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**ARROYO WATER CO. INC.
HC6 BOX 1048-L
PAYSON AZ. 85541**

May 30, 2006

Dwight D. Nodes
Assistant Chief Administrative Law Judge
Arizona Corporation Commission
1200 West Washington St.
Phoenix Az. 85007

Docket W-04286A-04-0774

Please find enclosed copies of our correspondence concerning our application for the new CC&N. Many verbal conference's have also transpired in the past year concerning this issue.

The most recent letter contained our franchise application (as Requested by the commission) to show our continued commitment to comply, although this is a lengthy process and new to the qila county. Contrary to page 2 lines 7 and 8 we have and will continue to respond.

Thank You,
Arroyo Water Inc.

Certified RR # 7004-0750-0002-2857-2559

Enclosure

Letter dated may 5 2006, and copy of franchise application
Letter dated Feb. 22 2006

AZ CORP COMMISSION
DOCUMENT CONTROL

2006 JUN -8 P 4: 02

RECEIVED

February 22, 2006

To: Brian Bozzo-Utilities Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

From: Arroyo Water Company, Inc.
HC 6 Box 1048 H
Payson, Arizona 85541

7002 3150 0001 3911 5615

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
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Sent To Brian Bozzo-Utilities Div Ar Corp Comm Street, Apt. No., or PO Box No. 1200 W. Washington City, State, ZIP+4 Phoenix Ar 85007		
PS Form 3800, June 2002 See Reverse for Instructions		

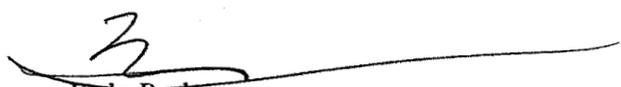
We received your certified letter on February 16, 2006, which acknowledges our application for a new CC & N filed, October 19, 2004.

Page 7 of Docket W-04286-04-07774, outlines eight recommendations for submittals.

We have started to compile the data, but will require additional time to complete due to Gila County involvement and consulting input.

We appreciate your patience in this matter.

Thank you,


Kyle Parker

Certified Mail # 7002 3150 0001 3911 5615

**ARROYO WATER CO. INC.
HC6 BOX 1048-L
PAYSON AZ. 85541**

May 05, 2006

Brian Bozzo
A.C.C. Utilities div.

Brian, please find enclosed a letter from Gila County in regards to our franchise. As you will see it is quite detailed. I am providing this to you to keep you abreast of our on going attempts to comply with the A.C.C. request's, to eventually obtain the new C.C.&N

Thank you,

Kacy Parker

p.s. I will keep you informed or feel free to call Mariana Shepard of the Gila County Clerk of the board. (928) 402-8757

Tommie C. Martin, District I
P.O. Box 2297, Payson 85547
(928) 474-2029
tmartin@co.gila.az.us

José M. Sanchez, District II
(928) 402-8753
jsanchez@co.gila.az.us

Shirley L. Dawson, District III
(928) 402-8511
sdawson@co.gila.az.us



GILA COUNTY
BOARD OF SUPERVISORS

1400 E. Ash
Globe, Arizona 85501

**Steven L. Besich, County Manager/
Clerk of the Board of Supervisors**
(928) 402-8761
sbesich@co.gila.az.us

John F. Nelson, Deputy County Manager
(928) 402-8754
jnelson@co.gila.az.us

April 24, 2006

Mr. Casey Parker
HC6 Box 1048-L
Payson, Arizona 85541

Dear Mr. Parker:

At your request, I have attached a copy of an application for a 15-year non-exclusive water franchise within Gila County. Please return the completed application to my attention.

A summary of the internal steps for this application are as follows:

Once the application has been returned to me, I will forward a copy for review by the County Attorney and the Engineering Department. The County Attorney will advise if there is any additional information needed for this application and the Engineering Department will give approval that the map and legal description match.

Once the County Attorney and Engineering Department have indicated approval, I will place the item as a consent item on a future Board of Supervisors' meeting agenda and request the Board to accept the application and set a hearing date. (There is no need for you to appear at this time.) I will advise you once the hearing date has been set.

The notice of hearing will then be published in the official County newspaper (Arizona Silver Belt for 2006) once a week for three consecutive weeks. I may also do one courtesy advertising in a local area newspaper of the proposed water franchise.

I will check the taxes on the parcel that contains the proposed utility well. If the taxes are not up to date, I will call you to let you know that it would be advisable to have the taxes paid prior to the hearing.

I will keep a record of any protests, which will be presented to the Board prior to the public hearing.

Mr. Casey Parker
April 24, 2006
Page Two

Prior to the public hearing, I will send two originals of the resolution for your review and signature. The resolution grants a non-exclusive 15-year water franchise.

Once I receive the signed resolutions, I will then place the adoption of the resolution on a future Board of Supervisors' meeting agenda, which will take place at the same as the public hearing.

Meeting day - I will present the application and any other pertinent information to the Board of Supervisors. I would like you to be present at the public hearing to address any questions or concerns of the Board.

Once the resolution is adopted, I will have one original recorded and I will send one original to you for your files.

I can be reached at 928-402-8757.

Sincerely,



Marian Sheppard
Chief Deputy Clerk of the Board

/ms

Attachment