could mitigate overdrafts in AZ-AM's service area; it would be a "regulatory benefit" to the water company.

Judge Schwartz asked if the water company would be pumping the groundwater from the Rec Centers wells and Mr. Larson said they would not, they would only receive water credits.

Judge Schwartz asked Mr. Larson if the Rec Centers would allow the water company to pump more

water. Mr. Larson stated the water company could withdraw and deliver any amount of water to meet the needs of its customers within their service area. Mr. Cohen also asked Mr. Larson about the Arizona Corporation Commission decisions and the references made in those decisions about water credits the water company could accrue under the Water Savings Project.

Under cross examination by Mr. Sullivan, Mr. Larson was asked about the Water Savings Project. Mr. Sullivan cited an Arizona Revised Statute, under Title 45, on Water Savings Projects sanctioned by the Arizona Department of Water Resources. He asked Mr. Larson if the Sun City Water Savings Project was a water savings project as defined in the Arizona Revised Statutes. Mr. Larson stated it was not.

Mr. Sullivan then asked him what the Water Savings Project was and Mr. Larson stated it was "an exchange." Mr. Sullivan then asked Mr. Larson if water credits could be accrued under a Water Savings Project under Arizona Revised Statutes and he replied yes.

Then Mr. Sullivan asked him if water credits could be accrued under a Water Exchange under the Arizona Revised Statute for water exchanges. Mr. Larson stated no. Mr. Larson tried to explain that this exchange was "unique," that it was a "water for water credit exchange." Mr. Sullivan explained that under Arizona Revised Statutes the Department of Water Resources would not recognize it as an exchange because it was not "a water for water exchange" as required by law.

Mr. Sullivan also asked Mr. Larson about the pooling provision in the Operating Agreement that allowed for any excess groundwater not pumped by the Recreation Centers of Sun City to be leased to the water company at no charge then leased to the Recreation Centers of Sun City West to cover its water deficit. Mr. Larson replied Sun City West's Industrial Use Permits, temporary water permits, were to expire in 2005 and that only "42 acre feet" are required in Sun City West to cover that shortage.

The judge intervened and explained to Mr. Larson the provisions in the agreements led him to believe that the water company was going to pump the water conveyed under the agreements. The judge asked Mr. Larson to indicate which provision in the agreements the judge should rely on that said the water company was not going to pump the water.

When pressed by Mr. Sullivan about the interpretation of the pooling provision, Mr. Larson declared the provision was "poorly drafted," and didn't state the true intentions of the water company. Mr. Sullivan went back to the water credit question with Mr. Larson and asked him how the water credits would be accrued by the Department of Water Resources. Mr. Larson admitted that he "didn't know how ADWR was going to account for the credits or whatever they are called."

Judge Schwartz then asked Mr. Larson again if the water company was going to pump the water exchanged under the agreement. Mr. Larson stated again the water company could withdraw and deliver any amount of water to meet the needs of its customers within its service area.

The Judge noted the time and recessed the court until March 15, when it would reconvene with the cross examination of Keith Larson.

Editor's note: Tracy Spoon is the executive director of the Sun City Taxpayers Association.

EPCOR takes over water company

By Rusty Bradshaw
Independent Newspapers

Arizona American Water Co. customers will begin seeing a different logo on their bills.

EPCOR Water, based in Edmonton, Canada, purchased Arizona American, with the sale finalized earlier this year. Shawn Bradford, EPCOR Central Division operations director, visited the Sun City Home Owners Association Board of Directors meeting March 27 for an introduction. He also served as guest speaker at the Sun City Condo Owners Association workshop in February.

Mr. Bradford told SCHOA board members EPCOR took over operation Feb. 1 and the company has an office in Sun City. The company is in the process of changing signs at the office and on vehicles. Bills with the new logo began going to customers last week, he added.

"The company bought no additional systems than what Arizona American already had, and we have not dissolved any assets," Mr. Bradford said. "EPCOR is operating in New Mexico and Arizona."

See Water — Page 18

Water

Continued From Page 2

Jim Powell, SCHOA board member, praised Arizona American for its maintenance of the appearance of pump stations and other facilities in Sun City.

"I hope EPCOR will keep doing that," he said.

Jim Stark, SCHOA board president, shared with Mr. Bradford that other utilities, APS and Southwest Gas, applied for decoupling, which allows the utility to recoup lost revenue with a surcharge to customers, through the Arizona Corporation Commission. He asked if EPCOR would also seek the decoupling option.

"That is something I will have to check and get back to you," he said.

The ACC approved last fall the Southwest Gas request for decoupling. APS withdrew its decoupling request.

During the COA meeting in February, Mr. Bradford also shared information about water conservation.

VF Se
Water
(General)



Submitted photos/Michael Walsh

Resident Michael Walsh's yard was torn up, above, to replace some cast iron pipes that had collapsed. A large number of houses and condo units have cast iron piping and could face this same issue soon as the pipes reach the end of their life span.

Sun City pipes a'burstin'

Cast iron life at an end; costly for homeowners

By Rusty Bradshaw
Independent Newspapers

Sun City residents are sitting on ticking time bombs in their homes.

Water and sewer lines in several homes failed in recent months, creating large repair bills and inconvenience. More homeowners will experience the problem because of the materials used in their homes when they were originally built, according to resident Michael Walsh.

He knows the difficulties first-hand. A pipe in his front yard collapsed and had to

be replaced. The repairs caused his bathrooms, kitchen and laundry facilities to be unusable for 10 days.

"This was in another home we own and use for guests," Mr. Walsh explained. "We had guests visiting at the time this happened."

Mr. Walsh's pipes are cast iron. But his research indicates that materials has a life of 50 years at most. Most of the Sun City homes were built in the 1960s and 1970s.

Bob Crouter, Canton State plumbing manager, confirmed Mr. Walsh's research.

"Cast iron's life is about 40-50 years, depending on what is going through the pipes," he said.

Sam Estok, Sun City Condominium Owners Association board president, said



Sam Estok

some homeowners will see a longer life for their cast iron pipes because of their lifestyle.

"A lot of people came here as snowbirds, so their pipes were not in use for half the year," he said.

The COA has received numerous calls from residents about this issue, especially in phase 1, south of Grand Avenue, according to Mr. Estok. Del Webb used orange pipe in the phase 1 homes because it was inexpensive after World War II. These pipes corroded faster than cast iron, Mr. Es-

See Pipes — Page 6

Pipes

Continued From Page 1

tok said.

"About 90 percent of the home in phase 1 have dealt with this issue because they had the orange pipes," Mr. Estok explained.

Cast iron is no longer used for water and sewer lines, according to Mr. Crouter. Black ABS pipes are commonly used because they are more durable and they are smoother on the inside. He said black ABS pipe has a life span of at least 60 years.

"This stuff is almost indestructible," he said.

Complicating the issue is a lack of insurance coverage. Mr. Walsh signed up for a policy through American Water Resources a month before the collapse at his home. But the company denied his claim.

"When you call them, they send out a plumber of their choosing," Mr. Walsh said.

After the plumber dug up the yard and found the problem, he called American Water for authorization.

"They would not authorize, and based on what the plumber said it sounded like it had been determined to be a pre-existing condition," Mr. Walsh explained.

Needing the pipe repaired, Mr. Walsh paid American Water's plumber to do the work. He claims American Water then denied his claim saying it did not choose the plumber although Mr. Walsh hired the plumber the company sent to inspect the pipe.

American Water Resources officials did not return phone call requests for comment by press time.

Other residents in Mr. Walsh's neighborhood are getting mixed messages, according to Mr. Walsh.

"One neighbor called to get a policy and explained in detail the history for the pipes," Mr. Walsh said. "They told her it shouldn't be a problem."

News in a zap

More stories and events can be found at arizona.newszap.com/westvalley. Click on sports.

Condo owners are advised to check their association documents, according to Mr. Estok.

"Some of the associations' documents stipulate the association will take care of all the pipes, and others say they will only take care of the pipes from the main connection to the house," he explained.

Mr. Estok also said some, but not all, associations purchase water and sewer line insurance for each of their units. He urged homeowners to be cautious about purchasing line insurance and make sure any future problems will not be excluded.

"When an insurance company sells a policy, there is usually an inspection and these things (older pipes) would be determined at that time," he said.

Mr. Walsh said when he bought the policy from American Water Resources, there was no inspection of his home, nor any effort to get a history on the home.

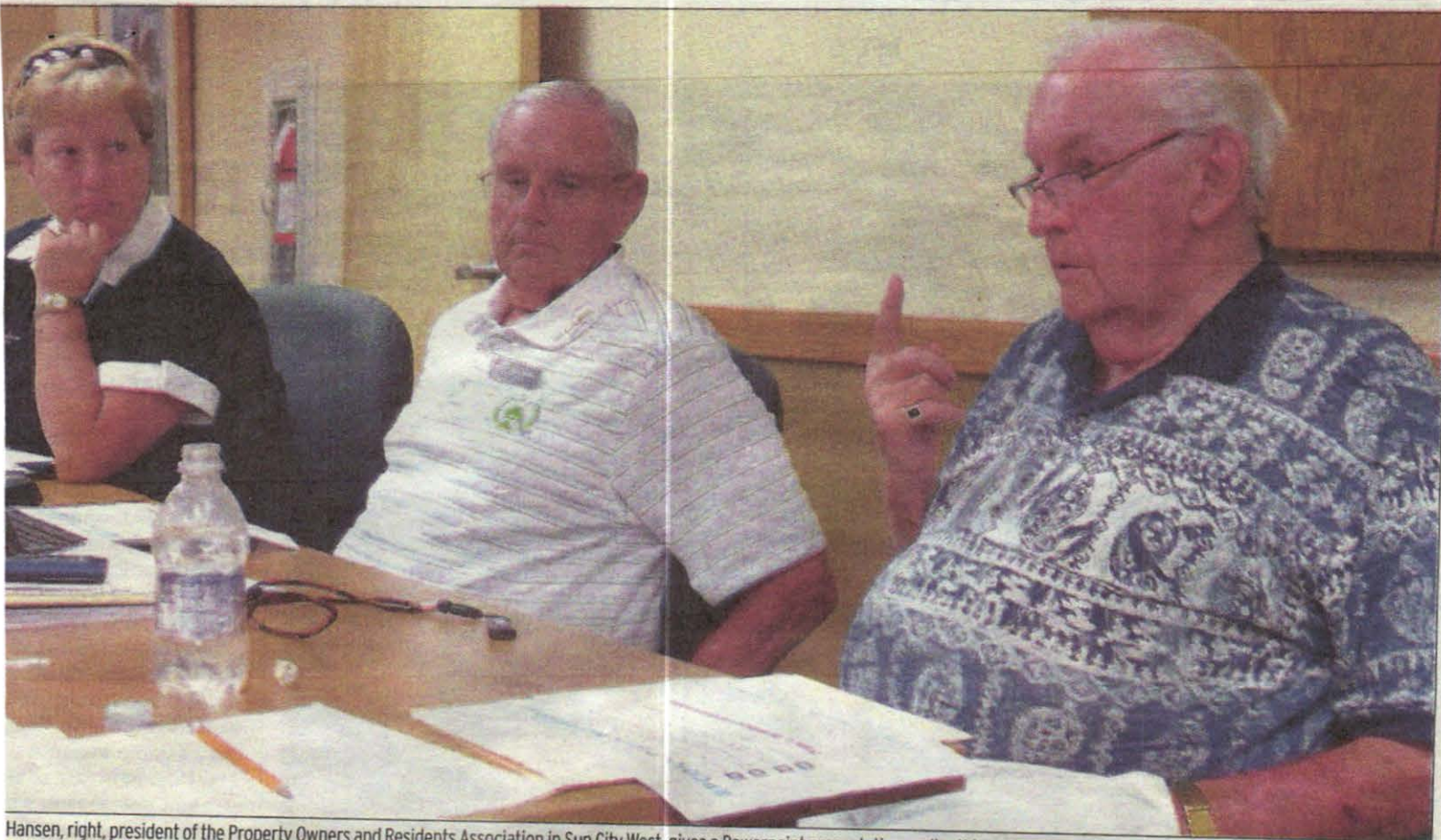
Repairs of water and sewer lines can be expensive, especially for residents on fixed incomes. Mr. Walsh spent about \$1,000 to correct the most immediate problem, then another \$5,000 to have all his pipes relined. The cost could be much higher if the problem is in pipes under the home.

"All houses are built on concrete pads, so not only would they need to tear up the carpet or wood floors, but jack hammer the concrete," Mr. Walsh said.

Some homes have the sewer line running under the driveway, Mr. Estok said.

Single-family homeowners do not have that option. SCHOA CC&Rs do not address care of water and sewer pipes.

News Editor Rusty Bradshaw can be reached at 623-445-2725 or rbradshaw@newszap.com.



Hansen, right, president of the Property Owners and Residents Association in Sun City West, gives a Powerpoint presentation earlier this month on the effect EPCOR's request for consolidation will have on the Sun Cities if it succeeds, while Recreation Centers of Sun City West directors Wanda Schnabel and Jack Steiner listen. Below is a map of areas serviced by EPOR. [Tina Gamez/Daily News-Sun]

EPCOR

VF SC WATER (CAP-EPCOR)

Sun Cities prepare

for rate case fight



law judge at the ACC. After the hearing, the law judge issues a Recommended Opinion and Order. Then a date will be set for the ACC to discuss the ROO and vote. "We're hopeful it will be by the end of the year," Stenholm said.

would pay under consolidation. To read EPCOR's rebuttal to ACC intervenors' testimony, visit <http://images.edocket.azcc.gov/docketpdf/00000156818.pdf>. There will be a hearing Nov. 12 before the administrative

translate to a new and more current test year than what current wastewater rates are based on. EPCOR Water hasn't run the numbers, Stenholm added, but this could possibly change the proposed \$34.30 rate everyone in the district

against EPCOR Water company's wastewater consolidation plan, leaving community leaders the task of informing residents how such a move would affect their pocket-books.

One way of informing residents will come Thursday night at 6:30 in a presentation at the Palm Ridge Recreation Center in Sun City West.

That presentation will be led by Bill Hansen, president of the Property Owners and Residents Association of Sun City West.

"Collectively (with Sun City), we're going to be the bankers paying \$4.9 million a year" because the other communities involved in consolidation will be getting reductions, Hansen said earlier this month during a Powerpoint presentation on EPCOR's plan to the Recreation Centers of Sun City West Governing Board. "We're going to provide the funding in order precipitate a reduction" in the other communities' rates, he said.

The Sun Cities make up 70 percent of the district.

Currently, one of the smallest districts has one of the highest rates, Hansen said, while Sun City, one of the largest, pays the least at \$18.11 a month.

Corte Bella and five other developments in the area, including Verrado in Buckeye, make up the Agua Fria District and those residents pay \$106.21. Sun City West is at \$30.96, Anthem \$62.43, and residents in the Mohave District pay \$56.95.

The proposal by EPCOR will put everyone at \$34.30.

There will also be "shared capital improvements," Hansen said. "Every time there's a capital improvement, we're going to pay 28 percent; Sun City's going to pay 42 percent; Agua Fria, 11; Mohave, 2; and Anthem, 17."

Sun Cities' own capital improvements will be lowered, but they will be paying for capital improvements for other communities. Hansen noted: "A part that EPCOR never shows you."

Rebecca Stenholm, EPCOR Water Public & Government Affairs director, said Tuesday that the consolidation proposal came about be-

cause of complaints from the Agua Fria District communities of Corte Bella, Cross River, Coldwater Ranch and Dos Rios. On July 22, the Arizona Corporation Commission "voted to direct EPCOR to review wastewater rate design," she said.

With 40,000 customers, Stenholm said the Agua Fria District is the largest, Russell Ranch is part of that district, and wastewater rates are scheduled to go up to approximately \$121 in January.

If EPCOR were to de-consolidate the Agua Fria District into three smaller ones, a plan that could be proposed to the ACC, the costs for capital infrastructure or improvements would be spread among a smaller number of residents resulting in higher rates. "Over the long term, (consolidation) could benefit all of our customers, regardless of where they are," Stenholm said, adding that Sun City has old pipes in its wastewater system that will need to be replaced.

A five-year projected plan of necessary wastewater improvements for Sun City and Sun City West is \$14.2 million, according to Stenholm. She said EPCOR would make the improvements, then customers would pay in a future rate application "to recover those costs."

The current Sun City rate is based on what it cost to run the system in 2008. The current application for a proposed rate change of \$34.30 for everyone in the district is based on 2013 costs to operate the system and would not go into effect until 2015. Stenholm added that the "rates are always lagging what it currently costs to operate the system."

During the workshop earlier this month, Hansen told the RCSCW governing board that "you aren't going to have any control on what's done, or how it's done, or how rapidly it's done."

RCSCW Board vice president Jim Young said he's heard "that this could be a real stepping stone for water, for the electric, or any other damn thing that goes on," and "I think that's only the tip of the iceberg."

Consolidation "discriminates against the two largest retirement communities because we have to shoulder 100 percent of the subsidy cost."

During the testimony of intervenors in the case on Oct. 8, Arizona Corporation Commission staff made a recommendation that EPCOR file a full rate case. Although the ACC has not officially directed EPCOR to file one, if they do, Stenholm said it would

law judge at the ACC. After the hearing, the law judge issues a Recommended Opinion and Order. Then a date will be set for the ACC to discuss the ROO and vote. "We're hopeful it will be by the end of the year," Stenholm said.

would pay under consolidation. To read EPCOR's rebuttal to ACC intervenors' testimony, visit <http://images.edocket.azcc.gov/docketpdf/00000156818.pdf>. There will be a hearing Nov. 12 before the administrative

translate to a new and more current test year than what current wastewater rates are based on.

EPCOR Water hasn't run the numbers, Stenholm added, but this could possibly change the proposed \$34.30 rate everyone in the district

against EPCOR

Water company's wastewater consolidation plan, leaving community leaders the task of informing residents how such a move would affect their pocket-books.

One way of informing residents will come Thursday night at 6:30 in a presentation at the Palm Ridge Recreation Center in Sun City West.

That presentation will be led by Bill Hansen, president of the Property Owners and Residents Association of Sun City West.

"Collectively (with Sun City), we're going to be the bankers paying \$4.9 million a year" because the other communities involved in consolidation will be getting reductions, Hansen said earlier this month during a Powerpoint presentation on EPCOR's plan to the Recreation Centers of Sun City West Governing Board. "We're going to provide the funding in order to precipitate a reduction" in the other communities' rates, he said.

The Sun Cities make up 70 percent of the district.

Currently, one of the smallest districts has one of the highest rates, Hansen said, while Sun City, one of the largest, pays the least at \$18.11 a month.

Corte Bella and five other developments in the area, including Verrado in Buckeye, make up the Agua Fria District and those residents pay \$106.21. Sun City West is at \$30.96, Anthem \$62.43, and residents in the Mohave District pay \$56.95.

The proposal by EPCOR will put everyone at \$34.30.

There will also be "shared capital improvements," Hansen said. "Every time there's a capital improvement, we're going to pay 28 percent; Sun City's going to pay 42 percent; Agua Fria, 11; Mohave, 2; and Anthem, 17."

Sun Cities' own capital improvements will be lowered, but they will be paying for capital improvements for other communities. Hansen noted: "A part that EPCOR never shows you."

Rebecca Stenholm, EPCOR Water Public & Government Affairs director, said Tuesday that the consolidation proposal came about be-

cause of complaints from the Agua Fria District communities of Corte Bella, Cross River, Coldwater Ranch and Dos Rios. On July 22, the Arizona Corporation Commission "voted to direct EPCOR to review wastewater rate design," she said.

With 40,000 customers, Stenholm said the Agua Fria District is the largest, Russell Ranch is part of that district, and wastewater rates are scheduled to go up to approximately \$121 in January.

If EPCOR were to de-consolidate the Agua Fria District into three smaller ones, a plan that could be proposed to the ACC, the costs for capital infrastructure or improvements would be spread among a smaller number of residents resulting in higher rates. "Over the long term, (consolidation) could benefit all of our customers, regardless of where they are," Stenholm said, adding that Sun City has old pipes in its wastewater system that will need to be replaced.

A five-year projected plan of necessary wastewater improvements for Sun City and Sun City West is \$14.2 million, according to Stenholm. She said EPCOR would make the improvements, then customers would pay in a future rate application "to recover those costs."

The current Sun City rate is based on what it cost to run the system in 2008. The current application for a proposed rate change of \$34.30 for everyone in the district is based on 2013 costs to operate the system and would not go into effect until 2015. Stenholm added that the "rates are always lagging what it currently costs to operate the system."

During the workshop earlier this month, Hansen told the RCSCW governing board that "you aren't going to have any control on what's done, or how it's done, or how rapidly it's done."

RCSCW Board vice president Jim Young said he's heard "that this could be a real stepping stone for water, for the electric, or any other damn thing that goes on," and "I think that's only the tip of the iceberg."

Consolidation "discriminates against the two largest retirement communities because we have to shoulder 100 percent of the subsidy cost."

During the testimony of intervenors in the case on Oct. 8, Arizona Corporation Commission staff made a recommendation that EPCOR file a full rate case. Although the ACC has not officially directed EPCOR to file one, if they do, Stenholm said it would

Regulators OK EPCOR's interim rate hikes for Sun Cities

By Jeff Grant
DAILY NEWS-SUN

While the Arizona Corporation Commission's approval of an interim accord in EPCOR's wastewater service case raises rates now for customers in the Sun Cities, it also raises the possibility future hikes tied to upgrades of the aging infrastructure

"Long-term, consolidation (of wastewater districts) makes the most sense."

Shawn Bradford

EPCOR vice president of corporate services

will be gentler on ratepayers' pocketbooks.

"Long-term, consolidation (of wastewater districts) makes the most sense," said

EPCOR vice president of corporate services Shawn Bradford. "We still believe rates are going to go up, but by how much and whether it would

be in a gradualized fashion are something we want to look at."

The agreement authorized Thursday by the commission sets a series of interim rate increases for users in EPCOR's Sun City and Sun City West wastewater districts, while dropping

» See EPCOR on page A4

DAILY NEWS-SUN

EPCOR

» From page A1
charges in the Agua Fria District, which includes the planned retirement community of Corte Bella, as well as non-age-restricted developments north and east of Sun City West: Coldwater Ranch, Dos Rios and Cross River.

Starting Jan. 1, Sun City wastewater customers will pay an additional \$4 a month, while those in Sun City West will pay an extra \$1.50. Monthly bills in Corte Bella and the other communities will drop by \$35.05. But since those charges had actually been scheduled to rise by \$15, Corte Bella customers will see in effect a \$50 savings.

"We're still paying more than everyone else, but it's a lot better than where we were," said Corte Bella resident Doug Edwards.

What future reductions, or in the case of the Sun Cities future increases, are in store, remains to be seen.

The commission's order directs EPCOR to file a full wastewater rate case along with its arguments for combining the utility's five existing service districts into one district, by Sept. 30. EPCOR officials have said full consolidation is the fairest way for

the company to draw revenue from its customers that will support future infrastructure projects across its entire service area.

Sun City and Sun City West residents and community organizations don't see it that way.

"Our approach hasn't changed at all," said Sun City Home Owners Association president Jim Stark, one of the interveners in the case. "By increasing Sun City ratepayers' bills, all we're doing is subsidizing Anthem and Corte Bella ratepayers, and we adamantly oppose it."

But Stark said the interim hikes were in Sun City's best interests because they give SCHOA and other opponents of full consolidation the time necessary to mount an effective case.

"We don't like having residents pay 4 bucks (more), but in the scheme of things, it was the best tactical move we could make," he said.

Bradford said the case up to this point has given EPCOR new information regarding Sun City's and SCHOA's concerns, and while the need to fund future infrastructure work won't go away, it is possible if the utility is ultimately granted consolidation, that its increases will be gradual, so as to effect present Sun City customers

as little as possible.

"The challenge for Sun City and Sun City West folks is they're paying comparatively low rates today. A majority of their equipment was installed in the 1960s and '70s. There will be an increased level of investment. We need to think, 'What will it take to run the utility into the future?'" Bradford said.

PORA of Sun City West also opposes consolidation, and its board president, Bill Hansen, remained hopeful opponents could either defeat the proposal or convince the commissioners there is another way to meet EPCOR's financial goals without doing it on the backs of Sun Cities ratepayers.

He noted the inclusion of a full rate case will allow the commission to consider the entire issue using 2014 rates, rather than 2008 levels, as it had been doing up to this point.

"I'm extremely pleased they passed the (interim) settlement. This is in essence a restructuring of the process for debating the issue. It allows the parties to focus on the specific problems that brought the whole issue to a head, which is high rates for Corte Bella and the Agua Fria District," Hansen said.

V F SC WATER (CAP-EPCOR)

Friday,
Dec. 19, 2014

Vol. 58 No. 123
1 Section 32 Pages

Sun City at fork in river over water issues

By EUGENE T. JENSEN

Sun City is reaching another "junction" in its 15-year quest for a water supply adequate in quantity and quality.

Fortunately, Sun City is no longer alone in this quest.

My view

We also have a vastly improved understanding of the West Valley aquifer system. This underground reservoir, once filled with water from the mountains to the North, is the sole source of water for our golf courses, homes and medical-care facilities. We have no immediate water shortages. But there is substantial evidence that West Valley communities must turn increasingly to a surface water supply. How can this best be accomplished? Which path will we take? Who will be our leaders?

Are Sun City residents interested? Many have moved from other states and are not aware of Arizona's arcane water laws. Many are not familiar with the water events of past years. Despite our desert location, it is probable that most will not be much interested in water until the golf courses turn brown, there is a radical change in the cost, quality or quantity of the water, or we have streets or homes destroyed by subsidence.

One might expect our arid state to lead in water laws applicable to a desert environment; in defining the extent of its water resources; and, in establishing water supply institutions. Wrong! Arizona focused on water supplies for its farms and mines, leaving many towns and cities to shift for themselves. There is no county water department. There is no master plan! We have no water supply reserve plan.

Early residents of Sun City probably neither knew or cared that Arizona had no system of water rights for wells, no system for apportionment of groundwater reserves and no system for protection of the aquifer

recharge areas. Probably not many knew that water levels in West Valley wells had declined almost 200 feet from 1930 to 1972. These Sun City "pioneers" probably assumed that an endless supply of underground water was available, because the land had been used for agriculture for many years.

The wake-up call came in 1980 when the state passed a Groundwater Management Act. This act set mandatory water management and conservation goals for the Phoenix metropolitan areas. It included a plan for achieving "safe yield," whereby groundwater could not be used at a rate in excess of recharge.

The new water code was accompanied by the Gila adjudication proceedings, a mandated legal process to establish "rights" for the use of water. In August 1985 each property owner in Sun City received a summons from the Maricopa Superior Court informing them of the opportunity to file a protective claim for the right to use water!

After much community turmoil, the Sun City Home Owners Association accepted the responsibility for filing on behalf of all residents. HOA took the position that users of groundwater should have the same "first-in-time, first-in-right" priority enjoyed by users of surface water! The case is moving slowly through the Arizona legal system. However, a recent decision by the Arizona Supreme Court suggests that the system of "priority" water rights for surface waters will not be applied to water pumped from underground sources.

To understand the implications of the new groundwater code and the Gila adjudication, HOA and the Property Owners and Residents Association of Sun City West formed an Advisory Water Committee. Several residents with extensive experience in water resource management agreed to serve on the committee. One of these volunteers, Dr. Edward Dapples, a geologist with professional registration in Arizona, undertook preparation of a series of reports on the

physical characteristics of the aquifer system from which our water supplies are now obtained.

The Dapples Reports, available from PORA and HOA, document the complex nature of our aquifer system, including an underground mountain of salt; buried faults that may restrict the movement of water underground; great variations in the quality of groundwater; and, the tendency of some areas to "sink" if excess quantities of groundwater are pumped! The Feb. 23 issue of the Daily News-Sun reported on the multi-million-dollar consequences of such subsidence near Luke Air Force Base.

The state of Arizona, recognizing the decline in groundwater levels, convinced Congress to fund construction of a canal system (The Central Arizona Project) to bring water from the Colorado River into the Phoenix and Tucson areas. Water was to be made available to farms, cities and Indian nations on a contract basis. Citizens Utilities Co. contracted with the Central Arizona Project for an amount of water equal to the projected demand of Sun City (exclusive of golf courses). Water available under this contract virtually ensures that the Sun City municipal system will have a reliable supply of water despite the demands of new communities, drought, or changes in the recharge system. However, water from the Colorado River is of lower quality than that obtained from our wells.

Recently, West Valley communities have joined together in Westmarc to formulate a water demand-supply plan. In a corollary effort, Citizens Utilities has also

produced a report on the adequacy of West Valley groundwater resources.

It has become clear that the West Valley must rely increasingly on the Colorado River supply to meet growing community demands. How can this supply best be used in Sun City? Several paths are available, each with specific merits and disadvantages:

■ Construct a water treatment plant and meet all or a part of the Sun City household demand with treated water. (Citizens Utilities might join with other communities to construct treatment facilities).

■ Convince golf course operators to use CAP water (it can be used for irrigation without treatment) thereby allowing continued use of high-

quality ground water for household purposes.

■ Participate in a recharge program. CAP water can be used to recharge the aquifer system to compensate for continued use of well water. Projects of this kind are already in use in East Valley, and Sun City West is recharging water from its sewage treatment plant.

■ Enter into a contact with an irrigation district for "in lieu" recharge. CAP water would be delivered for agricultural use to compensate for continued use of ground water by Sun City.

Which of these paths will be the best for Sun City? Will it be possible for citizens, the Recreation Centers of Sun City, private golf courses and/

or local farmers to reach agreements on how to best use CAP water? It should be an interesting, perhaps angry, process. In the meantime, those interested in our long-range water supply would do well to become acquainted with the excellent reports prepared by Dr. Dapples, the Citizens Utilities study, and the report now being developed by Westmarc communities.

Our "water supply future" rests in the hands of Citizens

Utilities, our golf course managers, and our community volunteer organizations. There is no "good water fairy" that will intervene on our behalf!

The writer, a Sun City resident and an engineer with professional registration in Arizona, has many years of water resource management experience. He is a member of the HOA water committee, the Westmarc water committee, and the HOA/PORA/Citizens Utilities "Water Group."

Overton calls water summit

Legislator wants Sun Cities area to gain better grasp of issues

By J.J. McCORMACK
Senior staff writer

NS
12/1/95

State Rep. Jerry Overton has identified all the "stakeholders" in the Northwest Valley's water supply and will bring them together next week for a three-hour summit to promote understanding of water issues.

"Water is a terribly complicated issue. It's a misunderstood issue. We want to educate folks and explain the laws that we operate under," said Overton, a Litchfield Park Republican who represents portions of the Sun Cities in legislative District 15.

Overton defines stakeholders as civic organizations and commercial entities that care about the quantity, quality and cost of water now and in the future.

Representatives of each of the designated "stakeholders" will serve on a panel during the water summit, scheduled to begin at 9 a.m. Thursday in R.H. Johnson Social Hall East, 19803 R.H. Johnson Blvd., Sun City West.

The stakeholders include the Sun City Home Owners Association, the Property Owners and Residents Association, the city of Surprise and town of Youngtown, the Recreation Centers of Sun City and Sun City West, the Sun City Taxpayers Association, the Sun City Water Users Association, the Condominium Owners Association, Del Webb Corp. and Citizens Utilities Co.

The summit will open with presentations about Arizona water laws by officials from the state Department of Water Resources and the state Department of Environmental Quality. The speakers then will field questions and join in a discussion with the stakeholders panel. Overton,

'Water is a terribly complicated issue. It's a misunderstood issue. We want to educate the folks and explain the laws we operate under.'

— STATE REP. JERRY OVERTON
R-DISTRICT 15

who will moderate the panel, said he will invite summit participants to suggest changes in the law.

Discussion topics during the summit will include the future of the Central Arizona Project — the 368-mile-long canal that carries Colorado River Water into central and southern Arizona — groundwater quality and supply and use of effluent or untreated water on golf courses.

Proposed water and sewer rate increases for Citizens Utilities Co. are not on the summit agenda, Overton said. The rate case is pending before the Arizona Corporation Commission. A public hearing is set for May 15.

► See Water summit, A6

Overton, a retired engineer who serves on the House Natural Resources and Environment committees, said he organized the summit because of the strong interest in water issues shown by the stakeholder groups. He said he also wants to dispel misinformation he knows has been circulating among the stakeholder groups.

Overton said that during meetings in Sun Cities over the last three years he's heard inaccurate statements about water quality, the use of effluent and CAP water.

Although he knows others are concerned, Overton said he's not worried about Arizona's water supply and quality diminishing or the cost skyrocketing.

"I have a lot of confidence in the future of our water. I think we've got sufficient water resources. We just have to learn how to use them and manage them. We shouldn't have to worry too much about a lot of increased cost if we manage them right," Overton said.

"I think we're going to have to expect to pay more for water but not a huge amount. I don't see anything happening in the next 20 to 30 years to cause huge, huge increase in water costs."

Because some of the stakeholders groups have butted heads for years on water issues, Overton said the past will be off-limits during summit discussions.

THURSDAY

April 10, 1997

Daily News-Sun

Tug of war

State official responds to Water Users' allegations

By RUTHANN HOGUE
Staff writer

More than 1,000 Sun Citians clipped coupons last week from newspaper ads blasting the Arizona Department of Water Resources for practices the Sun City Water Users Association claims are unlawful.

"I think that's just the beginning," said Les Merydith, secretary of the Sun City Water Users Association.

Sun City Water Users took out two-page ads on April 2 in both the Daily News-Sun and the Sun Cities Independent newspapers at a cost of \$3,300.

"Attention Sun Citians: The Sun City Water Co. has been unlawfully selling our water to the City of Peoria and the Arizona Department of Water Resources (ADWR) can't make up its mind what to do about it," the ad began.

The second page of the ad outlined "Twenty Five Questions for Mark Frank, Water Law Enforcement Agent for the Phoenix Active Management Area." Three bar graphs depicted water usage or rates. Readers were encouraged to clip coupons and send them to the ADWR or water users to express support of water users.

Mark Frank, director of the water comes from the same aquifer that would be used if Peoria drilled its own well. So, in effect, Peoria is taking advantage of existing wells and pumps in Sun City to obtain the same water it would use if the city pumped it itself.

"There is so much that's wrong

► See Cost of, A5



Steve Cherek/Daily News-Sun

Les Merydith, secretary and founder of the Sun City Water Users Association, left, and Kenneth Larkin, president of the group, sit with more than 900 coupons that were clipped by newspaper readers who support the organization's views on water policies for the Northwest Valley.

Cost of queries set at thousands

■ From A1

about it," said Frank, whose attention was called to the ad on Thursday by a concerned reader.

"You wonder what the best way to correct something like this is. First of all, there is no such thing as a chief water law enforcement officer in the greater Phoenix area. I am the AMA (Active Management Area) director for the Phoenix AMA and we do enforcement activities. And that is what Les would like us to do in this case: to take some action against the Sun City Water Co. We have reviewed carefully every question Les has raised."

Merydith, who does not like the answers he's been getting, continues to rail against Frank and the ADWR.

The names and addresses of the first 300 people who sent a coupon to the ADWR were entered in a computer system by late Tuesday. Letters were sent to everyone on the list on Wednesday, so their questions can be answered, too.

"We thought, given the nature of the allegations and the problems that this type of misinformation would cause, we felt that we had to respond immediately," Frank said. "We are giving them the most information we can at this time."

The ADWR received 300 coupons. Another 900 were sent directly to the Sun City Water Users Association. They will be forwarded to the ADWR.

Kenneth Larkin, president of Water Users, said the ad was prompted by a letter to Water Users from Frank. The letter was one in a series of letters between the ADWR and Water Users in which the legality of various aspects of water usage have been debated.

"Basically, the reason we came out with (the ad) is that we've been going through the laws and statutes of the state of Arizona and some of the interpretations," Larkin said. "They (the ADWR) are telling you that you don't have to do this and you don't have to do that. And we feel it's spelled out in the Arizona statutes and laws and so forth."

Larkin, however, said that

Point, counterpoint

■ **SCWUA claim:** The Sun City Water Co. has been unlawfully selling our water to the city of Peoria and the Arizona Department of Water Resources can't make up its mind what to do about it.

Frank's response: I have reviewed and approved the Sun City Water Co. to city of Peoria interconnect contract.

■ **SCWUA claim:** It's time for ADWR to take decisive action and order the company and the city of Peoria to return to Sun City a quantity of groundwater equal to the groundwater unlawfully delivered to Peoria during the past 13 years.

Frank's response: No corrective or punitive action will be taken.

■ **SCWUA claim:** The delivery of groundwater to Sun City golf courses and Coyote Lakes Golf Course must be

reviewed by the ADWR and legal counsel.

Frank's response: The deliveries of groundwater to Sun City golf courses and Coyote Lakes Golf Course are not subject to review under A.R.S. 45-492.

■ **SCWUA claim:** Recharge from the Bradshaw Mountains counteracts pumping in the Northwest portion of the West Salt River Valley.

Frank's response: Recharge from the Bradshaw Mountains does not counteract pumping in the Northwest portion of the West Salt River Valley.

The Northwest portion of the West Salt River Valley has and continues to experience long-term groundwater level declines and will continue to experience increasing declines if groundwater pumping continues at current rates.

Water Users has not sought legal advice to help the group determine whether its own interpretations are on the mark.

"It possibly will come to that, but we felt that if we could raise awareness, they might reconsider it themselves and have it checked out legally by their staff and so forth," Larkin said.

Forcing the ADWR to research the legality of various issues is what Water Users does best.

The ADWR has spent thousands of staff hours in the past 18 months researching issue after issue for Water Users. In many cases, the same issue has been recycled with a slightly different twist.

"We feel compelled to address the issue whether we think it's legitimate or not," Frank said. "And, of course, it's not our money we're spending doing this research. It's taxpayers' money we're spending on researching issues that are not issues."

"It's cost us tens of thousands of dollars just this year alone, just for them. They keep us much busier than

other groups — without question. There is a disproportionate amount of time that we do spend on the Sun City Water Users Association."

Frank works with the Northwest Valley Water Resources Advisory Board, water committees from the Property Owners and Residents Association and the Sun City Home Owners Association, and Westmarc. He also works with Municipal Water Users, which encompasses 95 percent of all city water users in Maricopa County and parts of Pinal and Yavapai counties.

"When we deal with (the other groups) I wouldn't consider it a disproportionate amount of our time. I consider it a part of our job," Frank said.

Frank encourages residents in the Sun Cities to become involved in groups such as the Northwest Valley Water Resources Advisory Board.

"This is exactly the type of forum that should be airing and discussing these types of issues," Frank said. "It can be done in a very objective way in front of a panel of your peers. They determine who

knows what they are talking about and who doesn't. If you can't get your position supported in that type of forum, then you take out a newspaper ad and you do it that way."

The ADWR tried, unsuccessfully, to smooth things over with Water Users a couple of years ago.

"We felt that Les kept missing the mark in his interpretations, so we invited the water users association, of course, Les, then Sen. (Austin) Turner, Rep. (Jerry) Overton, as well as some other key Sun City people," Frank said. "And we went through with our chief legal counsel ... spending quite a bit of time walking through statutory language pertaining to private water companies and what they can do with their water and who they can deliver it to. Everybody in the room — except Les — understood it and felt there wasn't a great deal of flexibility in one's interpretation of the ground water code."

Sun City Water Users Association spent \$7,768.50 in 1996 on advertising hoping to convert more Sun Citians to their way of thinking. Frank hopes that people will think twice before accepting information in the ads as valid.

"If you followed Les' logic, then you wouldn't have any growth in the Valley," Frank said. "You wouldn't have a city or private water company with the authority to serve new growth or new customers. That essentially is what Les is arguing."

Frank worries that the division created by actions such as the Water Users ads prevent the Northwest Valley from effectively addressing "the real issues."

Valid concerns, he said, include the continued mining or pumping of groundwater without recharging water into area aquifers.

"Right outside of Sun City, you will find earth cracks, and if you are not careful you'll fall into one," Frank said. "I couldn't tell you for sure that based on geological factors that Sun City will be affected in five or 10 years. But if pumping continues, there will be a significant impact on the Northwest Valley."

Unused CAP water too expensive, Citizens says

By JEFF OWENS
Staff writer

Will the Sun Cities hang onto every drop of their renewable Central Arizona Project water allotments, even as they continue to rely exclusively on non-renewable ground water?

And if so, who will pay for it?

Those were the questions considered by the CAP Water Task Force when it met Tuesday afternoon in Bell Library.

The group was formed last month by Citizens Water Resources, the water utility arm of Citizens Utilities, which provides water to the Sun Cities and a large area of Surprise.

The group consists of representatives from local community groups, and its mission is to help develop a plan to use Citizens' Central Arizona Project water allocation in its Sun City and Sun City West divisions.

Citizens holds an 18,000-acre/foot

CAP allocation which it splits among its three Northwest Valley divisions — the Sun City and Sun City West Water companies, and the large Agua Fria division in Surprise. Tuesday's meeting concerned only the two Sun Cities divisions.

Citizens officials have said their problem is that with that CAP water not in use, they can't afford to keep the allocation and may be forced to relinquish it.

In 1998 alone, it will cost Citizens

\$850,000 to hang onto that unused water. By 2000, it will cost more than \$1 million.

If Citizens relinquishes its CAP allocation, other thirsty municipal buyers will almost certainly buy it immediately. Scottsdale, for example, has snapped up relinquished CAP allocations for years in its efforts to move to renewable water supplies.

► See Utility tackles, A5

Utility tackles water issues

◀ From A1

Citizens has tried to get its customers to absorb the allocation costs into their rates, but the state Corporation Commission ruled in May that the utility could not recover CAP allocation costs from its customers until the water is actually in use.

"We can't afford to pay for it without their help," Citizens' Terri Sue Rossi told the task force. "Citizens will hold on to the CAP allotment as long as the costs are paid by the customers."

Rossi added that Citizens only wants enough funds to keep the allocation, and no more. "We're not interested in making a profit," she said.

She also said Citizens will accept whatever recommendations the task force arrives at. "What they want to do and support, we will do and support," she said.

Mark Frank of the Arizona Department of Water Resources spoke to the group about relinquishment, and warned the members that forfeited CAP subcontracts could be difficult or impossible to recover in the future.

"There is such a demand now for CAP water which has been relinquished," Frank said. As the rules are now written, he told them, "You don't know where that water will end up. At a time in the game when the rules aren't clear, relinquishment would be dangerous."

The Sun Cities rely entirely on water pumped from the ground, which is considered non-renewable. Many Arizona communities have moved or are planning to move to more renewable water sources such as CAP.

That could become crucial in the Northwest Valley, Frank said, because his department has identified the area as one of two regions expected to experience critical declines in groundwater between 2000 and 2010.

The Water Resources Department has no regulatory authority to force non-growing communities such as Sun City and Sun City West to move to renewable water supplies.

Nonetheless, Frank said, communities such as the Sun Cities which are pumping more water out of the ground than nature replenishes should be obligated to find a better way by using renewable water sources.

"If you're part of the problem, you ought to be part of the solution," he told the task force.

Floyd Marsh, city of Scottsdale water resources adviser, spoke to the group about how Scottsdale has moved to renewable water supplies. He said the city is using CAP water in "significant and diverse ways," and that the city's CAP holding costs are incorporated into customers' rates.

The task force will meet again in the Bell Library at 1 p.m. Tuesday. The meeting will be open to the public.

Use CAP water, panel advises

By JEFF OWENS
Staff writer

The CAP Task Force made its final decision Tuesday afternoon on bringing water provider Citizens Utilities' large CAP allocation to the Sun Cities and putting it to work.

From a carefully considered list of several options, which included not using the water at all, the Task Force chose not one, but a flexible combination of three: golf course recharge, exchange with the Maricopa Water District and, if necessary, leasing of recharge capacity from the Central Arizona Water Conservation District.

The reasoning is simple: Some options make sense right now, while others make sense later.

The Task Force reached consensus that golf course recharge is the option which will make sense later. Recharging water is the process of storing it under ground for future use rather than directly piping it in and using it on the spot.

Piped-in CAP water would be used to irrigate Sun Cities golf courses, enabling golf course pumps to be shut off, thus taking less from the underground water supply.

The Sun Cities currently rely solely on water pumped from the ground, a practice

which, over decades, has resulted in falling groundwater levels, and, in some areas land subsidence.

In short, CAP water would be put to work on the golf courses, while the groundwater would be left alone (recharged). If both communities participate, the monthly cost of this option is projected to be \$5.80 per household in Sun City and \$4.18 per household in Sun City West.

Implementation of that plan is a way off, however, and Citizens Utilities would like to keep its expensive CAP allocation by having customers pay for it as soon as possible. The Arizona Corporation

► See CAP options, A5

Next step: public education

Staff report

Having fulfilled its purpose after making a decision on a recommendation for Central Arizona Project water use in the Sun Cities, the CAP Task Force is no more.

Now the real work begins. As Tuesday's final meeting of the group came to a close, members decided that a new and smaller offshoot of the Task Force, as yet unnamed, will continue to work with Citizens Utilities, and educate the public and the

Corporation Commission about its recommendation.

What next for Citizens? Citizens Utilities General Manager Ray Jones said the utility will begin making the necessary filings over the summer, and ask the Corporation Commission for "expedited attention."

Preston Welch, former Task Force delegate from the dissenting Sun City Taxpayers Association, said while he still believes the Task Force has been "swinging at windmills," forming

the new and smaller group was the smart move.

"They're doing the right thing," he said. "They (the corporation commissioners) do react to the public."

Deborah Scott, Citizens' attorney, agreed, saying that formation of a new representative group from the Sun Cities "would be very effective" in influencing the state's decision.

"The commissioners want to know what their constituents think," she said.

CAP options go to commission

◀ From A1

Commission ruled last May that customers can't be charged for the allocation until it is being used.

Enter a different option — by delivering its CAP water to the Maricopa Water District starting this year, Citizens can meet the requirement for use of the water and will no longer have to defer its costs.

In turn, the water district

would stop pumping an equivalent amount of groundwater, and the cost of this recharged or "exchanged" water would be recovered by Citizens. Under this immediate-use plan, customers in Sun City would pay a projected monthly cost of \$1.28 per household; those in Sun City West would pay a projected \$1.26 per household.

What if it rains a lot, and MWD doesn't have room to

take the Citizens' CAP water?

Enter the third option — if MWD can't take the water, the CAWCD can. Citizens would lease capacity in the CAWCD's Agua Fria recharge facility, moving the water there via the CAP canal. Projected monthly cost: \$1.72 per household in Sun City; \$1.70 per household in Sun City West.

That is the combination of options which Citizens Utilities will now set about taking

to the state Corporation Commission, which has the last word on Arizona utilities. It is the recommendation which the Task Force has labored to produce, often fractiously, since February, sifting through mountains of often bewildering data and listening patiently to an army of experts and authorities before reaching consensus.

"I think people should be happy with that solution," said Citizens' Terri Sue Rossi.

Thursday, Feb. 25, 1999 Daily News-Sun, Sun City, Ariz.

Condo associations support CAP water plan

By JEFF OWENS
DAILY NEWS-SUN

At least five of Sun City's 386 condominium groups approve of a plan to bring Central Arizona Project water to the Sun Cities, even if they don't completely understand all the details.

Representatives from those five Sun City multiplexes attended a Condominium Owners Association seminar on CAP water Wednesday morning to support a usage plan currently before the state Corporation Commission.

COA has been supportive but low-profile on the CAP water issue over the last year, but with about 9,500 units housing more than 14,000 people, its voice could become a prominent one when the case goes to the ACC at an as yet undetermined date.

The ACC will decide whether to accept the recommendation of last year's CAP Task Force, which included COA, to bring CAP water to the Sun Cities at customer expense

via a short-term storage plan and a \$15 million long-term plan to build a system to deliver the water onto area golf courses.

Cost is the main issue — the short-term plan is expected to run each household about \$1.50 per month extra through 2002. After that, the long-term project is expected to cost an extra \$5.80 per household per month in Sun City and \$4.18 in Sun City West, which has an existing pipeline.

After presentations on water conservation by Terri Sue Rossi of Citizens Utilities and on the CAP Task Force recommendations by Gene Zylstra of HOA and the Sun Cities/Youngtown Water Committee, condominium representatives offered support for the CAP plan.

Bob Wittenburg said "Everybody's receptive to it" at Caida Court, a 22-unit condo whose association he chairs. "They think it's a good idea. They don't want to lose the water."

From the 20-unit Mt. Salem condo

association, finance manager Don DeClark said all his people signed off on the CAP plan at their annual meeting in December.

"We discussed it at our meeting, and they realize it's a need," he said. "We didn't have any negatives about it."

For many, however, the CAP issue remains complicated and confusing: They may support the concept, but lack the thorough understanding of detail and the big picture needed to make a truly informed decision.

"It sounds like a good idea, but I don't know enough about it," said Birtie Owens, a resident of the 23-unit Blanca condominiums. "I want to get my condo members more involved with it."

Others suggested that perhaps the effort to demonstrate community support for CAP water to the ACC is not as well-orchestrated as it could be.

Looking over a form requesting individual input on the issue,

chairman Bob Woerner of the 24-unit Cedar Palos condos said it might be better to try to get all his residents to sign one document instead of many separate ones.

"To try to get individual condo owners to sign up is difficult," Woerner said. "By offering a resolution on one sheet of paper, we can represent the full ownership of 24 people.

That way, he added, "I can get them all to say yes."

Fred Douglas, president of the 42-unit Desert Kings condos, said his people see CAP use as inevitable.

"We agree with the whole thing," he said. "It'll have to come to that."

Some of them mentioned that it appears to them from press coverage that the CAP issue has already been settled, but Zylstra stressed that the matter is far from decided.

"It's not a done deal until the Corporation Commission signs on the dotted line," he said.

RCSC board approves agreement for CAP water

Resolution is non-binding

By MIKE RUSSO
Independent Newspapers

Directors of the Recreation Centers of Sun City Inc. unanimously approved a resolution Thursday, confirming the RCSC's desire to enter into a contract with Citizens Water Resources for Central Arizona Project water to be used for irrigating Rec Centers' golf courses.

Approval came following a fairly lengthy discussion, which included members of the audience.

The agreement, if finalized, would provide for Citizens' 4,189 acre-foot CAP allocation for the Sun City Water Company to be used to irrigate the Rec Center golf courses, as recommended by the

CAP Water Task Force.

Using CAP water to irrigate Sun City's golf courses would require construction of a conveyance pipeline, which should be completed by 2002. In the interim, the task force suggested the water be recharged with the Maricopa Water District and in the event MWD reaches its storage capacity, capacity would be leased to store water in the Central Arizona Water Conservation District recharge project.

CAP water would provide about 72 percent of the golf course water needs. The golf courses use on average 5,800 acre-feet of ground-water annually, according to Bob Briscoe, board president.

Prior to the beginning of discussion, Director Marge Murphy

informed the public, "It is a non-binding resolution and subject to final review by the board. It is the only reason I would approve."

RCSC Director Dick Elton said, "If I had my wishes, I would like to have the residents of Sun City, Youngtown and Sun City West vote on this."

He then said he supported the resolution, "Since the water will go on the golf courses, it is acceptable."

Some members of the audience did not concur with Mr. Elton, or the other board members.

Lawrence Spitz, a Sun City resident since 1971 and a member of the Union Club, expressed his distrust for Citizens. "We have received over the years, dubious

See ■ CAP PACT, Page 9

OVER

■ CAP PACT

information from Citizens," he said.

He wanted to know if it were true, as he had heard, that the Rec Centers would be getting the water from Citizens for free, only residential customers would have to pay for the water service and golf course wells would be capped and their grandfathered rights to pump groundwater would be lost.

Director John Powell corrected the misconceptions.

"The Rec Centers will not receive the water free, Citizens would charge us roughly 80 percent of its cost of pumping groundwater. It is less than what the Rec Centers is now paying to operate its wells," Mr. Powell explained.

He also mentioned that commercial customers would also experience a rate increase if the Arizona Corporation Commission approves the task force plan.

Mr. Powell said golf course wells would not be capped, since the CAP allocation would not be sufficient to meet the golf courses' entire demand. Therefore, grandfathered water rights would not be surrendered, as Mr. Spitz had thought.

Director Dick Ohnstad observed, "As the aquifer goes dry, that grandfathered rights means nothing."

Mary Charlesworth, president of the Sun City Taxpayers Association, told the directors, "We have had on a continual basis, meddling from Sun City West."

SCTA has been a vocal foe of the task force plan.

She said Sun City is still within safe yield limits. Therefore the water is really not needed in the community.

She asked the board, "Can you wait until the decision is made by the Commission ... then allow the residents of Sun City to decide what they want. They have the right to make the decision?"

She noted that the Task Force had filed with the ACC as intervenors in the case. "That is not legal," she said.

"SCTA has filed a protest of the filing because the task force is not a legal entity ... it disbanded in May last year," Ms. Charlesworth observed. "They can file as individuals ... but they cannot, as a group, file as an intervenor."

Ms. Charlesworth informed the SCTA directors earlier in the week, she had requested the organization's attorney file a protest with the

ACC. She had authorized action because she did not want to miss the deadline to file a protest.

Perry Baker, ACC public information officer, said parties have 30 days to file a protest after an intervention request is filed.

As for who is eligible to file a protest, Mr. Baker responded, "Anybody can protest anything. The Commission Hearing Division decides the validity of the protest."

"Are we giving the Rec Centers a blank check?" Bill McNichol asked the Rec Centers board.

"No. This would not be giving the Rec Centers a blank check," Mr. Powell replied. "We are trying to show the Corporation Commission the community is behind it (the plan) and we hope they will approve it."

"If the rates are not what we feel

are fair and equitable, we will not contract with Citizens to provide CAP water to the community."

Mr. Powell mentioned there has been a great deal of support expressed for the implementation of the task force plan.

"Close to 900 people have filled out questionnaires and 90 percent favor the use of CAP water," he said.

"It is not something we have taken lightly. The fact is, CAP is needed, not only for this community, but for the state," he continued.

In summation, President Briscoe said, "To me, it boils down to a couple of basic facts. We live in a desert. Water will be piped in only for the use of Sun City. It will provide 62 percent of the golf courses' needs."

Effluent deal will give Sun Cities water credits

By Lori Baker

The Arizona Republic

SUN CITIES — Effluent generated from Sun City West households and businesses will be used as water credits to help the Sun Cities meet state water conservation requirements.

The Arizona Corporation Commission approved an agreement among Del Webb Corp., Citizens Water Resources and the Recreation Centers of Sun City West involving effluent.

The three groups had spent more than three years negotiating the agreement. About 40 Sun City West residents, wearing yellow T-shirts proclaiming

“Vote Yes. Protect Our Water Supply” to show their support, attended the commission meeting Aug. 24 when the agreement was endorsed.

“This is an example of a great partnership,” said Ray Jones, vice president and general manager of Citizens Water Resources. “The community of Sun City West has been very forward-looking in putting this together.”

Webb, developer of the Sun Cities, agreed to sell its effluent distribution system to Citizens Water Resources, which has 42,000 water customers in Sun

— Please see **WEBB**, Page 6

— **WEBB**, from Page 1

City and Sun City West.

Webb has agreed to spend \$5.2 million to upgrade the effluent fields and wastewater treatment plant with a modern denitrification process before Citizens takes ownership, Webb spokesman John Waldron said.

Effluent, or treated sewage water, is being put into leach fields to help replenish the groundwater table. The leaching fields are south of Citizens Water Resources' water

treatment plant, which is east of El Mirage Road and north of Bell Road.

Water from the treatment plant is pumped into the fields, where it seeps into the aquifer. None of the effluent is delivered directly to homes, businesses or golf courses.

The effluent system is a valuable asset because its owner can receive water credits, a sought-after commodity in the Arizona desert.

The state Department of Water Resources allows the water credits to be factored into meeting water

conservation goals for groundwater use in the Sun Cities.

The Sun City West effluent will permit water credits of up to 3,000 acre-feet a year. An acre-foot is enough water to serve three typical Sun Cities residential customers for a year.

Some of the credits will be used for the Recreation Centers' two expansion-area golf courses, Deer Valley and Desert Trails.

Additionally, Citizens Water Resources will receive water credits that will help its customers in Sun

City and Sun City West meet water conservation mandates.

Officials from Webb, Citizens and the Recreation Centers have been negotiating for about three years regarding the ownership of the effluent. Initially, the Recreation Centers wanted to obtain ownership, but it was determined that it would be better for Citizens to own it and be liable for the operation.

Lori Baker can be reached at (602) 444-7120 or at lori.baker@pni.com.

Water plan nears approval

ACC to review, discuss issue at next meeting

By JEFF OWENS
DAILY NEWS-SUN

Representatives of the two biggest groups supporting a \$15 million plan to bring CAP-delivered water to the Sun Cities think the message at next month's state Corporation Commission hearing will be as clear as the water they hope to bring to town.

Ray Jones and Gene Zylstra think the ACC will approve the plan to deliver water via the Central Arizona Project onto the Sun Cities' golf courses early in the next decade.

Jones is a general manager and vice president for area water provider Citizens Utilities. Zylstra represents the members of 1998's CAP Task Force, which, along with Citizens, devised and approved the plan that is scheduled to go before the ACC on

Oct. 18. Jones and Zylstra discussed water issues Monday during an editorial board meeting at the Daily News-Sun.

"We're really getting down to decision time on this," Jones said Monday. "We feel strongly that this is the community's decision. In this case, I think the community's choice is clear."

Zylstra has been at the center of the debate for about two years now and is confident the ACC will approve the plan.

"It's taken a lot of blood, sweat, and everything else," he said.

At the heart of the issue are long running debates over the plan's accompanying rate increase and whether or not the Sun Cities are slowly draining the groundwater on which they rely completely.

The only community group to oppose the plan is the Sun City Taxpayers Association, whose members have contended vigorously that the water and rate increase are unnecessary.

Jones dismissed SCTA's opposition as simply "a rehash of issues that

have already been decided" in the May 1997 rate case, when the ACC refused to allow Citizens to charge its customers to hold onto a federal allocation of CAP water earmarked for the Sun Cities.

Maybe not this time, though. Jones reported that ACC staff engineers have recommended the plan, and that the ACC is close to a "full endorsement" of the costs.

And this time, Jones added, SCTA's old arguments are "inappropriate" to the current issue.

Both say October's hearing will be issue-driven, but Jones said he's confident that any politics that come into play are likely to lean toward approval.

The plan has two parts: an interim project that would store the Sun Cities' CAP allocation in existing West Valley facilities and allow the water to be legally classified as "used and useful" right now, enabling Citizens to charge its customers for it. The projected price increase per month per house in the Sun Cities is about \$1.25 for the next three years and would end with the completion of the

pipeline, Zylstra said.

The second part deals with building the pipeline that will bring the water to the golf courses. After it is complete — in about 2003 — the projected price increase per month per house is around \$5.50 for Sun City and \$4.18 for Sun City West, which has an existing pipeline.

Zylstra is adamant about one point: the plan sounds like it's for the golf courses, but it's not — it's just that they are ideal for soaking up large amounts of water that will percolate down to the aquifer, he said.

"It's for the benefit of residents of Sun City," he said.

Zylstra said his own informal surveys have indicated a high rate of approval among residents for both the plan and the rate increase.

Jones said the ACC hearing officer will issue a decision before the end of the year, after which the commissioners will vote on the plan at an open meeting.

Jeff Owens may be reached by e-mail at jowens@aztrib.com or by calling 623-876-2519.

Saturday, October 2, 1999 © The Arizona Republic

Sun Cities study use of CAP water

Would help preserve dwindling supply

By **Connie Cone Sexton**
The Arizona Republic

SUN CITIES — Should Central Arizona Project water be piped into the Sun Cities and onto the communities' golf courses?

Don't think of it as just a means to help the golf courses stay green, said Gene Zylstra, a member of the Home Owners Association of Sun City. The proposal is aimed at shoring up the area's groundwater tables.

For the past few months, Zylstra and other members of an area CAP task force have been reviewing ways to

preserve the water supply for Sun City and Sun City West.

Currently, groundwater is pumped by the communities' water company — Citizens Water Resources — to serve residential and commercial use. The Sun Cities Recreation Centers golf courses are watered by the same wells.

"But our groundwater table is decreasing," Zylstra explained. "We needed to come up with a plan."

The proposal to go after their reserved CAP allocation came out of a study commissioned by the HOA. Its approval could initially mean between \$6 and \$7

more a month for each household water bill. Members of the Arizona Corporation Commission will take up the issue at a 10 a.m. Oct. 18 meeting.

As part of the task force plan, about 6 million gallons of CAP water would be transported each day from a canal north of Sun City to the Sun City and Sun City West communities for use on the golf courses. This would require having a pipeline built from the CAP Canal to the communities at a cost of about \$15 million.

Ray Jones, vice president and general manager of Citizens Water Resources, said piping in the water to the golf

— Please see **SUN CITIES**, Page 4

— **SUN CITIES**, from Page 1

courses would save having to use groundwater on the facilities. That would leave more water for residential and commercial use.

But members of the Sun City Taxpayers Association question the need for piping in the CAP water.

"No one can prove there is a lack of water," said Ray Dare, first vice president of the taxpayers association. His group had been a member of the HOA CAP task force but

decided to drop out after raising concerns about the proposal.

"We didn't like that they were pushing a plan," he said.

Dare worries that the cost to the residential consumer will be too high.

Zylstra said the cost of the proposal to obtain the CAP water would involve:

- A one-time charge to pay for the investment that Citizens Water Resources has made to hold the CAP water. This would mean about

\$22-\$24 per household, broken down over 42 months, or about 40 cents a month more on the water bills.

- An additional \$1.25 per month for the next three years to transport the CAP allocation and place it in the Maricopa Water District recharge area north of Sun City.

- An extra \$5.50 per household in Sun City and \$4.15 per household in Sun City West per month to offset the cost of constructing the \$15 million pipeline.

Water decision down to final boil

By JEFF OWENS
DAILY NEWS-SUN

The community has had its say, and now it's time for the Arizona Corporation Commission to decide the fate of a \$15 million plan to bring CAP-delivered water to the Sun Cities.

The final hearing is scheduled for 10 a.m. Monday at the ACC's downtown Phoenix offices.

Debate has raged for years in the Sun Cities on whether to use renewable water delivered via the Central Arizona Project and end the area's complete reliance on a slowly dwindling supply of groundwater.

Opponents say the Sun Cities can't afford it, and there's an endless supply of groundwater anyway. Supporters say the cost is worthwhile because the Sun Cities will be bled dry within a generation or two

without renewable water.

Meanwhile, the company that has wanted to provide the water has washed its hands of the matter, leaving the decision up to the community.

It's use it or lose it time for Citizens Utilities, the water company which has fought to keep its federal CAP allocation for the Sun Cities. Nonetheless, officials are optimistic.

If you go

Sun City Home Owners Association is sponsoring a bus Monday to take 40-50 people to the Arizona Corporation Commission hearing.

The bus will leave at 8:30 a.m. Monday from Bell Recreation Center, Hutton Drive, Sun City.

Call HOA, 974-4718, or Gene Zylstra, 972-9151.

Rudibaugh said the hearing may wrap up on Monday.

After that, Rudibaugh said, "The bottom line is that within 30 days, I'll have everything I need to write my decision."

From A1

Once Rudibaugh makes his final call, the three commissioners will approve, deny or modify the plan at an as yet unscheduled open meeting. They are not obligated to go along with Rudibaugh.

"They don't always abide by the hearing officer's decision," Collins said.

Rudibaugh said he anticipates a decision will be made by the end of the year.

Collins said Monday's hearing will be "one final go-around" at which public comment on the case will be heard from the intervenors,

"If they turn us down, we'll have to relinquish, but I just don't think that will happen," said Marvin Collins, Citizens spokesman.

The ACC has allotted three days to proceedings, but hearing officer Jerry

including ACC staff, the Sun City Home Owners Association, the Sun City Taxpayers Association, and members of the former CAP Task Force — the Sun Cities area community group that devised and approved the plan last year.

The debate within the Sun Cities has often turned acrimonious. HOA's Gene Zylstra became the de facto leader of plan supporters after the Task Force was disbanded, while SCTA head Mary Elaine Charlesworth became the most outspoken critic.

"We've been trying to do what's right for the community," Charlesworth said. "If we lose this, and Sun City gets

high bills, which it will, the person responsible will be Gene Zylstra. Gene Zylstra and the Sun City Home Owners Association."

Charlesworth also referred to the CAP Task Force as a "goofy crew" who has "split our community up."

Zylstra has in turn often drawn a bead on Charlesworth and the SCTA, most recently lambasting the group for attempting to stall Monday's hearing.

"All intervenors have the same amount of time to prepare their case and only the Sun City Taxpayers Association is complaining," Zylstra

wrote recently.

"The tactics and misleading information used by the Sun City Taxpayers Association is just another way of trying to wear down the well-organized (groups) who are prepared for the commission hearing," Zylstra said. "Why are all the other intervenors ready for the hearing except (for) the Sun City Taxpayers Association? We have stated the facts. Can the Sun City Taxpayers Association say the same?"

"All we can do is hope," Zylstra said. "We're optimistic. I think we've presented our case well, and we're getting nothing but good feedback from the people we talk to."

See Water deci

10/15/99

Daily News-Sun

Wednesday, Oct. 27, 1999

Water Works buys Citizens for \$835m

By BRUCE ELLISON
DAILY NEWS-SUN

By the middle of next year, the water and sewer companies serving the Sun Cities, Youngtown and parts of Surprise will have a new owner.

American Water Works Co. has agreed to purchase all the water and wastewater operations of Citizens Utilities Co., including the Sun Cities operations, for about \$835 million.

Citizens early this summer had said it intended to sell all of its non-telephone operations in order to concentrate on the fast-growing telecommunications business, including inter-city fiber optic long-distance connections.

The company also operates gas and electric companies around the nation, including in the Kingman area.

In a statement, Citizens, based in

Stamford, Conn., said it expected to finalize the sale of those properties by year end.

Because of the need for approval by state regulatory commissions, the actual transfer of Citizens Water Resources to American Water Works, probably won't be completed until the middle of next year, Citizens said.

Citizens Water Resources units serve about 350,000 customers in

Arizona, California, Illinois, Indiana, Ohio and Pennsylvania.

In its concentration on the telephone business, Citizens is acquiring tens of thousands of telephone customers from Bell and other companies. Among them are the U S WEST phone lines serving Wickenburg.

No changes in operation of the local water and sewer operations, based on Del Webb Boulevard in Sun City, is expected, local officials said.

Benefits of CAP far outweigh costs

GENE ZYLSTRA
HOA DIRECTOR

There has been much information circulating regarding the use of Central Arizona Project water in the Sun Cities area. Pamphlets were distributed to every Sun City home (including condos) by the Sun City Home Owners Association that explains why "CAP water is important to our future." The "Task Force," made up of seven organizations from the Sun Cities area, came up with a plan for using CAP Water on the recreation centers golf courses. This was not a plan developed by Citizens Utilities. The golf courses were singled out because there is only so much CAP water allocated to the Sun Cities area and the private golf courses expressed no interest in utilizing it. The pamphlet explains much of the rationale behind the Task Force recommendation and is available at the Sun City Home Owners office at 10401 W. Coggins Drive in Sun City.

All individuals representing the various organizations on the Task Force, except the Sun City Taxpayers Association, agreed that this was the best solution for the Sun Cities. Utilizing our CAP water allocation on our golf courses certainly allows us to reduce most pumping of good groundwater (drinking water) for golf course irrigation.

Scottsdale is utilizing CAP water for irrigating many of their golf courses. Treatment of CAP water is very minimal and does not need a treatment plant to do this. Peoria and Glendale are already using CAP water with a much higher cost to their residents for treating it for drinking purposes. The newspapers have had articles about the Carefree/Cavecreek areas lack of groundwater resources and their request for a CAP allocation.

The charge for the CAP water is not a recreation increase of dues. It is a Sun City Water Co. charge on our water bills for using CAP water and to build the pipeline from the CAP Canal into Sun City to the golf courses. The benefits of this solution far outweigh the costs to be incurred.

It has been verified that we take out seven times as much groundwater from our aquifer than we put back in. Putting our CAP water allocation anywhere but right here in Sun City will not help turn

off some of our pumping of Groundwater. Stopping groundwater pumping elsewhere will not keep our land from subsidence due to our withdrawal. Subsidence is a very real problem. As the water is withdrawn, the land which was supported by that water sinks. The area which held water in the soil begins to compact. It does not compact evenly. One area sinks faster than another, cracks appear. Eventually roads, utility lines, sewers, etc. crash or are displaced. Subsidence is expensive and irreversible. Compacted soil does not accept water. Home Owners has pictures you can view that show the effects of subsidence in the Northwest Valley. Come and see them.

Some people believe that the cheaper approach of recharging CAP water elsewhere up north will eventually get down to Sun City. This could possibly happen, but it would take many years and would not directly benefit Sun City.

We want to preserve our groundwater for as long as we can. Utilizing our allocation in Sun City is a step toward that goal. It stops most groundwater pumping by our golf courses and helps preserve the groundwater below us for drinking purposes. Building a pipeline into Sun City to deliver CAP water gives us another source of drinking water for the future. Water is precious in the desert. Everything we can do to assure us of drinking water in Sun City should be pursued.

The Arizona Department of Water Resources is recommending that all allocations of CAP water that are available to a community should be used to preserve groundwater. We can use CAP water in Sun City to help accomplish their objective and prevent restrictions on quantities of groundwater allowed to be pumped in a community as well as fines that could occur.

The fact that Sun City Water Co. is being sold should have no effect on the task force plan to use CAP water on our golf courses. Approval of the plan by the Corporation Commission should ensure the completion of the project by our water company.

The Task Force recently received an honorable mention award for leadership in the community from Westmarc, for introducing their plan for the use of CAP water in the Sun Cities.

Daily News-Sun • Monday, Feb. 14, 2000

Broken water main floods SC streets

SUN CITY: APS crew taps water main, sending water flowing

GINGER SCOTT-EIDEN
DAILY NEWS-SUN

Streets and sidewalks were flooded in a south Sun City neighborhood Thursday after workers broke a water main near 107th and Peoria avenues.

An Arizona Public Service crew was doing some digging at about 12:30 p.m. next to the driveway of a home at 10915 Sun City Blvd. when they tapped into an 8-inch water main, said Steve Uraine, field operations superintendent for Citizens Utility.

Water was turned off for about four hours at homes along Sun City Boulevard between 108th and 111th

avenues while crews replaced a section of pipe.

Mud and dirt covered covered sidewalks that had been flooded. Water was standing in neighborhood streets as far as 1½ miles away. Most of the water collected near the intersection of 107th and Peoria avenues before flowing south to the Aqua Fria River.

"It's an 8-inch main, and it has a pretty good size hole in it," Uraine said.

He said it was difficult to determine how much water escaped. However, he said the water was only on for a few minutes after the hole was created.

He said Citizens Utility is called to an average of about two main breaks a month in the Sun Cities.

"It happens," he said. "With all the excavation going on in the area, it's hard to avoid."

Ginger Scott-Eiden can be reached by e-mail at Ginger.Scott-Eiden@thomnews.com or by calling 876-2522.



STEVE CHERNEK/DAILY NEWS-SUN

A golf car splashes through running water at 107th at Clair Drive Thursday. A water line break near 109th Avenue and Sun City Boulevard sent water flowing.

Water wasters damage streets, face penalties

SUN CITY PROBLEM:

Over-watering, leaky sprinklers are the main causes of street flooding

HAYLEY RINGLE
DAILY NEWS-SUN

Joe McHugh of Sun City said he is disgusted every time he sees water running down the street from over-watered yards, and would like to see the problem solved.

"It bothers me because we live in a desert and there doesn't seem to be any kind of water conservation," said McHugh, a Sun City PRIDES member for eight years. "We get in there to do our job and we can't do it because of the water."

McHugh said not only is water being wasted, but roads are being destroyed by the water runoff, which costs taxpayers more money.

"Most of the problem with over-watering is the condos," said Paul White, the Sun City Home Owners Association president-elect and chairman of the Water Resources Committee. White said HOA gets about one complaint a week on water problems. "There are two or three condos that habitually over-water."

Sun City resident Ed Pierce, a member of PRIDES for seven years and chairman of his condo association, said the water costs are significant at his condominium.

"They're just careless," Pierce said. "They really ought to do something about it."

Frank Urquiza, public works supervisor for the Maricopa County Department of Transportation, also said the main offenders are the condo associations.

However, Lyle Krogh, a Condominium Owners Association

Water-saving tips

Citizens Water Resources offers the following water-saving tips at www.SaveH2OArizona.com.

- Don't water the side of your house or fence, your sidewalks, driveway or gutter.
- Water at night or early in the morning.
- Don't water the lawn on windy days when the evaporation level increases.
- Install an automatic timer that doesn't forget to turn the water off.
- Use desert plants in your landscaping — you'll still have beautiful color and foliage, but won't need all that water.
- Water your lawn only when it needs it.
- Set your lawn mower blades one notch higher.
- Replace broken and missing sprinklers to save your lawn and conserve water.
- If water runs off your lawn, split the watering time to reduce run off.

To report a water problem call:

- Sheriff's Posse of Sun City at 972-2555
- Sun City Home Owners Association at 974-4718
- Citizens Water Resources' Save H2O Hot Water Line at 815-3101.

board director, said he doesn't see it as a major problem.

"It's very difficult to enforce," Krogh said. "Some people are very good about it, but it's hard to catch the flagrant ones. We see water running down the street, but it's hard to see where it's coming from."

OVER

From A1

Many residents may not realize it, but allowing water to flow down streets is illegal.

Arizona Revised Statute 28-7053 states it is a petty offense to "knowingly obstruct or injure a public highway, runway or taxiway by causing or permitting flow or seepage of water under the person's control to escape onto the highway, runway or taxiway."

Each day of violation is treated as a separate violation, and a "person who commits the act is subject to an action for damages by this state brought by the attorney general or the county attorney of the county in which the act is committed on direction of the attorney general."

If a complaint is called in, the violating resident, association or business is alerted to the problem, and if it isn't corrected, the county will investigate, Urquiza said.

Will Box, commander of Sheriff's Posse of Sun City, said he talked with Recreation Centers golf course management on Tuesday after receiving complaints of

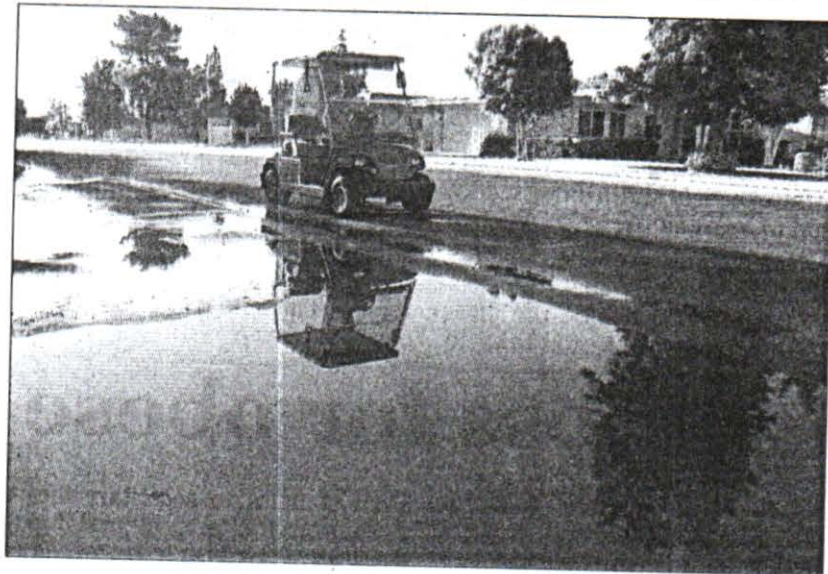
over-watering on the golf courses.

"I think there's an abuse of water, but enforcing it is not something we usually do unless we get complaints from residents," said Box, who added not many complaints are received about over-watering, but the Posse does follow up on all complaints.

"The problem is if we see water running we can't turn it off because it could be on timers, they could be out of town, and the plants and grass could all die. Then we get in trouble. We have to walk a thin line."

Steve Ravenkamp, Sun City Recreation Center's golf operations manager, said he hasn't received any complaints about water running off the golf courses.

"Every once in a while sprinklers will get out of adjustment, (and water will) run onto the sidewalk, which runs out on the street," said Ravenkamp, who encourages Sun City residents to call him when they see problems such as this on the golf courses. "We need to know if we have a problem. But I don't think we have anything that is excessive."



STEVE CHERNEK/DAILY NEWS-SUN

Joe McHugh drives past standing water from sprinkler runoff on Hutton Drive west of Boswell Boulevard in Sun City.

Citizens officials: Water supply safe

Coliforms indicated in first test; retest conducted

By MIKE RUSSO
Independent Newspapers

Water samples collected in early August by an outside contractor for Citizens Water Resources "indicated the presence of total coliforms" in the water supply that serves Sun City, Sun City West and portions of Surprise. However, Citizens officials assure its customers the water is safe to use.

"A change in water quality testing procedures has created some sampling problems for Citizens Water Resources," announced Brian Biesemeyer, operations manager, in a statement. Retesting by Citizens indicated there was no serious problem with the drinking water source.

"When the initial sampling results were collected, they indicated an increased level of naturally occurring bacteria in 21 of the 156 samples. This unprecedented level

““

There is no problem with the drinking water.

Brian Biesemeyer
Citizens operations manager

was considered to be highly irregular and immediately caught the attention of Citizens' staff," Mr. Biesemeyer said.

The results were reported to the Maricopa County Environmental Services Department, as required by the Federal Safe Drinking Water Act.

"There was enough positive initial samples to constitute a violation of rules," confirmed Tom Waldbillig, drinking water program manager for the Maricopa County Environmental Services Department.

"Once they notified us they had to immediately resample and attempt to determine if there is a problem with the system — could bacteria be working itself into the water system — and they are required to notify the public of the problem," Mr. Waldbillig said.

Mr. Waldbillig said he asked Citizens to do two things, "Mention they are working with Maricopa County Environmental Services Department and the notice needs to be in Spanish and English."

The bacteria indicated in the samples are called coliforms, most of which are found naturally in the environment, according to Mr. Biesemeyer. "There was no indication of any human bacterial contamination in the drinking water system, only a rise in some of the naturally occurring levels," he stated.

"If coliforms are detected, they indicate a bacteria," Mr. Biesemeyer continued. "When you get a positive total coliform, the lab

does a second test that checks for pathogens — e-coli and fecal coliforms. Those were not present."

"At Citizens Water Resources, we know how important quality drinking water is to our customers," said Ray Jones, vice president and general manager of Citizens Arizona water operations. "We have a strong record of providing our customers with some of the best drinking water in the state, and we will continue to vigilantly monitor our water to ensure the highest quality is maintained."

"Citizens conducts thousands of tests each year from all around our water systems and monitors water quality daily," Mr. Biesemeyer said. "When we detect a problem, we can remedy it right away, and notify customers how the situation has been handled. We test for a wide variety of manmade and naturally occurring constituents, including chemicals, metals such as lead and copper, and bacteria. Most of these constituents are measured in parts per million or parts per billion — an indication of how exact we have to be when talking about water quality.

"There is no problem with the drinking water," Mr. Biesemeyer concluded.

Mr. Waldbillig said ADEQ believes the original sample was suspect but he was unable to comply with a Citizens request.

"Citizens asked me to invalidate those initial results," he said. "However, what Citizens produced was not adequate for invalidation."

Mr. Waldbillig said during his five years with the agency he has only recommended the invalidation of one sampling.

"I have informed Citizens, I agree the results are suspect, but the results are reported for compliance purposes, it went into their official record of water quality," Mr. Waldbillig said. "Without substantial justification I would not be able to invalidate those results."

SUN CITY INDEPENDENT October 16, 2002

HOA recommends water saving tips

Some grass would be replaced

By **Mike Russo**
Independent Newspapers

The Sun City Home Owners Association, recognizing the need to conserve water, has sent a letter to Tom Buick, director of the Maricopa County Department of Transportation, recommending a program to reduce the grassed area in Phase I medians.

The action was proposed by the HOA Water Committee.

The proposal recommends a 44 percent reduction in grass in the medians on Alabama, Peoria 107th and 111th avenues, south the Grand Avenue.

"We know that a water conservation program must be and will be accomplished in the future," said Gerry Unger, HOA Board president.

Mr. Unger said the average median is approximately 30 feet wide and 600 feet long, or 18,000 square feet.

Presently, the county is in the process of replacing two-foot wide strips of dirt and weeds around the median perimeters with two-foot wide dirt berms. This would reduce the approximate square footage of grass to about 15,000.

HOA is proposing the berm be widened to five feet and a 50-foot area at the end

of each median section be converted to desert landscaping.

This would reduce the grassed area of the average median to approximately 10,000 square feet, representing a reduction in grass of 44 percent.

"This leaves a little bit of grass to satisfy the greenbelt feeling for those people who desire it," Mr. Unger observed.

"It is obvious that water consumption would be less than 44 percent reduction, but we feel it would be significant," he continued.

Director Allen White mentioned that Arizona has been in a protracted drought and Maricopa County may have to eventually stop irrigating the medians, resulting in the grass dying, which would be even less eye-appealing than desert landscaping.

Prior to the HOA Board unanimously approving a motion to send the letter to Mr. Buick, director Gordon Rosier recommended all the grass be removed from the medians and replaced with crushed rock or gravel.

"I am recommending it all be gravel," he said. "We have 27 mining operations in the Agua Fria (Riverbed) and I am



Photo by Mike Russo/Independent Newspapers

Richard Dietsche, a resident of Sun City Phase I for nearly 13 years, walks his dog, Bubba, on the median along 107th Avenue. The Sun City Home Owners Association is asking the Maricopa County Department of Transportation to reduce the amount of grass in the medians to conserve water.

OVER

HOA

Continued From Page 1

sure they would be good neighbors and donate the gravel."

Mr. Unger noted MCDOT conducted a study about five years ago to determine if converting grass in the medians to desert landscaping was feasible and it was decided the cost was prohibitive. Additionally, residents of Phase I objected vehemently.

The estimated cost of the grass removal five years ago was \$8 million, according to Mr. Unger.

"People in Phase I were opposed to the idea," said director Phyllis Roach. "They walk their dogs on the grass."

HOA believes retaining 44 percent of the grass in the medians will be more palatable for Phase I residents, according to Mr. Unger.

If Richard Dietsche, who has lived in Phase I for nearly 13 years, is any indicator, the plan may receive residents' approval.

"It would be OK as long as



Photo by Mike Russo/Independent Newspapers

HOA is recommending Maricopa County convert the ends of medians in Phase I to desert landscaping, similar to this one near the intersection of Peoria and 107th avenues.

they maintain some grass," Mr. Dietsche said of the proposal.

Mr. Dietsche said the appeal of the greenbelt provided by the grassed median was one of the features that attracted him to purchase a home in Phase I.

"This is fantastic," he said of the medians, which he uses to walk his dog, Bubba, an 8-year-old dachshund,

twice daily. "He (Bubba) really looks forward to his walks on the grass."

Mr. Unger said HOA realizes the partial conversion to desert landscaping may be too expensive for the county.

"What we are asking the county to do is budget the item," he said. "If they don't, we can pursue donations," Mr. Unger said.

HOA recognizes that additional maintenance may be required for the desert landscaped areas, but the PRIDES would provide additional labor, Mr. Unger noted. "The Sun City Home Owners Association Foundation is in a position to make a small contribution in support of the PRIDES, for desert plants, and for other such approved items," he said.

Floyd Brown, chairman of the HOA Water Committee, said, "I am glad to see the letter go to the county."

Sun Cities water supplier steps up testing

CUSTOMER ASSURANCE: Peoria's plight prompts additional checks

PATRICK O'GRADY
DAILY NEWS-SUN

Arizona-American Water Co. officials assured customers this morning "the integrity of our water system is safe and intact."

In light of the discovery in a Peoria water system of the type of amoeba believed responsible for the deaths of two children, Arizona-American is testing daily, said Troy Day, director of water quality.

"We are on top of this situation," he said this morning.

The parasite found in the Rose Valley Water Co. serving 2,500 households in north Peoria resulted in Maricopa County and the city taking over the independent water company.

The county's Department of Health Services was trying to ascertain whether the amoeba — called *Naegleria fowleri* — is present in the Rose Valley system or is

being pumped from the ground. The amoeba can cause an infection in the brain and spinal fluid and may lead to death.

The Arizona-American Water Co., which serves Sun City and Sun City West, beefed up its testing of water by adding additional chlorine and checking the pH balances more often, Day said.

"This is an unfortunate situation," he said. "We've been getting a lot of calls from concerned residents, but we have a good plan in place and are doing the necessary checks above and beyond what is required."

Day said there is not enough information about the Peoria problem to give any definitive details. He said it requires more study from the county and state to determine what's wrong with the water. However, Day said, Sun City and Sun City West water remains safe.

Dr. Jonathan Weisbuch, the county's director of public health, said the potentially fatal amoeba is difficult to contract even if it is in the system. But, officials with the city, county and water company decided to move ahead with closing and cleansing the company's water lines

and connecting them to Peoria's municipal system.

"We don't know the reliability of those tests," Weisbuch said. "What we do know is that if we have information that affects the public's health, we'll close the system."

Residents attending a public meeting Sunday afternoon were angry that they had been told less than a week ago that the water was safe.

County officials became aware of the problem Friday after preliminary tests conducted by the water company using a French test indicated the possible presence of the

amoeba. The water company undertook the tests after a series of county tests deemed the water safe.

"It was something we wanted to do to ensure a safe, reliable water system," said Gary Brasher, president and owner of Rose Valley Water Co.

Peoria officials are connecting the municipal water system to Rose Valley, a transition expected to be completed Tuesday, said Kevin Kadlec, Peoria's water services director.

Peoria planned to use

See Utility boosts, A5

From A1

treated Central Arizona Project surface water supplied from the Pyramid Peak treatment plant in Phoenix.

Since the amoeba might be in the groundwater, Peoria officials took the precautionary step of shutting down its ground wells north of Bell Road and began using surface water, said Terry Ellis, Peoria city manager.

"The answer here was to err on the side of safety," he said.

Water samples were being sent to the Centers for Disease Control in Atlanta, and

results are expected back in seven to 10 days, Weisbuch said.

The tests have been under way for more than three weeks after two 5-year-old boys — Zach Stalls and Davy Luna — died following an attack of meningitis brought on by the amoeba.

Health officials said contracting the disease from an amoeba, which is common in standing water, is relatively difficult. Only a handful of cases are reported in the United States each year. Its treatment is as difficult as contracting it. Only one antibiotic, administered through

a spinal tap, is effective, Weisbuch said.

Symptoms for meningitis range from fever, severe headaches, neck stiffness, nausea and vomiting to hallucinations and seizures. Children are especially susceptible.

Residents at the public meeting, organized originally by resident Julie Herman, expressed concern and disappointment both with Rose Valley and particularly the county because officials told them the water was safe.

"I do not want to be a customer of Rose Valley," said Tim McCullough, an area resident with four children.

Ellis said the city could look at buying the water company's property if residents agree to it.

Peoria Unified School District officials also closed Coyote Hills Elementary School today with a possible closure Tuesday if the problem was not rectified. Local restaurants also were ordered shut by the county until the switch to Peoria municipal water was made.

Patrick O'Grady may be reached at 876-2522 or pogrady@aztrib.com.

John Sokolich contributed to this story.

December 4, 2002

SUN CITIES INDEPENDENT

Water company files for rate increase

Hike would be Arizona-American's first in more than five years

By **Mike Russo**
Independent Newspapers

Sun Citians may want think twice before spending that extra five minutes in the shower or watering the flora an extra time each week if the Arizona Corporation Commission grants a water/wastewater rate increase requested by Ari-

zona-American Water Co.

The rate increase would affect most areas served by Arizona-American Water Co., including Sun City, Sun City West, Surprise and Anthem.

The company filed a request with the ACC last week that would raise water and sewer bills for Sun City customers by an average of

\$11 to \$14 monthly and about \$14.50 per month in Sun City West. The hike is higher for Sun City West residents because the utility performed extensive improvements to the community's wastewater treatment facility earlier this year, according to Ray Jones, president and general manager of Arizona-Amer-

ican Water Co.

"This is the first increase we have proposed for residents in this area in more than five years," Mr. Jones said.

The Corporation Commission granted a wastewater rate hike in 1997 but "actually reduced water rates in 1997," Mr. Jones said.

The previous rate increase for Sun City occurred in 1992, according to Mr. Jones.

"Rate increases have been no more often than every five years," he continued. "Water rates tend to be going down rather up in Sun City.

"I think Sun City West has

See **Water** — Page 5

OVER

Water

Continued From Page 1

never had a water rate increase," Mr. Jones added.

"The systems were at a point in their life cycle that required little investment and repair," Mr. Jones said in explaining the reason for the water rate reduction in 1997.

"The increase reflects a number of changes in our systems, addressing an aging infrastructure, enhancing security features and compliance with stricter regulatory requirements," Mr. Jones explained.

If the increase is granted, it would be phased in over a two-year period, starting in early 2004.

"Sun City would be phased in over two years, about \$6 and \$5.50," Mr. Jones said. In Sun City West, \$11 of the increase would be implemented the first year and \$3 the following year.

Heather Murphy, ACC spokeswoman, confirmed receipt of the filing.

"The first thing that will happen will be to determine

the staff people assigned to the case," Ms. Murphy said. "Staff analyzes the rate increase request, subpoenas records and pores over billing and income records. They are specialists in this area and know what to look for.

"We have a long process ahead of us," she added.

Although Arizona-American has requested the increase, there is no guarantee the commissioners will grant the full increase. "Utilities seldom receive the entire rate increase requested," she said.

ACC has 365 days to make a ruling unless both parties agree to an extension, according to Ms. Murphy.

Mr. Jones said, based upon previous experience, he expects the entire process to take about 13 months.

The commission will host public meetings to hear input from residents about the impacts of the proposed increases.

Sun City customers currently pay an average of \$24 each month for water and wastewater service. Sun City West consumers pay about

\$28 monthly for the same service.

"The investment in the Sun Cities' water/wastewater system has been lagging behind and there are many aging pipes and equipment we must contend with," Mr. Jones said. "Arizona-American is committed to addressing these deficiencies to avoid significant problems in the future. The current rate structure simply does not allow us to make these critical investments."

Ray Dare, interim president of the Sun City Taxpayers Association and chairman of its Utilities Committee, chose to reserve judgment on the rate increase request until he has had a chance to learn more details.

One thing that concerned Mr. Dare was the possibility of an even greater rate increase for Sun Citians if the ACC approves the Groundwater Savings Plan, currently being considered by the commissioners.

The GSP recommends using Arizona-American's (formerly Citizens Water Resources') 6,561 acre-foot

CAP water allocation to irrigate Recreation Centers golf courses in Sun City and Sun City West. The water would be delivered to the two communities via a pipeline that would cost an estimated \$15 million.

Approval of the plan would result in Sun City residents paying an additional \$5.80 a month, per household and \$4.15 monthly in Sun City West.

Repair of wells and maintenance that is normal maintenance. I am not even sure if that is allowable as an increase. That would make the total increase for Sun City customers in the \$16.80 to \$19.80 range and for Sun City West, it would amount to \$18.65.

"It compounds itself," Mr. Dare said. "If they get this one approved, the pipeline will probably not come up for a rate increase until 2005 or 2006."

SCTA may become an intervenor in this case, just as it has been in the GSP case, according to Mr. Dare. "We will discuss it during the next board meeting."

DAILY NEWS-SUN

THURSDAY, JAN. 2, 2003

Residents denounce wasted water

ERIN REEP AND KATY O'GRADY
DAILY NEWS-SUN

Emmett and Donna Middaugh are tired of conserving water and then watching "thousands of gallons of water (flow) down 105th Avenue."

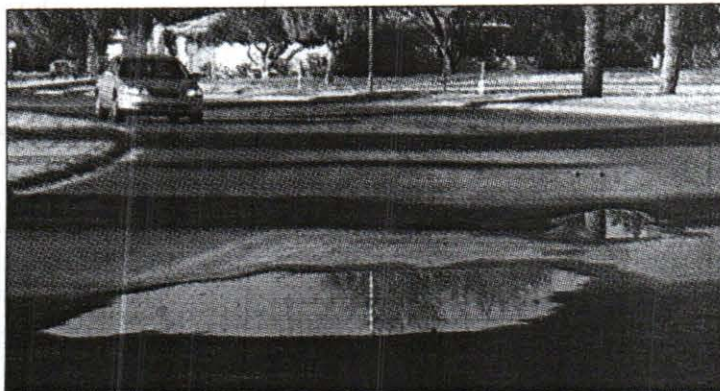
The couple, who live on Clair Drive near the Sun Bowl, said a water line a couple of miles north of their home near 105th and Desert Hills has broken several times, sending water streaming down 105th. The line has broken eight or nine times in the four years they've been here, said Donna Middaugh.

"It just keeps breaking and keeps breaking," she said.

"Last week they replaced the street. Today it broke again," Emmett Middaugh said Tuesday. "Then they send us a bill saying conserve water. How can you tell me on my bill to save water and then waste thousands of gallons?"

The problem, according to water-main owner

See WATER, A5



PHOTOS BY STEVE CHERNEK/DAILY NEWS-SUN

Above, puddles remain on 105th Avenue in Sun City from a water-main break on Tuesday. Below, resident Emmett Middaugh says the frequency of problems with water mains in his neighborhood is very frustrating.



From A1

Arizona-American Water Co., is that particular section of Sun City's water lines are old, making the repairs normal.

Brian Biesmeyer, an Arizona-American spokesman, said the section of line concerning the Middaughs is under consideration for more serious repairs in 2004.

The break is in an older part of Sun City, and such breaks happen more frequently in older lines, Biesmeyer said. However, Arizona-American tries to note problem areas and considers them for major line repairs, he said.

"And that is one of those areas that we are going in and identifying," Biesmeyer

said of the section of line at 105th Avenue and Desert Hills.

The Middaughs say they're concerned about the number of times the main has been repaired in recent years.

"I've been here four years, and I'd say it's been done about nine or 10 times," Emmett said.

Middaugh said his monthly water bill goes directly to his condo association, which in turn reminds him in newsletters to "conserve water."

Biesmeyer said that the particular section of 105th Avenue where the repairs occurred had two breaks in December. One break occurred on Dec. 11, he said. Often when one break occurs,

while it is being fixed, the pressure causes another main to break, Biesmeyer said.

"Sometimes that happens; when you fix a main in one place you get a break in another place," he said.

The stretch of line along 105th Avenue is about half a mile long, Biesmeyer said. Arizona-American estimates it does about two replacements per year on that stretch of line. Replacing older stretches of line can be costly, depending on the length of line and the size of the main, Biesmeyer said. It also depends on where the leaks occurred. Replacing the half-mile along 105th Avenue would cost about \$100,000, Biesmeyer said.

Replacing the line is more efficient in the long run than simply repairing the main, but the cost is high. "It's always more cost-effective to replace a length of line, but it's a lot of capital," he said.

Each year, Arizona-American takes note of problem lines and considers which to replace.

"We did those on Oakmont just last year," Biesmeyer said.

Biesmeyer added that Arizona-American is attempting to increase its capital to be more proactive fixing aging water lines. That is part of the reasoning behind its recent request to the Arizona Corporation Commission for

Rising costs drive rate-hike request

WATER: Arizona-American will have life-line provision for low-income customers in Sun Cities, Youngtown, Surprise

KATY O'GRADY
DAILY NEWS-SUN

Qualified low-income Sun Cities, Surprise and Youngtown residents can rest assured their water costs will be covered if Arizona-American Water Co. gets approval to increase rates.

The Arizona Corporation Commission, in approving a Central Arizona Project pipeline for Sun City and Sun City West, ordered Arizona-American to include a "life-line" provision in its current rate increase request to help cover costs for residents who can't afford the higher rates.

"We do not have one right now, but ... we will be requesting one in the next 60 days," said Arizona-American President Ray Jones. "The commission actually ordered that (Wednesday)."

Other than the life-line provision, the commission's pipeline decision isn't intertwined with the present rate-increase request, which is designed to cover the increased costs of supplies

and other aspects of doing business, company officials said Thursday during an open house in Sun City Grand.

A similar meeting was scheduled this morning in Sun City.

Arizona-American will cover the up-front costs of building the estimated \$16.4 million pipeline, and later recoup those costs from consumers. The pipeline isn't expected to be constructed for three to four years, pending legal challenges by the Sun City Taxpayers Association, Jones said. The cost, if it's passed on to ratepayers, is expected to be about \$5 a month in Sun City and \$4 per month in Sun City West, he said.

About two dozen residents turned out for the open house to ask questions about the rate-increase request, water conservation and water quality.

Sun City Grand and other areas of Surprise served by

See WATER, A5

From A1

Arizona-American would see a 7.4 percent increase in their rates if the Arizona Corporation Commission approves the company's request. The communities are served by the company's Agua Fria Water system. Consumers pay an average of \$22.46 monthly; that would increase to \$24.13 if the rate increase is approved.

A few Sun City Grand residents who spoke to the Daily News-Sun about the proposal didn't seem too upset about the request.

"I don't like it of course, but we get increases every day on everything," said resident Charles Wackes. "I'm new here. They claim they haven't raised the price in so many years. If they're not going to come back next year with this again, then it's OK."

According to Arizona-American, the last rate change for the Sun Cities and Surprise was in May 1997. That action increased water rates in Sun City Grand and other areas of Surprise served by the company;

decreased the cost of water and increased the cost of wastewater in Sun City and Sun City West.

Mary Abrams, a Sun City Grand resident since August 2002, is taking the proposed increase in stride.

"I don't think that's a terrible increase," she said. "It wouldn't bother me to do that as long as they're fulfilling their part of the promise."

Kevin Tilden, Arizona-American's communications director, said the company will invest any increase the commission approves into improving the system and covering increased day-to-day costs such as labor, chemicals, uniforms and replacement parts, as well as additional security costs.

"The price of chemicals has gone up, and most of that is because of Sept. 11," he said, explaining the company must take additional precautions when ordering and taking delivery of chemicals.

Tilden said he believes the commission will approve at least some of the requested increase, although he wasn't

sure what kind of improvements the company would undertake if no increase is approved.

"I can't speak for the Arizona Corporation Commission, but my guess is they will approve some level of increase to allow us to reinvest in our system," he said.

Sun City Grand resident Charles Rose said he can understand the need for the rate increase, and he was pleased his community would see only a 7.4 percent increase for water versus the 88.8 percent proposed for Sun City and 44.3 percent for Sun City West. In the end, however, Grand residents with average consumption would pay more monthly: \$24.13 versus \$21.09 for Sun City and \$16.84 for Sun City West, if the total request is approved.

Surprise provides wastewater services for its residents. Arizona-American has requested wastewater rate increases of 12.5 percent in Sun City and 55.6 percent in Sun City West.

Monthly charges for customers with average

consumption would go from \$12.87 to \$14.48 in Sun City and \$16.24 to \$25.27 in Sun City West.

"I guess it's not unexpected. Water is a major issue in Arizona, and I'm pleased that Sun City Grand's is substantially less, although we're starting with a higher price," Rose said. "I don't expect it to be the last because I think water is a major worldwide issue, as it is here."

Tilden said Arizona-American has heard little input from residents about the rate proposal, and he didn't expect Sun City and Sun City West residents would be any less cordial than their Grand counterparts during a second open house this morning in Sun City.

"Nobody likes a rate increase," said Thomas Bourassa, a certified public accountant working with Arizona-American. "But if you look at the bill for Sun City, they have among the lowest in the state."

Katy O'Grady can be reached at 876-2514 or kogrady@aztrib.com.

Water deal likely means higher bills

CAP sales to Youngtown, Sun Cities OK'd

By Christine L. Romero
The Arizona Republic

A measure to save groundwater in the Sun Cities and Youngtown by buying water from the Central Arizona Project was unanimously approved Wednesday by the Arizona Corporation Commission. It likely will mean higher water bills.

The measure, which has been debated for several years, will allow Sun City and Sun City West golf courses to irrigate using CAP water delivered to the northwest Valley via a pipeline, instead of using pumped groundwater. The CAP is a \$4 billion canal that brings water to Phoenix from the Colorado River.

The pipeline will deliver

about 2.4 billion gallons of CAP water to the golf courses.

"This case is not about irrigation of golf courses," said Commissioner Mike Gleason, who lives in Sun City West. "It is about land subsidence and the lowering of the water table. If (groundwater pumping) is allowed to continue, it would have a drastic effect on the property values of the

community."

The West Valley's water supply has been the focus of some studies. More water is being used than is being replenished through rainfall or recharge.

Unless replenished, pumping groundwater over time can lead to diminished water quality, shortages and subsidence.

There is already evidence of subsidence near the Sun Cities and Luke Air Force

Base, where cracks are appearing in the ground because the water deep underground that once provided physical support is gone, according to public statement by commission members.

"Conditions in the state and its continued growth require that we address this issue by approving this project," said Commissioner Jeff Hatch-Miller.

See **WATER** Page 5

From Page 1

Hatch-Miller sponsored an amendment to encourage water conservation programs. The so-called Groundwater Savings Plan could mean a monthly increase of \$5 monthly for customers of the Arizona-American Water Co. in Sun City, Sun City West and Youngtown. That rate hike will be decided later by the commission, which is an elected body overseeing utilities.

Many in Youngtown opposed the plan because they didn't think it was fair to make low-income residents pay to irrigate golf courses that are only open to Sun Cities residents.

Commissioner Bill Mundell

added an amendment to the measure that directed Arizona-American to propose a low-income program within 60 days to help those struggling to pay their utility bill.

The commission also asked for a rate structure that would make households using more water to pay higher rates to encourage conservation.

"I hope after today's decision we can start to bring the community together to find common ground and preserve water with a regional approach," said Commissioner Jim Irvin.

Reach the reporter at
christine.romero@arizonarepublic.com
or (602) 444-6922.

WATERWORLD

Sun Cities Pay less than half what Surprise does

By **Matt Loeschman**
Independent Newspapers

Residents of Sun City and Sun City West may face high fees for some of the amenities they enjoy, but they're getting a deal on their water, compared to their neighbors in Surprise.

Arizona-American Water Co.'s base rate in Sun City is \$5 plus 73 cents per every 1,000 gallon used up to 8,000 gallons, and 92 cents thereafter. Sun City West residents pay Arizona-American a \$5 base rate, and its usage charges are 93 cents and \$1.12, respectively.

In contrast, the roughly 5,300 households who get their water from the city of Surprise pay a base monthly rate of \$12.20 plus a \$2.25 usage charge per 1,000 gallons for a single-family dwelling unit. Multi-family dwelling units pay a \$9 base charge and the same usage charge. Commercial rates are significantly higher, ranging from \$22.50 to \$153 as the base rate plus usage charges.

"The real reason for these lower rates (in the Sun Cities) is tied to the original cost of the water facility," said Arizona-American President Ray Jones. "Back then, when the Sun Cities facilities were constructed, it cost a lot less to build. Generally, the larger systems have lower rates."

Both Sun City and Sun City West operate on older systems -- Sun City's started in 1960 and SCW's originated in 1978.

Arizona-American is seeking a rate increase for the Sun Cities at the Arizona Corporation Commission.

Some Surprise citizens, including those in Coyotes Lakes and Canyon Ridge West, are also charged the Sun City rate, saving them several dollars each month.

"It can add up," Mr. Jones said. "Those residents get their water much cheaper than other Surprise residents."

"Back then, when the Sun Cities facilities were constructed, it cost a lot less to build. Generally, the larger systems have lower rates."

— Arizona-American Water Co. President Ray Jones on why Sun Cities' residents pay less for water

In fact, the rates that Surprise residents pay for water varies across the city.

A total of 12 different entities, both public and private, supply water for the citizens in Surprise's planning area.

"In actuality, there are only five providers within the incorporated area of the city," said Rich Williams, Surprise director of water services. "The others are located on the outskirts in our planning area."

Geographically, Surprise provides water to more than 60 percent of its total land area. However, much of that area remains undeveloped.

Surprise's largest water provider is Arizona-American, a subsidiary of American Water Works Co., Inc.

"We are serving approximately 15,000 to 16,000 customers in Surprise," said Jones. "That makes us the largest provider for Surprise by a wide margin."

With the exception of a portion of Surprise, all Arizona-American customers in the Valley are charged rates approved by the corporation commission. The commission approves all rates and any proposed change in rates for customers.

In a central portion of Surprise, the city council owns the water system to which Arizona-American is the contract operator. Water rates for this area, as well as sewer and garbage rates for the rest of Surprise, are established by Surprise City Council.

The rest of Arizona-American's Surprise customers are charged a rate slightly cheaper than the city's.

"We have a \$10 monthly base charge for the majority of our customers," Mr. Jones said. "There is also a \$1.78 usage fee per 1,000 gallons up to 8,000 gallons used. After that, it is \$2.24 per every 1,000 gallons used."

According to those figures, an Arizona-American customer using 1,000 gallons in a month would be charged \$11.78. The same usage from the city is \$14.45.

"Our bills also seem a little higher because of the replenishment fee we charge," Mr. Williams said. "Arizona-American is able to recoup those fees through taxes."

Replenishment fees average about \$180 annually, according to Mr. Williams.

Arizona-American has filed for a rate increase, Mr. Jones said, that would potentially add 7.4 percent to each of the company's rates. The state corporation commission will decide on the increase later this year. Arizona-American handles all of the city's water billing.

El Mirage provides water to a small portion of Surprise at the southeast corner of the city between Bell and Greenway roads. Their rates are slightly different than those of Surprise. El Mirage has a monthly base charge of \$14.85 for residential units, which includes up to 5,000 gallons of water consumption.

The commercial base charge is \$17.60 per month.

An additional volume charge is assessed if more than 5,000 residential gallons are used. The rate is \$1.27 per 1,000 gallons used between 6,000 and 15,000 gallons; \$1.38 for 16,000-25,000 gallons; and \$1.50 for more than 25,000 gallons.

Beardsley Water Co., serving the county since 1969, provides water to city residents in four different non-contiguous areas. Their biggest service area is generally bordered by Deer Valley Road south, Jomax Road north, Cotton Lane east and Perryville Road west. They also serve customers between 219th and 251st avenues near Patton Road.

Beardsley's monthly water rates start at \$11 and there is a volume charge of \$1.65 per 1,000 gallons used up to 25,000 gallons. The rate increases to \$2.37 thereafter.

Other water providers in Surprise include West End Water, Brook/Circle City Water, Chaparral Water, Morristown Water, Puesta Del Sol Water, Saguaro View and Saguaro Acres.

Arizona-American's coverage area is 28 square miles; Surprise, 12 square miles; El Mirage, 1.25 square miles and Chaparral Water, 1 square mile.

Why does the city have so many water providers?

"Generically speaking, in the lesser populated areas, there are more private water providers," Mr. Williams explained. "Why are there so many? Early on, when people wanted water, they just started popping up everywhere. We have 12 in our planning area but only five within the city itself. That compares favorably with other cities similar in size to Surprise."

SUN CITIES INDEPENDENT

March 12, 2003

Progress made on median

By **Mike Russo**
Independent Newspapers

For several years, Gerry Unger, the immediate past president of the Sun City Home Owners Association, has sought to have Maricopa County do something different with the medians in Phase I to conserve water, save money and improve the aesthetics of the area.

He did not get everything he had hoped for, but he believes a step has been taken in the right direction.

The Maricopa County Department of Transportation last week removed all the ornamental orange trees in the median on 107th Avenue, between Abbott and El Dora-

do drives, as a prelude to converting the median to a xeriscape, native landscaping that conserves water.

The MCDOT pilot project is expected to reduce water use on the median by 50 percent, according to Frank Urquiza, MCDOT public works supervisor.

That country will leave 40 percent of the median grassed and put in more efficient watering systems. A sprinkler system will be installed for the grass and a drip watering system will be installed for the flora, according to Mr. Unger.

Maricopa County spends approximately \$200,000 annually watering all the

medians in Sun City. Flood irrigation has been used to water the medians.

The county was unable to estimate how much money will be saved by converting that one median to partial desert landscaping.

The conversion will cost approximately \$50,000, according to Mr. Unger.

Once the trees were uprooted, county employees were scheduled to tear out the existing lawn.

"We will then bring in fill dirt to bring it back to level," Mr. Urquiza said. "Over the years, the ground has become uneven."

See **Median** — Page 7

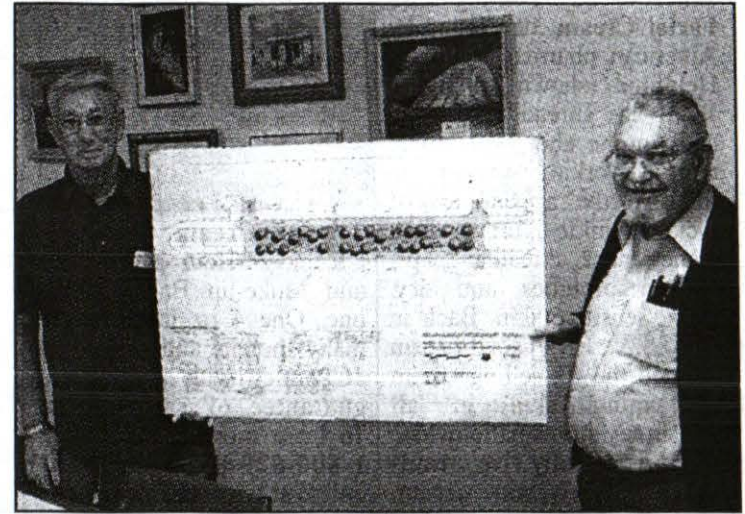


Photo by Mike Russo/Independent Newspapers
Floyd Brown, left, president of the Sun City Home Owners Association Board of Directors, and Gerry Unger, HOA's immediate past president, display an artist's rendering of the landscape changes planned for a median on 107th Avenue as a cost-cutting and water-saving measure.

OVER

Median

Continued From Page 1

The new landscaping will include a 20-foot wide serpentine strip of grass down the center of the median. The rest of the ground will be covered with rock.

"We are going to put in turf, much like that used at Bank One Ballpark," Mr. Urquiza said.

Marge Murphy, chairwoman of the HOA beautification, said donations will be sought from residents to purchase trees and shrubs.

"We will be asking for donations to the HOA Foundation to name a memorial

tree for loved ones," she said. The donations would be funneled through the foundation because of its nonprofit status. Contributions to the foundation are tax deductible.

Mr. Unger mentioned that a specially designated fund must be established within the foundation bank account because all donations must be earmarked for a special fund. The foundation also has special accounts for the clean-up and wall-painting funds.

Either 15-gallon or 21-inch boxed trees will be purchased by the county for planting in the median, Mr. Urquiza noted. He had no cost estimates for the trees.

Although the pilot project is not what HOA originally sought from the county, Mr. Unger said it would be an improvement.

HOA's original proposal, which was outlined in a Nov. 26, 2002, letter to Tom Buick, MCDOT director, was to remove a portion of the grass in the medians along Alabama, Peoria, 107th and 111th avenues, south of Grand Avenue.

That proposal recommended removing 44 percent of the grass from those medians. However, the county's lack of funding made that prohibitive.

"What we hope to do is get the block so pretty that everyone will want it in their front

yard," Mr. Unger said.

However, not everyone likes the idea of desert landscaping.

Several residents living along Alabama Avenue have voiced their displeasure with the proposal.

Lanny Brent, a 9-year Sun City resident, said he and many of his neighbors purchased their homes along the medians because they enjoy seeing the greenery.

"I hate losing all the green," Mr. Brant said. "I am from Minnesota where the sky is blocked out by all the trees."

Mr. Brant said he believes in saving water but he sees many worse examples than medians of tremendous waste of the precious natural resource.

"They build multi-million dollar resorts that have huge lakes that waste water," Mr. Brant said.

Mr. Brant is also upset with the entire procedure that led to the median project.

"I have asked repeatedly to be placed on the beautification committee, and they don't call me back," Mr. Brant said.

"What angers me is the HOA and the Rec Centers (directors) think because they are elected to the job, they are dictators and they don't have to consult with the residents in the area," he charged. "I wish the people living who live in the area had been consulted."



Photo by Mike Russo/independent Newspapers

Work is underway removing landscaping in the median on 107th Avenue to make room for more water-efficient plants. Employees of the Maricopa County Department of Transportation have removed all the ornamental orange trees from the median.

SCTA lawsuit wins reprieve

Recreation Centers of Sun City, water company review options

MICHAEL MARESH
DAILY NEWS-SUN

The Sun City Taxpayers Association lawsuit against the Recreation Centers of Sun City is heading back to Maricopa County Superior Court.

Arizona Appellate Court judges Susan Ehrlich, Ann Timmer and G. Murray Snow reversed Superior Court Judge Mark Santana's 2002 ruling dismissing the SCTA's suit.

The unanimous decision by the three appellate court judges gives the Recreation Centers of Sun City 30 days to challenge.

The case focuses on the construction of a pipeline that would bring Colorado River water to Sun City golf courses and tie into an existing pipeline in Sun City West.

The SCTA sued the RCSC for failing to allow members to vote on the Central Arizona Project pipeline, but the case

was dismissed in March 2002, and the SCTA appealed that ruling.

The Superior Court concluded in March 2002 that exchanging the use of potable groundwater supply for the use of non-potable Central Arizona Project water for up to 86 years did not constitute a conveyance of a recreation centers asset. Santana also ruled the individual rec centers members did not have standing to bring the action. Therefore, the Superior Court dismissed the action on the pleadings, before discovery was conducted or a trial was

conducted.

The Appellate Court disagreed on those findings and also vacated the RCSC and Arizona-American Water Co. attorney fees Santana ordered the SCTA to pay.

Arizona-American Water Co. President Ray Jones said the company is reviewing its options.

"I am disappointed in the ruling," Jones said. "On its face, it will require a trial on these issues. It will continue to waste time, (which) increases costs because the Taxpayers are not willing to accept the will of the people."

In a written statement, RCSC President Dorothy Hirtzel said: "Our lawyers are reviewing the Appellate Court of Arizona decision and will be determining our options. When the review has been completed, we will be in a position to make additional comments."

SCTA President Ray Dare said the lawsuit is all about the will of the people.

"The court determined the transfer of water was an asset and has value," Dare said.

"It is back in Superior Court now to determine

whether a vote will be held," Dare said. The SCTA is maintaining the RCSC erred in not allowing its members to vote on the pipeline.

"They have a right to that vote," Dare said, noting the majority needs to be heard. "We are back to Ground 1, but we have won a major (decision).

"What we have been doing from Day 1 was (saying) the people need to have a say on whether they want to pay a mortgage for their golf courses," Dare said.

Michael Maresk can be reached at 876-2513 or mmmaresk@aztrib.com.

Sun City residents debate grass in medians

By Jill R. Goodman
Independent Newspapers

To water or not to water.

That is the question facing many Sun City businesses and a volunteer beautification committee.

Arizona has always been a dry state but as the population grows, so does dialogue about water conservation in landscaping.

Sun Cities Water Task Force Chairman Gene Zylstra recently sent a letter to the administration of Barnet Dulaney Perkins Eye Center at 9425 W. Bell Road informing them about excess water from landscaping "constantly running down Burns Drive."

Barnet Dulaney Perkins Eye Center Executive Director Mark Rosenberg responded to Mr. Zylstra's letter by hiring a new landscape service to fix the leaky sprinkler system, in addition to replacing most of the bushes and grass with desert landscap-

ing.

"I'm sure some would rather have grass," Mr. Zylstra said. "For the preservation of Sun City and Arizona, we all have to sacrifice something. We are going to need water badly in the near future."

Mr. Zylstra believes desert landscaping is "just as beautiful."

Sun City resident Thayer Hoff disagrees.

"You don't have to destroy the attractions of an area just to save water," he said.

Mr. Hoff scoffed the Sun City Homeowners Association Beautification Committee's recent work with Maricopa County to "beautify" the median located at 107th Avenue, north of Peoria.

With a small amount of grass and mainly desert landscaping, the goal of this project was to beautify and save water, said Marge Murphy,

See Water — Page 3

to PORA's position on the proposed 200-unit apartment complex at 151st and Deer Valley Drive.

Reading this and being a resident for only about one year, I wondered if this article Mae Becker stating the recreation board spent \$100,000 in remodeling the Computer Club at Fairway Recreation Center. This is the second person who has made this statement. Perhaps...

new location 600 feet East of its current location.

- Prevented the opening of Limewood and Lasso Drives into Sun City West from the City of Surprise.

- Obtained agreement from MCDOT for a recent roadway condition survey and repair of roadways throughout Sun City West.

- Instrumental in obtaining the repair and resurfacing of the railroad crossing at Meeker and Grand Avenues.

- Stopped a proliferation

era was born. Sun City became a city. That same year Del Webb dedicated a new club called the Sun City Garden Club. This was started where the King's Inn use to be and where the Grand Shopping Center is now located at 107th and Grand Avenue.

Del Webb installed an irrigation system and laid out the plots for what was the beginning of the Sun City Garden Club. That was 1960. Now as of Nov. 1, 2003, 43 years later, there will be no more

RCSC dilemma: repair, replace aging wells

Study cites deterioration

ANNIE KARSTENS
DAILY NEWS-SUN

Groundwater wells owned by the Recreation Centers of Sun City and used to irrigate golf courses and lakes are aging, and the RCSC board of directors is debating whether to do Band-Aid repairs as needed over the coming years or to

replace them.

At the member/director exchange meeting at Lakeview Recreation Center Monday, Jim Frederick, RCSC board member and chairman of the golf committee, said the issue requires prompt attention.

"It's a priority item. Without water, we don't exist," Frederick said, adding that the directors are accepting comments from the membership on the issue, and so far, people are supportive of replacing the wells. "I

don't see how they could object. Water is the lifeblood of the community."

The present concern regards a 60-year-old well at 103rd Avenue, between Thunderbird Boulevard and Grand Avenue. The life span of a well is about 30 to 35 years. All 10 wells in Sun City have been used for at least 40 to 50 years. The 60-year-old well, which pumps water to Lakes East Golf Course, Dawn Lake and Viewpoint Lake, was studied by geological

consultants last week. The study says the well has shifted 4½ feet from its original placement, meaning that it's now crooked and cracked, Frederick said.

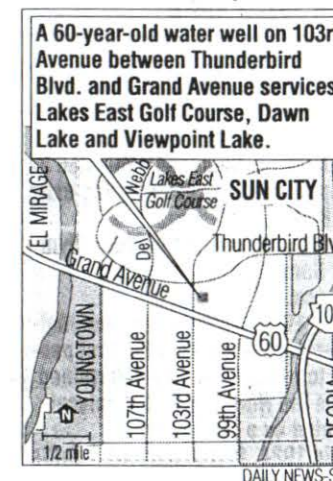
Initially 1,006 feet deep, the well is 918 feet deep today. The 88 foot difference is filled with soot and sand, he said, adding that although it doesn't affect the water, it could in the future if the condition of the well persists.

"We need 1,000 gallons

of water pumped per minute for the well to be effective," Frederick said. "We're getting about 1,400 now, but we don't know how long the well will hold up."

Frederick said that in this situation, the board has two choices: to repair the well by relining the piping, providing a temporary fix for about \$100,000, or to sink a new well, costing up to \$350,000.

See RCSC, A5



OVER

From A1

A drilling company advised the RCSC board that a re-lining repair has a 20 percent to 30 percent chance of working, Frederick said. He thinks the board will most likely opt for building instead of continually making risky repairs to old ones.

"It's a serious problem, and we're going to start considering it for budgeting purposes," he said. "They're getting old, and it doesn't seem right that we should just keep repairing them."

Discussions are under way and a board vote will probably take place in May, unless there is an emergency and a decision must be made sooner.

Construction of a new well would probably be done in December or January when water usage is down and would take a couple of months to complete. The cost for projects such as this have been budgeted in the Capitol Preservation Fund, which allocates funding for projects with a life span of at least 15 years with a cost of \$100,000 or more.

The other nine RCSC wells aren't in immediate danger, but are all past their prime, which will most likely be addressed within the next few years as part of the RCSC's Long Range

Plan. There are two wells that irrigate South Golf Course and one well for each of the remaining six golf courses.

Arizona-American Water Co. has about 22 wells in Sun City, pumping potable water to the area, according to Troy Day, director of water quality with Arizona-American. The wells don't all pump at the same time because a number of them require service. Day said the condition of Arizona-American's wells is similar to the RCSC wells.

"It's an old system. Some of the wells are up to 50 years old," Day said, adding that each well is different and may or may not need a complete overhaul. "The older they get, the more you need to service them. It's really an engineering analysis to see how it's producing and how often you have to rehab it ... if there are some problems that make the well unusable, it may need to be replaced."

Sun City resident Gerry Unger expressed his frustration at Monday's meeting over pumping groundwater.

"Those wells are pumping potable drinking water, and we're using it to water grass. We've all been trying to bring CAP water down here because it's a shame we're putting all of that drinking water on grass."

Frederick said bringing

in water from CAP, the Central Arizona Project, would be ideal, but pumping is currently the only option. A resolution could come with the March 4, 2005, trial of the RCSC versus 77 residents plaintiffs over issues surrounding

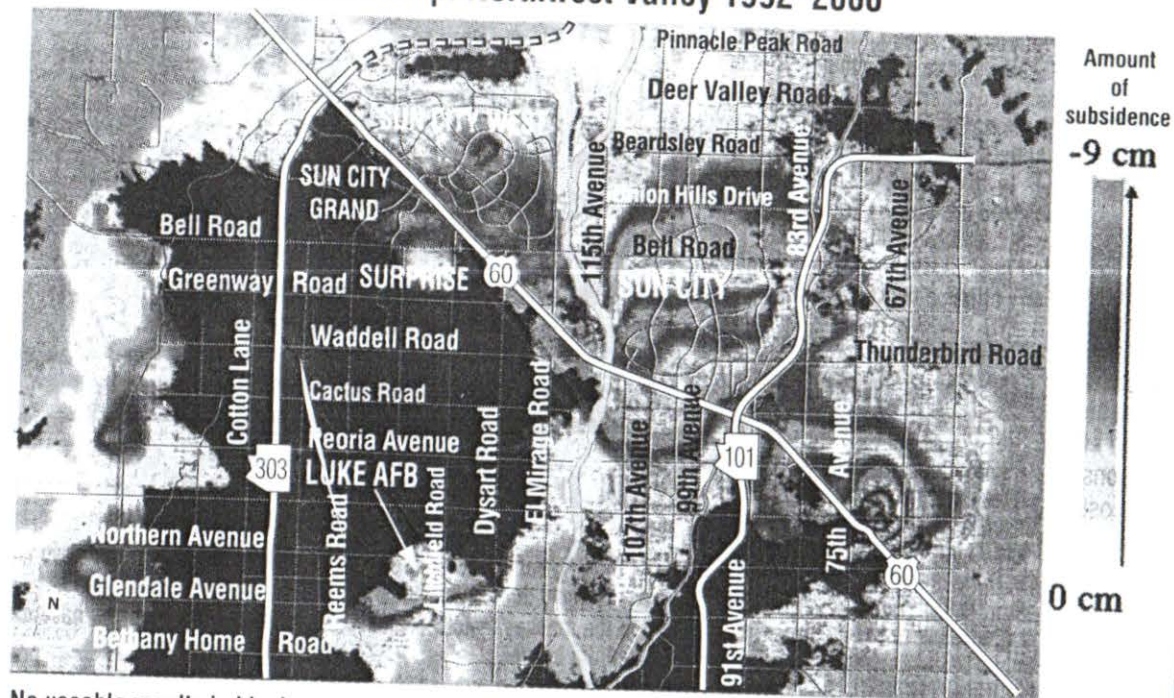
CAP water and a proposed pipeline to deliver it to the RCSC golf courses.

"This situation makes a good case for CAP water. With CAP water we wouldn't have to (pay for new wells)," Frederick said. "We've got enough CAP water to offset the groundwater and give it a chance to recharge, but we can't do that right now until we settle everything in the courts, and that takes time."

Annie Karstens may be reached at 876-2532 or akarstens@aztrib.com

Satellite imagery exposes subsidence

Time series subsidence map: Northwest Valley 1992-2000



No useable results in black areas.

Map produced by Vexcel Corp. for ADWR through NASA grant

Impact greatest in Sun City, around Luke

KATY O'GRADY
DAILY NEWS-SUN

The Northwest Valley is sinking, and the state has the photos to prove it.

Satellite imagery from the Arizona Department of Water Resources shows increasing subsidence in parts of the Northwest Valley, most significantly in Sun City, Luke Air Force Base, locations along McMicken Dam and an area near 71st and Olive avenues.

Sun City West shows minimal impact from subsidence, and Sun City Grand data is only now becoming available.

Subsidence — when the earth's surface sinks or collapses — is caused by excessive groundwater pumping. It can cause fissures in the ground and structural damage to homes, dams and other property. In addition, the water storage capacity of the aquifer decreases as the land collapses on itself.

"It's a neighborhood by neighborhood type of thing, but it's still regional and we can't lose focus on that," said Maurice Tatlow, a hydro-geologist with the Arizona Department of Water

Resources, speaking at a Sun City West Water Committee meeting Tuesday.

Some Northwest Valley groups have tried to tackle the subsidence problem through educational efforts and attempts to reduce reliance on groundwater, including replacing grass and other high-water-use landscaping with xeriscaping. Others are calling for Central Arizona Project water from the Colorado River to replace some groundwater used in the area. However, most attempts have been only minimally successful.

"We've talked a lot about the problem, but we haven't even begun to scratch the surface of solving it except for maybe stopping pumping, and even that seems a little watery to me," said Carl Elitz, a Recreation Centers of Sun City West governing-board member attending the water committee's meeting.

Randy Fuller, also an RCSCW board member, said he knows of two Sun City West residents whose houses show

See **SUBSIDENCE, A5**

OVER

SUBSIDENCE: Dramatic occurrences recorded

From A1

structural problems. He asked whether there was a way to prove whether subsidence was the cause. Tatlow said the satellite imagery could show if an area is more prone to subsidence, but other factors could be responsible.

The Arizona Department of Water Resources started its land-subsidence program in 1998, using data dating back to 1992. The images are available until the end of 2000. After that, one of the satellites the department relied on started having orbital problems, so data was interrupted until November 2002, when a new satellite started sending images.

Reliable data is not available for parts of the Northwest Valley where agriculture still dominates, because the radar used by the satellites cannot interpret the seasonal shifts in those areas. The elevations appear to change, depending on whether crops

are growing or the fields are lying fallow.

Tatlow said the roofs and streets of developed areas provide much better data. In other words, the Sun City Grand area is only starting to yield useful maps as permanent structures are built.

According to the available data, parts of Sun City have subsided about 18 centimeters in eight years. Parts of Sun City West are faring somewhat better, having dropped about 9 centimeters over the eight-year period, or about 1 centimeter a year.

The area near 71st and Olive avenues shows a dramatic drop, ranging from 4 centimeters to 8 centimeters a year for each of the eight years. "This is kind of the largest magnitude feature we've seen," Tatlow said.

Luke Air Force Base, the "site of historic maximum subsidence in the West Valley," saw an 18-foot drop between 1957 and 1991, Tatlow said.

"We're not at those rates

anymore, but subsidence is happening," he said.

Portions of McMicken Dam, in Surprise's western reaches, have been compromised by the subsidence in that area. Tatlow said the Maricopa County Flood Control District is working to repair those problems.

Most of the dramatic occurrences of subsidence can be traced to agricultural pumping in the 1950s, 1960s and 1970s, since farming usually requires more water than municipal use, Tatlow said. Even so, he added, the satellite images show subsidence is occurring.

Problems aren't isolated to the West Valley. Elsewhere, significant subsidence has occurred near Paradise Valley Mall and Scottsdale Airpark. Some areas along the Central Arizona Project canal also have been impacted, in some cases requiring reinforcements to the canal, Tatlow said.

Tatlow pointed out subsidence can occur even if there

are no groundwater pumps in an area because of how the underground aquifer is shaped and the way in which water flows within the aquifer. For example, he said, areas near the White Tank Mountains where there are no pumps show subsidence.

An area's predilection for subsidence depends not only on the amount of water being pumped and the shape of the aquifer in that area, but also the geology of the land and the amount of pumping done in the past, he said.

Part of the Arizona Department of Water Resources' subsidence program is funded by a \$13 million, three-year grant from the National Aeronautics and Space Administration, but the grant is in its final year.

Tatlow said the department is trying to find funding sources to extend the grant. State funding could be an option, particularly if area residents show their support for the program, he said.

ACC keeps lid on local water rate hike

KATY O'GRADY
DAILY NEWS-SUN

On July 1, Sun Cities, Youngtown and Sun City Grand residents will be paying more on their combined water and wastewater bills.

The increases, however, are not nearly as much as Arizona-American Water Co. wanted when the company requested increases as high as almost 89 percent two years ago, and in the case of Sun City's wastewater and Sun City Grand's water, the commission ordered decreases.

In addition, the commission ordered a task force be formed to ensure Sun City and Youngtown customers have adequate water pressure for fire protection, and that the company work with the fire

department to test the communities' hydrants to make sure they're operational.

"There is an old saying that you can't fight city hall," said Arizona Corporation Commission Chairman Marc Spitzer prior to the commission's order in the rate case Friday. "I would submit that in this case, those that participated in the intervening side established that you can fight city hall and be very successful."

Intervenors included the town of Youngtown and the Sun City Taxpayers Association.

Youngtown City Manager Mark Fooks said the town spent \$130,000 in legal fees fighting the water company's original request and it was well worth it.

"We're particularly glad that the

Town Council of Youngtown had the foresight to hire competent legal help to help fight the case to bring an equitable increase for the utility," he said.

Youngtown Mayor Bryan Hackbarth said he was thankful to the commissioners for listening to the town's concerns regarding questionable water pressure in the town's fire hydrants and overall water system quality.

"It's good to come out on top. I'm very pleased," he said. "The rest of Youngtown and Sun City should be pleased as well."

Some residents will start seeing the new rates in their July bills, although the changes will be

See RATES, A5

Arizona-American Rate Changes For Water Users

System	Current Average Bill	Change	New Average Bill
Sun City West Water	\$11.67	\$1.67	\$13.34
Sun City West Wastewater	\$16.24	\$4.32	\$20.56
Sun City Water	\$11.17	\$2.84	\$14.01
Sun City Wastewater	\$12.87	-\$1.89	\$10.98
Agua Fria Water District	\$22.46	-\$1.68	\$20.78
Anthem Water District	\$36.42	-\$6.34	\$30.08
Anthem/Agua Fria Wastewater	\$30.00	\$8.11	\$38.11
Mohave Water	\$20.18	-\$3.48	\$16.70
Havasupai Water	\$19.46	\$2.21	\$21.67
Tubac Water District	\$39.19	\$14.20	\$53.39

Source: Arizona Corporation Commission

DAILY NEWS-SUN

OVER

From A1

prorated starting July 1. Due to billing cycles, the bigger impact may not be seen until the following month for most customers.

Overall, Arizona-American will see increases in its revenue stream due to the new rates. However, the commission approved a series of increases and decreases in water and wastewater for its Sun City division, which includes Youngtown; Sun City West; Agua Fria, which includes Sun City Grand; and others such as Anthem, Mohave, Lake Havasu and Tubac.

"After two years of participating in this rate case hearing, the utility will be receiving \$4 million less than what they were requesting (from Sun City and Youngtown ratepayers)," Fooks said.

Average users in Sun City and Youngtown will pay \$2.84 more per month for water and \$1.89 less for wastewater; or total water bills of about \$14.01 and wastewater bills of \$10.98.

Average users in Sun City West will pay \$1.67 more per month for water, bringing their total water bill to about \$13.34. For wastewater, they will see a \$4.32 increase, bringing the monthly bill to \$20.56.

For Sun City Grand residents served by the company's Agua Fria district, the average water bill is decreasing \$1.68 per month to a total of \$20.78. For wastewater, those residents will pay \$8.11 more per month, for a total of \$38.11.

Water bills vary depending on how much residents use, but wastewater users pay a flat fee. In one of several amendments tacked onto the commission's order, Commissioner Mike Gleason of Sun City West asked the company to investigate the possibility

of a tiered wastewater system to encourage conservation if the company comes forward with a future rate increase request.

Along with curtailing Arizona-American's requested hikes, commissioners also passed several amendments in response to allegations the company's officials were unresponsive to community concerns, particularly regarding fire hydrants in Sun City and Youngtown.

Commissioner William Mundell added two amendments: one to form a Fire-flow Task Force by November to "determine if the water production capacity, storage capacity, water lines, water pressure and fire hydrants of Youngtown and Sun City are sufficient to provide the fire protection capacity desired by each community."

The task force, which will submit its findings and plan of action by May 30, 2005, is to comprise representatives from Arizona-American's management team, Youngtown, Sun City, the Sun City Taxpayers Association, the Recreation Centers of Sun City, the Sun City Fire Department and possibly others.

Those who disagree with the task force's findings may submit their own findings and plan of action by June 30, 2005.

Hackbarth said he's looking forward to the task force's work and hopes to serve among its ranks.

"I personally believe Arizona-American would not have complied in a timely fashion" without the task force amendment, he said.

Mundell also successfully added an amendment requiring Arizona-American to work with the Sun City Fire Department to test the communities' hydrants to ensure they're operational. The

company must report their progress to the ACC staff by April 1 every year.

Commissioner Kristin Mayes said she also intends to follow up with complaints by users in Tubac and Lake Havasu that their water quality was poor, causing rusty and smelly water, and mineral deposits.

Norman James, a lawyer representing Arizona-American, said most of those complaints have been addressed, but in general, groundwater quality along the Colorado River is of poor quality and high in mineral content.

"I'm just putting you on notice that I intend to follow up on that," Mayes said. "We heard this everywhere we went, especially in those towns that are in outlying areas."

After two years of hearings and number crunching, it appeared the commission's vote might be delayed Friday due to some computational errors and a dispute over property tax values for the Sun City West water treatment plant.

Commission staff and company officials agreed there was a \$48,000 error on the company's salaries for Sun City, and a \$107,000 mistake regarding taxes in Anthem. New rate schedules were re-computed in time for the vote, and the company agreed not to argue the tax issue for the Sun City West plant.

"We'll drop that. We don't want that to delay an order coming out," James said.

"This isn't coercion, but you agree that the \$24,000 issue will go away?" Spitzer asked.

James confirmed the company wouldn't pursue it, and the commission unanimously approved the rate changes with the amendments.

Commissioner Jeff Hatch-Miller also added an amendment requiring the company to insert water conservation material into its bills. The company's plan for that initiative is due within 30 days. James said his company already makes that a regular practice, inserting conservation material about six times a year.

Finance: Water, sewer rates to rise



Independent Newspapers/Cecilia Chan

Sun City resident Barbara Van Degrift said the approved hike in her monthly water bills is still cheaper than what she paid for water in Pennsylvania.

SC, SCW and Youngtown last changed in 1997

By Cecilia Chan
Independent Newspapers

Sun Cities and Youngtown residents for the most part will see a slight increase in their water and sewer bills come July 1.

The five-member Arizona Corporation Commission unanimously approved a combination of rate increases and decreases for 10 Arizona-American Water Co. systems.

"It's difficult to approve increases that affect your own neighborhood," Commissioner and Sun City West resident Mike Gleason said in a news release. "I hope my neighbors will view this decision in its proper context and know that we carefully evaluated every cost before reaching a decision to increase rates. We approved less than half of the rate increase that the company sought for the Sun City West systems."

Sun City and Youngtown residents on average will see their monthly water bill increase by \$2.84 but see their wastewater bill drop by an average of \$1.89. In Sun City West,

APPROVED INCREASES AND DECREASES IN WATER AND SEWER BILLS

Sun City West water

Current average bill: \$11.67
Approved increase: \$1.67
Original proposed increase: \$5.17
New bill: \$13.34
Customers served: 15,300

Sun City West wastewater

Current average bill: \$16.24
Approved increase: \$4.32
Original proposed increase: \$9.03
New bill: \$20.56
Customers served: 14,900

Sun City/Youngtown water

Current average bill: \$11.17
Approved increase: \$2.84
Original proposed increase: \$9.92
New bill: \$14.04
Customers served: 22,000

Sun City/Youngtown wastewater

Current average bill: \$12.87
Approved decrease: -\$1.89
Original proposed increase: \$1.61
New bill: \$10.98
Customers served: 21,200

(Information from Arizona Corporation Commission)

OVER

Sewer

Continued From Page 1

the water bill will go up by \$1.67 a month and the wastewater bill also will go up by \$4.32.

"I think it's cheap as it is," said three-year Sun City resident Barbara Van Degrift. "So what are you going to do. You are in the desert. You got to pay for the water."

Nearby neighbor Jean Christian agreed.

"Everything else is going up," she said. "Water has got to go up, too."

After months of deliberation, testimony and public comment, the commissioners June 18 approved the new rates based on what it cost the water company to install, maintain and operate each of the separate water and wastewater systems.

"I think most everybody felt (Arizona-American) deserved some sort of increase but not what they asked for," said Bob Jones, a member of the Sun City West Property Owners and Residents Association Board of Directors.

Mr. Jones chairs PORA's water committee and drafted the board's letter opposing Arizona-American's original request to

raise Sun City West residents' water bills by an average of \$5.17 and their sewer bills by \$9.03.

"We are right in line with the rest of the Valley, if not cheaper," Mr. Jones said of the new rates.

Youngtown spent \$130,000 for experts and an attorney fees to argue before the commissioners that the water company was asking for too much of an increase.

Town Manager Mark Fooks said Arizona-American filed for the rate increase because it needed to recoup its investment in acquiring Citizens Water Resources in 2002.

"They paid many, many millions more than what the utility was worth on the market," Mr. Fooks said. "And we believe much of that was put in the rate case to pay themselves back and we basically won that argument. They got a 25.04 percent increase instead of the 84 percent they wanted."

Mr. Fooks said Youngtown does not begrudge Arizona-American seeking adequate funds to operate as long as the increase is fair and just.

"We are disappointed," said Kevin Tilden, company spokesman. "The original application we submitted was in the best interest of our customers. What they did, we think, does not allow for an appropriate amount

of investment...to upgrade the infrastructure and water system... and doesn't attract capital to the state."

He also said the company filed for a rate hike strictly to cover the increase cost to maintain, operate and test its water system to provide safe, reliable drinking water. He also said the company's request seemed high only because the last rate increase for the three communities was in 1997.

Company officials are expected to meet "to determine the difference between what was requested and what was granted and how this will impact customers and operations," Mr. Tilden said.

He also said the company has no plans at the moment to seek another rate increase in the near future, however, typically utility companies would request rate increases every few years to avoid a "rate shock."

Commissioners also approved a motion requiring Arizona-American to form a task force of various consumers and stakeholder groups to study if Youngtown and Sun City have sufficient water, water lines and hydrants to fight fires.

The task force must be formed by November and findings and

proposals must be completed for the commission by May 31, 2005, said Heather Murphy, Arizona Corporation Commission spokeswoman.

The commissioners also approved several other amendments:

- Arizona-American will notify customers of water conservation strategies that they can use to lower their bills and lower the amount of water they are using in the current drought.

- Arizona-American and fire departments in Sun City and Youngtown must test hydrants periodically and submit annual reports to the commission.

- Arizona-American needs to examine if tiered wastewater rates based on water consumption might be more appropriate for its systems. Some systems use a flat monthly rate for sewer use based on a percentage of water consumption because there is no way to meter sewage outflow.

Any changes to the calculation methodology would take place through a future rate case.

*Post your comments on this issue at newsblog.info/0302
News editor Cecilia Chan can be reached at 972-6101 or cchan@newszap.com*

Sun City builds case for new water well

ANNIE BOON
DAILY NEWS-SUN

A new Sun City ground water well may be drilled on Sun Health property — providing Sun Health agrees to lease the land to the Recreation Centers of Sun City and, of course, that there's water down below.

A 60-year-old well at 103rd Avenue, between Thunderbird Boulevard and Grand Avenue, has far outlived its life span of about 30 to 35 years. Since last spring, the RCSC board has examined options for the aging well — repair it as problems occur, give it a complete overhaul or close it up and build a well in a different location.

Recently, after several tests and expert opinions, the board initiated a process for building a new well just around the corner, south of the old one on Sun Health property. Band-Aid repairs wouldn't produce long-term results, and rebuilding the well could prove difficult as its condition is questionable, said Jim Kuchler, RCSC treasurer.

"This new site would be the preferable alternative," he said. "Experts said to start looking at another site. We'd prefer a new well that would last for many years to come."

The precise location of the well hasn't been determined yet, but the preferred area is owned by Sun Health, Kuchler said. Negotiations are under way to lease the property from Sun Health to house the new well, which the RCSC would retain the rights to. Sun Health executives are reviewing the lease options, he added.

"It's progressing, but slowly," he said. "It will be somewhat of a time-consuming process to make sure all the pieces are in place."

Joe La Rue, executive vice president of Sun Health properties, said all parties are in information gathering mode. Sun Health representatives are considering RCSC's

requests and requirements.

"Sun Health, as a community-based organization, has always had a history to accommodate other community-based organizations," La Rue said. "Right now, we're trying to understand the specifications."

Before any further action is taken, he said, a test drill must be done to ensure there is a ground water source at the potential well site.

No exact costs have been determined, as negotiations are in preliminary phases, Kuchler said. Frederick said last year that a new well may cost around \$350,000.

The cost for projects such as this is budgeted in the RCSC Capital Preservation Fund, which allocates funding for projects with a life span of at least 15 years and a cost of \$100,000 or more.

All 10 RCSC wells have been used for at least 40 to 50 years. Arizona-American Water Co. has about 22 wells in Sun City, pumping potable water to the area, said Troy Day, director of water quality with Arizona-American. The wells don't all pump at the same time because a number of them require service. Day said the condition of Arizona-American's wells is similar to the RCSC wells.

The 103rd Avenue well, which pumps water to Lakes East Golf Course, Dawn Lake and Viewpoint Lake, has been studied by geological consultants for a year.

Initial studies showed the well had shifted about 4½ feet from its original placement, meaning that it's now crooked and cracked, RCSC director Jim Frederick reported last spring.

The other nine RCSC wells aren't in immediate danger, but are all past their prime, which will likely be addressed in the next few years as part of RCSC's Long Range Plan. There are two wells that irrigate South Golf Course and one well for each of the remaining six golf courses.

Liquid gold

Sun City well appears to be up to par

ANNIE BOON
DAILY NEWS-SUN

Groundwater is a precious and protected resource, but for now, the RCSC has no other choice but to pump it or risk damage to Sun City golf courses.

The well being drilled at 103rd Avenue, north of Santa Fe Drive in Sun City, has reached its final drilling depth of 1,200 feet. Workers say plenty of groundwater has been found. Soil samples, taken every 10 feet, indicate the conditions of the well cavity and the water are up to par, said Victor Lira, a drill worker for ZIM Industries.

The drill will now work to widen the well from 17 inches to the target 26 inches.

"The soil samples let us see the formation (inside the well). There's a lot of water," Lira said.

The well pumps water to Dawn Lake and Viewpoint Lake to irrigate Lakes East and Lakes West golf courses.

Don Schordje, president of the Recreation Centers of Sun City, said the board understands the value of groundwater and would rather not have to pump it from the underground aquifers. However, when the CAP pipeline project was put on hold in 2001 because of a lawsuit, groundwater pumping became the RCSC's only option to maintaining its golf courses.

"We would lose the courses without pumping. The essence of Sun City is the golf courses, they contribute



THOMAS BOGGAN/DAILY NEWS-SUN

Bags of soil samples are set out in a parking lot near a drilling platform for a well in Sun City. The samples were taken every 10 feet as the well was dug.

greatly to defining what Sun City is," Schordje said. "But if the CAP water were used, this would be delivered at ground level without pumping."

Not only can groundwater pumping cause subsidence and deplete resources, it's expensive. Schordje estimates that having the CAP pipeline would save the RCSC \$200,000 dollars a year in pumping costs.

The RCSC board will vote at its regular board meeting Thursday on whether to spend \$31,900 to be part of an engineering study that will update the cost estimate and other logistics pertaining to the CAP

See WELL, A5

WELL: Digging seems to be up to par for courses

From A1

pipeline since conditions have changed over the past five years.

The total cost of the study, \$75,000, is being split among the four parties involved in the water transaction — Briarwood Country Club in Sun City West (\$6,233), Recreation Centers of Sun City West (\$12,000), the RCSC (\$31,900) and Arizona American Water (\$25,000), a local utility.

Troy Day, production director for Arizona American Water, said the water company favors CAP water over groundwater pumping.

"Groundwater pumping is not the long-term solution, but it's the solution to keeping people in water for right now," Day said.

"Using CAP, it's a renewable resource and a more favorable way to go," he said. "It's good for everybody. Truly, it makes sense in the long view of things."

The Arizona Department of Water Resources fined the RCSC \$5,000 last year for exceeding the groundwater allotment for its seven golf courses in 2002 and 2003. The RCSC avoided a \$110,000 penalty by proving to ADWR that its long-range plans already included several water-saving projects, and RCSC officials promised to execute those plans. Part of that plan included rebuilding wells and pump stations.

Under the settlement, the

RCSC must "pay back" the aquifer with 881 acre-feet of water by 2010, said John Snyder, RCSC director of golf operations.

Since 2002, the RCSC has been under its water allotment, Snyder said. The RCSC is on a probationary status until 2009, ADWR officials said.

Schordje said he's unsure how much water the new well will produce. He expects it will be comparable to the output of the old well and not cause any major fluctuations in water usage. But the RCSC shouldn't plan to rely on groundwater pumping forever, he said. If groundwater pumping allotments are minimized in the future, the RCSC does not want to be forced to purchase the water it needs.

"We can't just sit here and think 'I'm not going to be here next year or I'll be dead in 10 years, so what does it matter?'" he said. "It is our problem and we have to look to the future."

The RCSC isn't the only group of well diggers.

Arizona American is in the process of testing a water well in the area of Daisy Court off Spanish Garden Drive, which is expected to be fully operational in July. And Arizona American is drilling a new well in Youngtown near 114th and Peoria avenues to replace two older wells and supply more water to the Agua Fria Ranch subdivision.

Annie Boon may be reached at 876-2532 or aboone@aztrib.com.

Sun Citian taps water conservation

J.J. McCORMACK
Staff writer

SUN CITY — Wayne Fisher still remembers the day he was working on a well in a Nebraska farm field and stopped to wash his hands at a faucet extracting water from the well.

The well owner told him to wash his hands in a pan of water.

The simple suggestion left a lasting impression on Fisher, a retired farmer and agricultural engineer who believes conservation can go a long way toward preserving existing water resources and eliminating the need to tap new ones.

Today, Fisher lives in Sun City where he says he sees water being wasted every day. He cited grass lawns, aesthetic lakes and decorative fountains as among the biggest drains on what should be treated as a precious resource.

"In one year, the lakes use up (through evaporation) enough water for 100 people," he said, citing Viewpoint and Dawn lakes in Sun City.

A former member of the Sun City Home Owners Association's water resources committee, Fisher remains keenly interested in local water issues. He believes it's time area residents got serious about water conservation at home. He advocates the creation of a desert culture where low-water-use plants and plumbing fixtures are embraced as readily as golf cars and the sheriff's posse.

Water conservation, he said, could eliminate or delay the need to start treating and pumping costly Central Arizona Project canal water into

'I wonder how in the world can people keep developing in the desert without a good idea where the water is coming from?'

**Wayne Fisher
Sun City**

Northwest Valley homes and businesses.

The Sun Cities and neighboring cities and towns currently rely on groundwater. But the state has instituted groundwater management plans aimed at reducing and eventually ending groundwater pumping. The management plans include per-capita water consumption targets. That target currently stands at 272 gallons-per-capita daily for the Sun City area.

Fisher believes area residents involved in water issues have been more interested in water politics than conservation.

"I think we need to worry about preserving what we have," he said.

But rather than worry about dripping faucets, Fisher says homeowners should be installing low-water-use faucets, toilets and shower heads.

A low-water-use toilet typically uses 1.6 gallons instead of 3½ gallons each flush.

Low-water-use shower heads, meanwhile, dispense 3 gallons of water per minute compared to the 7 gallons per minute emitted by older-model shower heads.

Peoria and other Valley cities require developers to use low-water-

use plumbing fixtures in new homes and commercial buildings. Maricopa County has no specific code provisions mandating low-water-use fixtures in new development but enforces the Universal Plumbing Code, said Fred King, a county building-inspection officer.

The plumbing code's water-use requirements are not as restrictive as Peoria's, said Neil Burning, building inspection supervisor for Peoria.

Peoria also requires evaporative coolers and decorative fountains to employ water recycling systems.

The county and many cities have adopted ordinances prohibiting the use of potable water in aesthetic lakes and ponds.

Conservation advocates like Fisher recommend homeowners who don't want to spend the money to retrofit their older homes, reduce the water pressure while showering and flushing less frequently.

Along with water waste, Fisher worries that unchecked development will further deplete the groundwater supply.

"I wonder how in the world can people keep developing in the desert without a good idea where the water is coming from?"

In addition to concerted conservation efforts, Fisher said questions about the underground aquifer — its size, depth, geologic characteristics and water sources — need to be answered so that it can be properly managed and prudent groundwater replenishment methods can be implemented.

"To throw in the towel and say we've got to have CAP water — that's

Lawns, bathrooms top water-use list

Staff report

Where does all that water pumped into our homes go?

Here are some statistics provided by Citizens Utilities on the water-consumption habits in households locally and nationwide:

■ Less than 1 percent of treated water produced by water utilities is consumed (in drinks and food).

If you have a lawn, that is probably your biggest water gobble. Typically 70 percent of water delivered to Sun Cities homes is used outdoors.

■ Bathroom fixtures claim nearly 75 percent of all the water used inside the home.

■ A faucet that leaks two tablespoons a minute will waste 15 gallons of water a day, 105 gallons in a week and 5,460 in a year.

■ On the average, 40 percent of water used indoors goes down the toilet; more than 30 percent is used for showers and baths; 15 percent for laundry and dish washing; 5 percent is lost to leakage; and the remaining 10 percent is spread among various other water uses such as cooking and cleaning.

not the answer," he said.

"I think we need to be optimistic about what we have and develop a desert culture."

Otherwise, Fisher said, "we could have a deserted desert community."

Saturday, April 17, 2010

Opinion

All opinions on this page are those of the authors or artists.

Sun City reps attend water rate hike meeting

anyone in this room tonight that can say they live on \$700 a month, and yet we

have Sun City residents that are forced to do just that. So while a 5 percent to 10 percent increase may not be significant to you or I, it is major to many Sun City residents.

"As the manager of a multi-million dollar corporation, I understand firsthand the importance of funding infrastructure and making ends meet financially. Additionally, as Sun City celebrates its 50th anniversary this year, I also appreciate aging facilities and infrastructure. I am not opposed to Arizona American Water Co. receiving an increase for providing water and wastewater services to my organization or my home so long as the increase is verified to be necessary in order for them to meet the infrastructure needs of Sun City and make a reasonable profit. I, like your staff, am in favor of stand-alone rates for Sun City; and I am opposed to an "Infrastructure Improvement Surcharge" for Sun City as it is not justified by Arizona-American Water and would represent an additional increase to Sun City.

"I am adamantly opposed to the consolidation of Sun City with any other water or wastewater districts. According to my analysis of your staff rate scenarios based on use of staff recommended revenue requirements and average usage by 5/8-inch and 3/4-inch meters, a Sun City resident would face the following increases:

Stand-Alone: Water 7.80 percent, Wastewater 31.85 percent

Consolidate — All Districts: Water 68.23 percent, Wastewater 140.83 percent

Consolidate — SC, SCW: Water 50.30 percent, Wastewater 64.06 percent

"In all scenarios of consolidation, Sun City is the most disadvantaged from all other districts. Please do not do this to our retirement community. And in the case of Sun City and Sun City West, which are both retirement communities, Sun City would experience the aforementioned increases while Sun City West would experience a 31.10 percent decrease in water and a 10.20 percent decrease in wastewater. No matter how you slice it, that is just not fair and equitable.

"Your consideration is greatly appreciated. Thank you."

MY VIEW

PHIL COOK

RCSC BOARD OF DIRECTORS

On April 7, Jan Ek, Marv Worthen

and I attended a public hearing of the Arizona Corporation Commission in Anthem. It was on short notice and billed as a place for public comment on rates and possible consolidation of rates for Anthem and Sun City.

We arrived early and filled out the forms to speak. With about 1,500 people in attendance and only three of us representing Sun City, Jan was called upon to be the first speaker. She did us proud, Sun City. Near the end of her presentation, which follows, Chairwoman Mayes interrupted to tell her they would be scheduling a separate public hearing for Sun City. We are trying to pin down a date and need you all to be alert for a short notice of a meeting date. We will need to get a turnout as great if not greater to make an appropriate show of our concern. Remember everyone, it affects your pocketbook.

"Good Evening commissioners:

"My name is Jan Ek. I am the General Manager of the Recreation Centers of Sun City, Inc.; a private, non-profit corporation who owns over \$80 million in recreational and social facilities which are designed and operated to enhance the active lifestyle and well-being of Sun City residents. In addition, my husband and I, both Arizona registered voters, own two homes in Sun City, one we occupy and one my almost 80-year-old mother-in-law occupies, who also is an Arizona registered voter.

"The Recreation Centers of Sun City, commonly referred to as RCSC, has over 35,800 members and serves approximately 44,000 Sun City residents. These recreational and social facilities are funded by assessments which are collected from all Sun City residential properties annually. Therefore, the proposed rate and/or consolidation increases would create increases for Sun City residents in two ways: one, the increased cost of water and sewer for their private residence; and two, the increased cost of their annual property assessment to RCSC to cover the additional water and sewer costs to operate our facilities. While I realize that you have already received numerous comments that state that the majority of Sun City residents live on a fixed income, I doubt that there is



ASHLEY LOWERY/DAILY NEWS-SUN

Members of Sun City Home Owners Association and the Recreation Centers of Sun City discuss the upcoming Arizona Corporation Commission meeting in Sun City regarding proposed water rate increases.

Sun City leaders plot strategy for ACC water meeting

JEFF DEMPSEY
DAILY NEWS-SUN

Leaders from around the community met at the Sun City Home Owners Association Tuesday to devise a strategy for the upcoming Arizona Corporation Commission public meeting on water rate issues.

For Vance Coleman, the strategy for the May 17 meeting at Sundial Auditorium is simple.

"Obviously we want to fill that place," said the Recreation Centers of Sun City director. "We want that building full, and we want the parking lot full. We want those

commissioners to know when they arrive just how committed we are to this fight."

At issue are a water and wastewater rate increase request from Arizona American Water as well as the possibility of rate consolidation with other water districts in Arizona. Arizona American Water filed an application with the ACC for a permanent revenue increase of 27.7 percent for Sun City water and a 40.8 percent increase for Sun City wastewater. After reviewing the application, the ACC staff has recom-

SEE WATER, A3

WATER

FROM A1

mended a 7.8 percent increase in water and a 31.85 percent increase in wastewater for Sun City. Arizona American, the ACC staff and the Residential Utility Consumer Office have all recommended against consolidation, but it is still on the docket.

"It will hurt us," said RCSC Director Phil Cook. "It will hurt us a lot. If you look at the figures, were consolidation to become a reality the people of Sun City are the ones who will bear the brunt of it."

With consolidation, Sun City water district customers would be asked to help support the infrastructures of other districts, which the RCSC said would be unfair because Sun City customers gain nothing from that infrastructure.

Under the recommended rate increase by ACC staff, if Sun City were consolidated with Sun City West, Agua Fria, Anthem, Tubac, Mohave, Havasu and Paradise Valley, water rates would increase 68.23 percent and wastewater rates would jump 140.83 percent.

RCSC officials say three of the five commissioners could vote for consolidation. Because of that, it is essential, they said, to make it clear Sun Citians do not want it.

And that includes Sun City West residents who, along with property owners in Sun City and Anthem, sent hundreds of letters to the ACC

opposing Arizona American's proposal.

Tuesday's meeting, Coleman said, was intended to come up with a detailed plan for the public comment meeting later this month. One point Coleman stressed is the argument not be based on hypotheticals.

"We can't go up there and say this might happen or that might happen, we need residents of Sun City who can speak about their real problems," he said. "There are people who, if their water rate goes up 30 percent, will not be able to afford medication, or maybe food. On the 17th, we need to be able to say that factually. We need those people there to speak for themselves."

Coleman urged everyone in attendance to spread the word about the public comment meeting.

"You can't fight this from your living room. You have to show up. This place has to be full."

Rep. Debbie Lesko of Glendale, R-District 9, was in attendance Tuesday and said Coleman's point was a good one.

"I know from my experience in the Legislature it is so much more compelling to hear from the actual people who will be affected than it is to hear someone else recite statistics," she said.

The May 17 meeting is scheduled for 6 p.m. in the auditorium at Sundial Recreation Center at 103rd Avenue and Boswell Boulevard in Sun City.

Jeff Dempsey may be reached at 623-876-2531 or jdempsey@yourwestvalley.com.

Sun Citians boil over water consolidation

More than 1,500 pack
Sundial for public comment

By **Rusty Bradshaw**
Independent Newspapers

Sun City residents spoke loud and clear to the Arizona Corporation Commission, voicing unanimous opposition to consolidating water districts under the Arizona-American Water Co. umbrella.

In a public comment meeting May 17, more than 1,500 people packed Sundial Recreation Center's auditorium. Commissioners were impressed by the numbers.

"I thought we had a record crowd in Anthem, but you have beaten that," said Kristin Mayes, commission chairwoman. "I didn't think you could compete with the Suns (in a televised conference finals game the same night), but you have."

For the next three hours, residents paraded to the microphones to express their opposition to the water district consolidation, and most also voiced their desire that a rate increase also be rejected, or at least minimized. Last week's meeting was the last public comment session to be conducted, but residents can still express their opinions by e-mail, let-

Let them know

Write to the Arizona Corporation Commission, Consumer Services Section, 1200 W. Washington St., Phoenix AZ 85007, providing the following information: your name, your address, your phone number, your e-mail address (if available), and the following: Utility Name: Arizona-American Water Company, Inc.; Docket Numbers: W-01303A-09-0343 and SW-01303A-09-0343; Re: Rate consolidation and increases.

Contact Arizona-American Water Co. by e-mailing azrates@amwater.com or by calling John McGlothlin, manager, External Affairs at 623-445-5789 or Tom Broderick, director, Rates and Regulation at 623-455-2458.

Contact the Residential Utility Consumer Office, which has filed an application to intervene on your behalf by e-mailing cfraulob@azruco.gov or by mail at 1110 W. Washington St., Suite 220, Phoenix AZ 85007 or by calling 602-364-4835.

ter or telephone, according to Gary Pierce, ACC commissioner.

"The people in Sun City spoke with power and conviction," he said. "People can still continue to provide input."

The Corporation Commission has numerous hearings scheduled in coming month to continue taking testimony from stakeholders, including the water company and interveners. Mr. Pierce said it could be as many as 120 days before the matter comes to the commission for a decision.

For that reason, Recreation Centers of Sun City officials encourage residents to continue to send e-mails, letters and make phone calls

to the corporation commissioners voicing their objection.

"I think it is very important because while I believe Sun City made an impression on the commissioners last night (May 17) and in the last 60 days with e-mails and correspondence, we must stay diligent to make sure they do not forget how important it is to Sun City residents not to be consolidated with other water and waste water districts," Jan Ek, RCSC general manager stated in an e-mail.

She believes the massive showing by Sun

See **Water** — Page 20

Water

Continued From Page 1

City residents at the May 17 public comment meeting was effective.

"I am so proud of Sun City for coming out and for speaking up. Sun City residents did an excellent job," she stated.

RCSC officials and other organizations — including Sun City Home Owners Association, Sun City Taxpayers Association and Sun City Condo Owners Association — will try to keep abreast of potentially changing proposals to be able to keep residents informed, according to Ms. Ek.

"We will be continuing to ask residents to communicate with the ACC," Ms. Ek stated.

Gene Westemeier believes it was important for Sun City to have a large attendance at the public comment meeting last week.

"The sheer number of attendees spoke volumes and our attendance was larger than any other meeting on this issue," he stated in a press release.

Mr. Pierce let residents know up front they had an ally on the commission.

"I have been suspect of consolidation," he said. "I am happy to see you here."

Water company officials believe rate consolidation would be beneficial to all water districts in the long term. They claim, in a two-page pamphlet distributed by company officials, it will ease the rate increase burden of building new or replacement infrastructure in districts. Costs will be spread among



Independent Newspapers/Rusty Bradshaw
Sun City residents packed the Sundial Recreation Center, 14801 N. 103rd Ave., auditorium for the May 17 Arizona Corporation Commission public comment hearing. Attendance was estimated at more than 1,500 as the 1,485-person capacity auditorium was full and people sat and stood in the lobby and the recreation center mall.

all consumers.

Company officials also claim consolidation will simplify and improve communications with customers about rate increases. The move will also cut the cost of rate case expense by the Corporation Commission, according to information in the company's pamphlet.

Sun City residents were adamant last week they should not have to subsidize other water districts that need infrastructure improvements. Mary Ford said it was unfair to lump Sun City with other communities that have nothing in common. Joan Wolf also believes it is unfair for Sun City residents to pay for the water company's decision to which they had no input.

Consolidating district would spread the cost of infrastructure improvements amount the varied communities. However, Sun City's water system has few maintenance problems and provides good quality water. Districts in Anthem and Tubac do need improvements, which Sun City residents would share in the cost if consolidation is approved.

Several residents questioned Arizona-American Water officials' company vision and management ability.

"Consolidating Tubac, Anthem and Sun City is uninformed planning, said Diane Worth, ECSC board member.

Richard Spencer agreed. He said when a company comes forward with a rate increase of the magnitude of Arizona-American Water's and a plan that would further raise rates for some users, such as the consolidation request, he is skeptical of the company's management skills.

"We can all agree that inflation is here to stay," he said. "If the company (rate increase) steps beyond the inflation rate, that company is not being managed well."

Arizona-American Water officials, along with the consolidation, requested a rate increase of 27.7 percent for water and 40.8 percent for wastewater.

However, the bulk of the comments from Sun City residents concerned the fixed

incomes many live on and how the rate increase and consolidation would further strain their budgets.

Linda Foster said a rate increase and consolidation would push some residents over the edge financially.

"Some will have to choose between paying the water bill or buying food," she said. "It will be very detrimental to the shut-ins."

Tom Roberts said the water company is asking for too much after getting a double digit rate increase for Sun City two years ago.

"I don't know where we will come up with the money," he said. "This (rate increase and consolidation) is not need, it is greed."

Margaret Frances related she is a former employee of a different private water company and she saw a culture of waste while working there.

"There is no desire or effort to save money," she said. "People were taking a lot of breaks during the work day then bragged that they were going to work Sunday rather than Saturday because Sunday was double time."

Other residents complained they have never been able to speak to someone in Arizona when they try to resolve billing and other problems. They said called are answered in other states where little, if anything, is known about the Sun City water district.

Ms. Mayes said that was the kind of information commissioners needed to hear from residents.

"This is why we have these rate cases," she said. "We about learn a lot of things that are out of order."

She also said commissioners should consider the recession and how it affects rate payers in their deliberations.

"The water company management doesn't like to hear that, but I believe it is an important factor," she said.

News Editor Rusty Bradshaw can be reached at 623-445-2725 or rbradshaw@newszap.com.

Sun Citians deliver deafening message

Standing room only crowd opposes water rate increase

JEFF DEMPSEY
DAILY NEWS-SUN

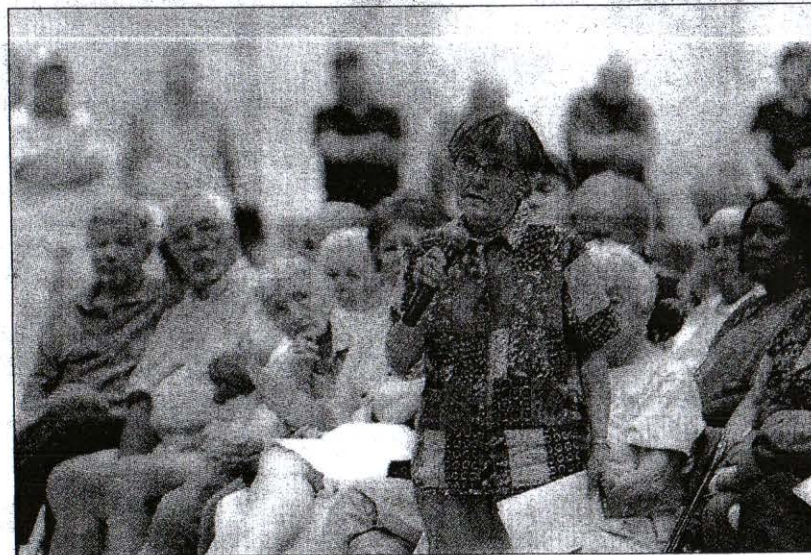
Kris Mayes said Monday night she and her colleagues on the Arizona Corporation Commission got the message concerning how Sun Citians feel about higher water rates.

And they got it more than 1,600 times.

"We were in Anthem about a month ago and I thought we had a record crowd there," Mayes told the audience at Sundial Auditorium. "You have beaten them."

An estimated crowd of more than 1,600 people filled Sundial to standing

SEE WATER, A5



Mary Parma expresses her concerns about a proposed water rate hike to members of the Arizona Corporation Commission during a standing room only meeting Monday In Sundial Recreation Center in Sun City.

MOLLIE J. HOPPES/DAILY NEWS-SUN

WATER

FROM A1

room only to express their opposition to Arizona American Water Co.'s rate increase request as well as the potential of water district rate consolidation, which would lump Sun City in a district with other communities and possibly lead to even higher rates.

Mayes and commissioners Gary Pearce, Bob Stump and Sandra Kennedy said they understood residents' concerns about what the rate hikes and consolidation could bring to the retirement communities.

"We are going to take your thoughts into consideration, and I mean that from the bottom of my heart," Mayes said. "It is very clear to us you are not in favor of consolidation."

That was good news to Sun City community leaders who, for three weeks, rallied the community to attend the meeting with a goal of filling Sundial and sending ACC members away with a message.

Dennis Murphy told the commissioner he would have to make difficult decisions if his water rates go up.

"I would have to take out my vegetation," he said. "I'd hate to do that, but I think it would have to happen."

Marv Peterson said Sun Citians are sick of being surrounded by people who want more money.

"Everywhere we turn, it's, 'Gimme, gimme, gimme,'" he said. "Everyone wants to take more. Well, we don't want to give anymore."

In the case before the ACC, Arizona American filed an application with the state for a permanent revenue increase of 27.7 percent for Sun City water and a 40.8 percent increase for Sun City wastewater. After reviewing the application, the ACC staff has recommended a 7.8 percent increase in water and a 31.85 percent increase in wastewater for Sun City. Arizona American, the ACC staff and the Residential Utility Consumer Office have all recommended against consolidation, but it is still on the docket for the rate case.

And that has Bob Hawkes worried.

"The nagging concern I think we all share is that you have the authority to ignore these recommendations," he said. "Consolidation is not in the best interest of this community, and we are counting on you not to implement it."

Tom Roberts, an 11-year resident of Sun City, said he is disgusted with the rate increase request.

"We are in the worst economic climate since the Depression," he said. "This is not need; it's greed."

One person said Sun City can and should pay for its own maintenance and repair costs, even if that means millions of dollars, and every other water district should be expected to do the same.

"That's an important question for us," Mayes said. "About your willingness to stand alone. If that's your sentiment, that's an important thing for us to keep in mind."

Testimony on the consolidation portion of the rate case will begin this week. For more information, visit www.azcc.gov.

Jeff Dempsey may be reached at 623-363-6757 or jdempsey@yourwestvalley.com.

SUN CITY INDEPENDENT

Vol. 57, No. 23

Wednesday, May 31, 2017

yourwestvalley.com

FREE SERVICE CALL!



THE Plumber GUY
623-227-3979

Licensed • Bonded • Insured • ROC 185143 - 192987

UTILITIES

Higher Sun Cities sewer rates likely

Law judge recommends consolidation

By Rusty Bradshaw
INDEPENDENT NEWSMEDIA

If the Arizona Corporation Commission follows the advice of an administrative law judge, Sun Cities residents will see a large increase in their sewer rates.

er rates.

An administrative law judge recommended to the commission it order full consolidation of five EPCOR Water Co. wastewater districts. The recommendation was made May 23, and the commission may act on it fairly



Greg Eisert

quickly, according to Greg Eisert, Sun City Home Owners Association board member and Governmental Affairs Committee chairman.

“The commissioners will meet June 13 and have discussion on the case, then they will make their

decision,” he said.

As part of its rate request filed in July 2016, EPCOR officials included consolidating five districts — Sun City, Sun City West, Agua Fria Anthem and Mohave — that service Northwest Valley customers. Sun Cities residents have strongly opposed combining the districts because they will

pay a heavy price.

EPCOR officials claim their consolidation request stems from an order from the ACC, dating back as far as 2009.

“As it relates to water consolidation, EPCOR is required under an existing order from the Arizona Corporation Commission to file a water consolidation

» See Sewer on page 9

Sewer

» From page 1

tion rate case for all of its Arizona districts by July 2018," Rebecca Stenholm, EPCOR spokeswoman, stated in an email.

The ACC order came in December of that year and was followed up by orders in January 2011 and September 2015.

"We are unable to comment on the ALJ's recommendation, but we are looking forward to a decision by the Arizona Corporation Commission on EPCOR's application and the policy of consolidation at an upcoming open meeting," Ms. Stenholm stated.

Sun City Wastewater District customers are the oldest and poorest of all of EPCOR's wastewater customers, according to SCHOA's initial brief. Based on the partial settlement in this case, Sun City's monthly wastewater rates should increase at most only from \$22.11 to \$23.70, or 7.2 percent. Instead, if EPCOR officials impose consolidation on Sun City residents it would cause a massive rate increase from \$22.11 to \$41.02, a 76.3 percent increase. Sun City West rates, under the EPCOR request, would increase from

\$32.46 to \$41.02, a 26 percent increase.

However, customers in the other three districts would see reductions in their wastewater bills under a consolidated district.

"This (ALJ recommendation) is disappointing, but not really surprising," Mr. Eisert said. "The way the hearing was conducted, you could tell there was a bias."

If the ACC goes along with full consolidation, EPCOR officials will most likely request full consolidation of its Northwest Valley water districts as well.

"I heard they might not even wait until next year; they would file right away — meaning July," Mr. Eisert said. "But that is just what I heard."

Ms. Stenholm confirmed a filing this year.

"As we've shared with our customers at community meetings, we expect to file that case this year after the Arizona Corporation Commission arrives at a decision on the pending wastewater consolidation case," she stated.

Mr. Eisert, during a SCHOA board meeting May 23, said water rate increases could be more substantial than the proposed wastewater

increase. But Ms. Stenholm could not confirm that.

"We don't have any numbers to share at this point, though," she stated. "We have yet to do the calculations."

Electricity rates

A settlement with Arizona Public Service was finalized earlier this year and eliminated a major bone of contention.

The APS settlement, with a variety of stakeholders, calls for an electricity rate increase, but drops a proposal to make the utility's demand charge mandatory for all residential customers. The demand charge has been available to customers as an option.

Under the terms of the APS agreement, the utility will be able to raise rates by 4.5 percent. Utility officials had requested revenue increases that would have raised the electricity rate 7.96 percent.

"There are a number of different categories of electricity use — residential, commercial, etc.," Mr. Eisert said. "So the average bill increase could be higher than the rate increase."

The agreement also calls for APS to refund to customers an estimated \$15 million of savings through a surplus energy efficiency program through the first year of the

agreement, according to the utility's press release.

"We see this as a win for customers," Mr. Eisert said. "APS was very generous in working with all the factions; they gave up a lot."

According to APS officials, the agreement will pave the way for investment in a smarter, cleaner energy infrastructure; more choice and control through new rate options for customers; and continued solar leadership for Arizona.

"This agreement demonstrates what can be accomplished when people come together with a willingness to compromise and resolve complex policy issues. Consumer advocates, environmental advocates, business customers, solar industry representatives and more have agreed on a path for Arizona's energy future. The winners are Arizona electricity customers," said Don Brandt, APS chairman, president and CEO. "What we have is a blueprint that will bring about more solar, a smarter energy infrastructure, a cleaner energy mix and more options for customers."

Rusty Bradshaw can be reached at 623-445-2725 or rbradshaw@newszap.com. Continue the discussion at www.yourwestvalley.com.

UT SC WATER (CAP)

www.YourWestValley.com

WATER

Residents choking on consolidation

Flatly reject EPCOR proposal

By Rusty Bradshaw
INDEPENDENT NEWSMEDIA

Sun City residents are finding EPCOR Water Co.'s rate request and district consolidation a bitter pill to swallow.

Water company officials were in Sun City for two public meetings Oct. 30 to explain their request and answer questions. They were met by a small but hostile audience.

EPCOR officials in August filed a rate case with the Arizona Corporation Commission that included a five-year phase-in of a rate hike and consolidating 11 statewide water districts spread over an area stretching from the northwest corner of the state to the border with Mexico.

As with the wastewater rate case, approved by the ACC earlier this year that consolidated five sewer districts, Sun City residents were not pleased at the prospect of significant in-



Sun City resident George Smith questions EPCOR Water officials about reorganization options rather than water district consolidation during an Oct. 30 public meeting in Sun City. [Rusty Bradshaw/Independent Newsmedia]

creases in their bills — regardless of how long it will be before the full increase takes effect.

"Sun City takes the biggest hit for increases," said Bill Pearson of the water proposal. "Agua Fria rates go down

\$5 and Sun City goes up \$15, and Agua Fria has more (infrastructure) investment planned over the next 10 years."

Shawn Bradford, EPCOR's corporate services vice president, maintained the compa-

ny's mantra that Sun City rates would be increase by a larger amount if it remained a stand-alone district.

Mr. Pearson also scoffed at Mr. Bradford's trumpeting of the low-income and disabled

assistance programs.

"Our (wastewater) bills have a surcharge for low-income assistance, meaning we are paying for that program," he said. "How much will you charge

» See Water on page 11

NOV 8 2017

SUN CITY



Water

» From page 1

this time?”

Resident Carol Dubriesse said she qualified for the low-income program but would see little or no savings because she also pays the low-income surcharge. She also complained she has not been enrolled in the program because EPCOR officials said they did not have the qualification papers when she called the office.

“If you qualify, you will be put on the program,” Mr. Bradford said.

Resident George Smith

asked why EPCOR officials did not reorganize using accepted procedures and skills and have multiple cost centers rather than full consolidation.

“If you got away from the smoke and mirrors and be honest with us, maybe we could take this better,” he said.

Mr. Bradford said EPCOR currently has multiple cost centers. However, Mr. Smith pointed out those would disappear under consolidation. Mr. Bradford also said having multiple cost centers (standalone districts) would be more costly for overhead and the bureaucracy involved in multiple rate cases.

Resident Yamish Mona said EPCOR officials’ 7,000-gallon water base for the billing was unfair to those who do not use that much water per month.

“I maybe use 2,000 gallons, so I am already overpaying,” he said.

He added it was unfair Sun City residents will be forced to subsidize other, more affluent districts.

“The Tubac district has \$1 million homes,” he said. “Since they ‘can’t afford’ their water bill, I guess we’ll have to help them.”

Sun City Home Owners Association officials filed an appeal of the wastewater consolidation decision by the ACC and is waiting for that to go through the Arizona Court of Appeals. SCHOA and Retirement Community Association volunteers passed out fliers after the meeting to residents urging them to financially support the appeal.

Community needs

EPCOR officials maintain the ACC ordered them to bring forward a district consolidation plan and EPCOR recommended full consolidation because they believe it is beneficial to Sun Cities customers in the long run.

“We believe this (consolidation) is the most efficient way to run a water company,” Mr. Bradford said. “It is economy

of scale.”

He added it takes a lot of mechanical equipment and employees working with harsh chemicals to provide safe water for customers, something the company is obligated to do. He explained some water districts, particularly the Sun Cities, have aging infrastructure that must be replaced. Mr. Bradford said \$33 million was spent on Sun City improvements in the past three years.

“Sun City has some of the oldest infrastructure,” he said. “We believe it is cheaper to be proactive regarding improvements rather than waiting for

water lines to break.”

He also said EPCOR receives no return on its operating costs and only a 3 percent return on its capital investments.

“Costs go up,” he said. “And we are not realizing a return on our investments from the late rate case (ACC-approved in 2007) because our costs have gone up since then.”

Mr. Bradford said Sun City, because it has more greenery and trees, uses about 100 gallons per month of water than the Anthem and Agua Fria districts. He also said Sun Cities improvements are more cost-

ly because of the way the community was developed.

“Del Webb put pipes under driveways, so when we have to replace infrastructure we also have to replace those driveways and landscaping.”

Mr. Bradford explained seven of 25 wells in the Sun City district are more than 60 years old and 13 wells are scheduled to be replaced in coming years.

He acknowledged that Sun Cities infrastructure was paid for by the developer, but now it must be replaced.

Rusty Bradshaw can be reached at 623-445-2725 or rbradshaw@newszap.com.

VF SC water (CAF)

Wednesday,
Dec. 27, 2017

Vol. 58 No. 1
1 Section 60 Pages



SUN CITY

INDEPENDENT

Published by Independent Newsmedia Inc., USA

SEWER

EPCOR seeks wastewater surcharge

SIB will fund future sewer improvements

By Rusty Bradshaw
INDEPENDENT NEWSMEDIA

Sun Cities residents will see another cost increase for wastewater service if the Arizona Corporation Commission approves EPCOR Water Co. officials latest request.

Water company officials are seeking a system improvement benefit mechanism, which is a formal term for a surcharge, to be added to customers' bills. The sur-

charge, according to a public hearing notice sent to customers last week, is designed to give the company a return on investments to be made on Sun Cities infrastructure between rate cases.

"This is something that was not in the rate case that was approved by the ACC during the summer," said Greg Eisert, Sun City Home Owners Association board member and SCHOA Governmental Affairs Committee chairman. "We'll see this again with the water rate case."

EPCOR in August filed a

WHAT DO YOU THINK?

What are your opinions on this issues?
Send responses to rbradshaw@newszap.com.

rate case for its water districts, which includes consolidating 11 Arizona districts and will mean a substantial rate increase following a five-year phase-in of new rates, similar to what was approved for the wastewater districts.

ACC officials scheduled a public hearing on the wastewater SIB request for 10 a.m. Monday, Feb. 26 at the ACC office, 1200 W. Washington

St., Phoenix. Residents can attend the hearing in person or provide written comments for Docket No. WS-01303A-16-01-45 to the ACC office address or on its website www.azcc.gov.

"We will be serving as an intervener on the request," Mr. Eisert said.

EPCOR officials plan to make 11,588,588 in improvements to pipes and manholes in Sun City through 2021. In Sun City West they expect to make \$6.5 million in improvements to pipes and manholes.

EPCOR crews started one such project in Sun City Dec.

14 in which some aging and disintegrating sewer pipes were replaced. The work was expected to be completed by Dec. 21, according to Ms. Stenholm.

"Our team is continuously monitoring and assessing the collections system, and making repairs and replacements as needed," Ms. Stenholm stated.

Similar to the wastewater and water rate case proposals, EPCOR officials will phase-in the surcharge, with a 41-cent surcharge added to customers bill in the first

» See Sewer on page 18

Sewer

» From page 1

year. The surcharge would increase to 93 cents in year two, \$1.46 in year three, \$2 in year four and \$2.43 in the final year of phase-in.

After ACC approved the wastewater rate case and consolidation in June, EPCOR officials filed the SIB re-

quest in November, according to Rebecca Stenholm, EPCOR spokeswoman.

"Our request for a SIB was included in the June 2017 Arizona Corporation Commission decision that approved wastewater consolidation, and this application begins the process for the SIB program," she explained via email.

The SIB request is under review by the ACC. During the Feb. 26 public hearing the information in the application will be reviewed and there will be a chance for the parties to the application to ask questions similar to a hearing in rate case applications, according to Ms. Stenholm. After the hearing, the judge assigned to the application will

issue a recommended order and opinion, after which it will be placed on an open meeting schedule where the commissioners will review the request and make a decision on it, she added.

Rusty Bradshaw can be reached at 623-445-2725 or rbradshaw@newszap.com.



A major sewer line replacement project on Olive Avenue in Sun City will replace numerous feet of aging pipes. It is projects like these that would be funded by EPCOR Water's proposed system improvement benefits mechanism. [submitted photo]