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MEMORANDUM

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TO: Docket Control
Arizona Corporation Commission

2006 OCT 13 P 1:08

FROM: Ernest G. Johnson
Director
Utilities Division

for

AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: October 13, 2006

RE: Cave Creek Water Company Request for Additional Time to Comply with a Filing Requirement. (Docket Nos. W-01452A-05-0082 and W-01452A-04-0810)

Decision No. 68190, dated September 30, 2005, approved the applications of Cave Creek Water Company ("Cave Creek") to extend its Certificate of Convenience and Necessity to two parcels of land. The Commission ordered Cave Creek to file "within 365 days of the effective date of this Decision, its main extension agreements with the respective developers for approval by Staff". On September 29, 2006, Cave Creek filed a motion requesting a 30-day extension to file a copy of the main extension agreement for one parcel and a 90-day extension to file the main extension agreement with the developer for the other parcel.

On October 5, 2006 the Hearing Division issued a Procedural Order which ordered Staff to file a response to the motion no later than October 13, 2006. In response to a request by Staff, Cave Creek filed letters from the developers indicating that the developers still intend to develop the properties but have experienced unexpected delays. The letters are attached to this memo.

Staff has no objections to the extensions requested by Cave Creek.

EGJ:LAJ:tdp

Originator: Linda A. Jaress

Arizona Corporation Commission
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Service List for: Cave Creek Water Company
Docket Nos. W-01452A-05-0082 and W-01452A-04-0810

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1200 West Washington Street
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1200 West Washington Street
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Chief, Hearing Division
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1200 West Washington Street
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LAND DEVELOPMENT SERVICES, L.L.C.**Feasibility Value Engineering Project Management Municipal Coordination**

October 10, 2006

Global Water Management
21410 North 19th Avenue
Suite 201
Phoenix, AZ 85027

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Black Mountain Vistas, Motion for Extension of Time, Cave Creek Water Co.
Nos. W-01452A-06-0082 & W-01452A-04-0810

Ladies and Gentlemen:

As the local representative and authorized project manager for the subject project, Land Development Services, L.L.C. submits the following statement as part of our request for a time extension to comply with the CC & N order (No. 68190).

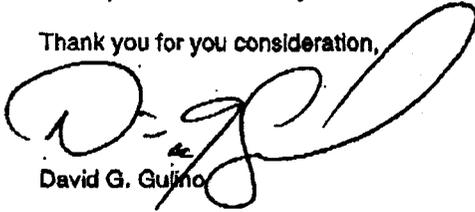
Black Mountain Vistas, L.L.C. (BMV), owners of Black Mountain Vistas, still have a need for domestic water service from the Cave Creek Water Company (a.k.a. Global Water). The development of Black Mountain Vistas subdivision plat is currently being processed by the Town of Carefree. Approvals are expected to occur within the next 6 months.

Additional time is required due to several circumstances that have led to delays in the processing of the necessary documents to continue moving forward with this action. They are:

- BMV principal, Derald Ulmer, passed away last year leaving the asset to a Trust controlled by four of his children.
- These heirs live out of the State making the exchange of documents and correspondence a little slower
- The Water line construction plan approval was granted within the last 30 days

We hope this addresses your comments. If you have any further questions, please call us at (480) 946-5020.

Thank you for your consideration,



David G. Gujino

cc. Rick Ulmer, Ulmer Family Trust

4413 N. Saddlebag Trail, Suite 5, Scottsdale, Arizona 85251
Telephone: 480-946-5020 Fax: 480-946-5041
www.lidservices.net

RE: CAVE CREEK WATER COMPANY-MOTION FOR EXTENTION OF TIME,
DOCKET NOS. W-01452A-05-0082 AND W-01452A-04-0810

Dear Ms. Jaress,

The reasons for delays are as follows. Almost immediately after the purchase of the property in question, my father had a severe stroke and was hospitalized in Chicago. I had to continually fly from Phoenix to Chicago to help my 77 year old mother with all of their concerns and problems. This persisted for 8 months until my father eventually passed away. However, I did still vigilantly pursue taking my property through the process of Final Plat Approval. I paid engineers retainers, other their required fees, etc. etc. I paid the Bank their \$36,000.00 A MONTH in interest. I would drop off my development package at my engincers pay a \$25,000.00 retainer and would be told they'd be ready in 2-3 weeks. I'd call in 18 to 20 days and leave a voice mail and get no response. I'd call back 2-3 days later and leave yet another voice mail and get no response. I would e-mail to check the status and get no response. I stopped by the office on a Friday and the note on the door said we left at 12:30 today. I stopped back on Monday requesting to speak to the engineer working on my development and he would not be in. I'd leave a message to have him call me and receive no call. I went back the next day and they said he left for 2 weeks vacation. All this nonsense has persisted during the entire process. Not just with the engineers but a couple other officcs as well.

I purchased this property at preliminary plat approval. The engineer was already chosen. I felt it would be cost efficient to let them finish. I think they were just too busy to provide good customer service. I want more than anything to finalize this and get Final Plat Approval. I've worked very hard and have been very frustrated.

I would greatly appreciate if the Staff would grant me the extension so I may finish this project. I appreciate your consideration on this very important matter and promise to do all I can to expedite the process. We are very close at this time.

Sincerely,



Nick Partain

Windy City Group, LLC