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AZ CORP COMM
Bensch Utilities

Kim Battista
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

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Subject: Death of Lester Smith
Bensch Ranch Utilities, LLC
Docket No. SW-4026A-01-0499/ Dec. # 67180

Ms. Battista:

Following up my meeting with Staff a couple weeks back, and my subsequent telephone conversation with you, I am writing this letter to request that the department relieve Bensch Ranch Utilities, LLC (BRU) from needing to fulfill three conditions in the decision referenced above.

As we discussed, the genesis of a number of the conditions added to our CC&N were due to the concern that Lester Smith (an owner of the Bensch Ranch Estates project served by our CC&N) would somehow gain control or ownership in the sewer utility. We argued at the time of issuance, successfully, that this would never occur. As a safeguard, the commissioners and staff added the conditions referenced. Now that Lester Smith has passed away, we are requesting that these conditions be deleted from our compliance files. This relief will reduce the amount of repetitive and meaningless paperwork going forward, as well as simplify our internal corporate governance.

I have attached a copy of the order herewith for your reference, and for clarity, I've numbered the three conditions I am requesting be removed from compliance:

1. (p. 11, paragraph 1) Bensch Ranch shall not be allowed to change its ownership structure, including, without limitation, adding additional members, without first obtaining approval from the Commission.
 - a. Such condition was initially drafted to ensure that the Mr. Smith would never be able to be a member of BRU, which he clearly will never be.
2. (p. 11, paragraph 2) BRU shall file with the Commission annually, no later than February 1 of each year commencing in 2005, an affidavit by one of its managing members confirming that it has not changed its membership structure during the previous calendar year.
 - a. As before, with Mr. Smith's passing, this annual requirement should be voided to eliminate unnecessary paperwork.

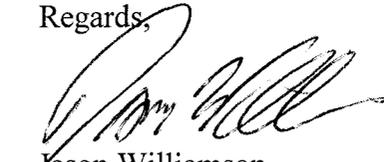
3. (P. 11, paragraph 5) by each January 31, BRU shall make an annual filing detailing whether it or Pivotal Utility Management has retained Lester Smith as an employee, independent contractor or consultant. The filing shall report whether Bensch Ranch, Pivotal Utility management or any subsequent management company has provided compensation to Lester Smith or any business entity owned or controlled by Lester Smith. The filing shall cover the previous calendar year.
 - a. Same as before, elimination of this condition will eliminate unnecessary paperwork.

I have attached herewith, a copy of Mr. Smith's Death certificate and/ or obituary.

Please feel free to contact me if you need additional information, or if you have any questions about the request made herein.

Thank you in advance for your help.

Regards,



Jason Williamson
President, Bensch Ranch Utilities, LLC

1 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall not be allowed to
2 change its ownership structure, including, without limitation, adding new members or changing the
3 managing members, without first obtaining approval from the Commission.

4 IT IS FURTHER ORDERED that Bensch Ranch Utilities shall file with the Commission
5 annually, no later than February 1 of each year commencing with 2005, an affidavit signed by one of
6 its managing members, confirming that it has not changed its membership structure during the
7 previous calendar year.

8 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall work with Commission
9 Staff to identify the extent of Mr. Lester Smith's role in the development of Bensch Ranch Estates.

10 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall file with the
11 Commission, within 90 days of the effective date of this Order, a report describing the extent and
12 results of its efforts to work with Commission Staff to try to identify the extent of Mr. Lester Smith's
13 role in the development of Bensch Ranch Estates.

14 IT IS FURTHER ORDERED that by each January 31, beginning in 2005, Bensch Ranch
15 shall make an annual filing detailing whether it or Pivotal Utility Management has retained Lester
16 Smith as an employee, independent contractor or consultant. The filing shall report whether Bensch
17 Ranch, Pivotal Utility Management or any subsequent management company has provided
18 compensation to Lester Smith or any business entity owned or controlled by Lester Smith. The filing
19 shall cover the previous calendar year.

20 IT IS FURTHER ORDERED that failure by Bensch Ranch Utilities, LLC to comply with the
21 above conditions within the specified time frames set forth above shall render the Certificate of
22 Convenience and Necessity conditionally granted herein null and void without further Order of the
23 Commission.

24 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall notify the Director of
25 the Commission's utilities Division in writing within 15 days of providing service to its first
26 permanent customer.

CERTIFICATION OF VITAL RECORD

STATE OF ARIZONA

ORIGINAL STATE COPY

STATE OF ARIZONA DEPARTMENT OF HEALTH SERVICES - OFFICE OF VITAL RECORDS CERTIFICATE OF DEATH

DEATH NO. D-102

Form containing personal and medical information for Lester Orville Smith Jr., including birth date (May 24, 1937), death date (June 21, 2006), cause of death (Metastatic squamous cell cancer of head), and physician information (Sam Downing, MD).

JUN 27 2006

Patricia Adams

This is a true certification of the facts on file with the OFFICE OF VITAL RECORDS, ARIZONA DEPARTMENT OF HEALTH SERVICES, PHOENIX, ARIZONA issued under the authority of A.R.S. 36-341, and by direction of:

PATRICIA ADAMS ASSISTANT STATE REGISTRAR

This copy not valid unless prepared on a form displaying the State Seal and impressed with the raised seal of the Issuing agency.

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Arizona Department of Health Services