



Administrative Policy
MESA DEL CABALLO SUPPLEMENTAL
WATER SUPPLY
Public Works /Water Division – A606mdc

Effective Date:

Feb 2010

Revised Date:

Nov 2013

SUPPLEMENTAL WATER SUPPLY TO MESA DEL CABALLO SUBDIVISION

Summary

JW Water Holdings, LLC doing business as Payson Water Company provides public water service to its customers in the Mesa del Caballo subdivision approximately one mile north of the Payson town limits, and has requested that the Town of Payson provide supplemental water supply for Mesa del Caballo. This supply is needed to prevent frequent summertime water shortages and occasional water shortages during other months within the subdivision due to the effects of drought on the company's groundwater wells located throughout the subdivision. The company has entered into an agreement with the Town of Payson and the Salt River Project for utilization of the Town's proposed CC Cragin water pipeline and water treatment plant as a new source of water supply for the subdivision and an answer to the subdivisions chronic water supply problem. The company has established its own water right for use within the Mesa del Caballo subdivision. It is the policy of the Town of Payson to work with outlying communities adjacent or near to the proposed pipeline for development of adequate water supplies for those communities. Until Mesa del Caballo has physical access to Cragin water, a supplemental water supply is needed. This supplemental water supply will be available to the subdivision only until Payson's water treatment plant is constructed and in operation. At that time the subdivision will be supplied with water from the water treatment plant adjacent to the subdivision and will be utilizing its own water supply from CC Cragin Reservoir.

Definitions

Payson Water Company – public water service company owned by JW Water Holdings, LLC

Payson Water Division – a division within the Town of Payson Public Works Department

Process

The process of working with Payson Water Company for the establishment of an adequate water supply for the Mesa Del Caballo subdivision consists of four phases.

Phase One involves the Town of Payson providing up to 100,000 gallons per day of potable water for use by public water system customers within the Mesa del Caballo subdivision. The Payson Water Division will make the water available at Payson's water treatment plant site approximately two miles east of State Route 87 and adjacent to the Mesa del Caballo subdivision. Payson Water Company will be responsible for delivering the water to their water production facilities with the



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Mesa del Caballo subdivision. Water will be delivered from the Payson public water system via a Payson owned pipeline located on East Houston Mesa Road. Payson Water Company is responsible for paying applicable water meter connection fees and a security deposit. The Payson Water Division will install a two inch water meter near the intersection of East Houston Mesa Road and North Caballero Road. The water meter will be read and a water bill sent to Payson Water Company on a monthly basis.

Some restrictions apply to this water service:

1. Water supply can be discontinued by the Payson Water Division at any time.
2. Temporary service pursuant to this policy is a prelude to permanent water service to the Mesa del Caballo subdivision by use of CC Cragin Reservoir surface water supply delivered to the community via the proposed Payson Pipeline and Payson Water Treatment Plant.
3. Temporary service pursuant to this policy is subject to progress between the Salt River Project and Payson Water Company on the use of CC Cragin Reservoir water supply for the Mesa del Caballo subdivision and on progress between Payson Water Company and the Town of Payson for use of Payson's CC Cragin Reservoir pipeline and/or water treatment plant for the benefit of the Mesa del Caballo subdivision.
4. Payson Water Company must install and maintain a backflow preventer on any connection to Payson Water Division facilities.
5. Water use by Mesa del Caballo residents is subject to the same restrictions as Payson Water Division customers whenever water is being supplied by the Town of Payson to the subdivision unless more stringent water restrictions are imposed by Payson Water Company or as allowed by the Arizona Corporation Commission.
6. Water supplied under this agreement is subject to the then-existing water rates of the Payson Water Division.
7. Payson Water Division assumes no liability for the quality of any water provided after it leaves the Payson public water system facilities.
8. Payson Water Company to maintain chlorine residual in Mesa del Caballo public water system while receiving Payson water supply.

Phase Two is agreement between the Salt River Project and Payson Water Company for the use of CC Cragin Reservoir surface water in Mesa del Caballo subdivision.



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Phase Three is agreement between the Town of Payson and Payson Water Company for use of Payson's proposed pipeline and/or water treatment plant for service to Mesa del Caballo subdivision.

Phase Four is delivery by Town of Payson of CC Cragin Reservoir water, treated or un-treated, To Mesa del Caballo subdivision.

References

Payson Water Company letter of 4-07-08 stating its desire to participate in CC Cragin project.

Payson Water Company letter of 2-04-10 requesting seasonal water service to Mesa del Caballo.