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ARIZONA CORPORATION COMMISSION

2007 MAR -9 P 3:58

March 9, 2007

AZ CORP COMMISSION
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Arizona Corporation Commission
DOCKETED

MAR -9 2007

DOCKETED BY NR

Mr. William H. Anger
Engelman Berger, P.C.
3636 North Central Avenue Suite 700
Phoenix, Arizona 85012

RE: INSUFFICIENCY LETTER FOR APPLICATION FOR ADJUDICATION BY
EQUESTRIAN ESTATES AT WHITE HILLS WATER COOPERATIVE, INC.
DOCKET NO. W-20512A-07-0103

Dear Mr. Anger:

In reference to the above application which was filed February 16, 2007, this letter hereby informs you that your application has not met sufficiency requirements as outlined in the Arizona Administrative Code and Decision No. 55568, dated May 7, 1987.

To meet sufficiency requirements, please provide the following to the Arizona Corporation Commission's Docket Control within 60 days of the date of this letter:

- The application and referenced Articles of Incorporation must state that this application is a non-profit homeowner's association.
- The Bylaws and Covenants, Conditions and Restrictions ("CC&R's") need to state that "every customer is a member/owner with equal voting rights regarding water system matters, regardless of the number of lots owned, and that each member is or will be a customer". Any statements to the contrary in either the Bylaws or CC&R's should be omitted.
- The Bylaws and CC&R's need to state that "the service area involved encompasses a territory which is not within the service area of a municipal utility or public service corporation or if in such territory, that municipal utility or public service corporation is unable to serve".
- Please provide a notarized Certified Resolution stating that by unanimous written consent of the Directors of Equestrian Estates At White Hills Water Cooperative, Inc. ("Equestrian"), that Mr. Ralph J. McGrath is duly authorized to represent said entity in this application. The Resolution should also state it is in support of Equestrian seeking adjudication not a public service corporation.

- The CC&R's need to state that complete ownership of the system and necessary assets will be conveyed to Equestrian upon a decision by the Arizona Corporation Commission adjudicating said entity.
- The CC&R's should reflect that membership is restricted to a specific number of actual or potential customers.

From the Engineering perspective, the following is also being requested:

1. Since the Approval to Construct, issued by the Arizona Department of Environmental Quality ("ADEQ") on 12/22/06, stated that an arsenic removal system will be installed, please inform Staff what the arsenic level in the new system is and provide Staff information about this new arsenic removal plant.
2. Please provide a copy of the engineering design report of this new water system.
3. Please provide a copy of itemized, estimated engineering costs of this project.
4. Please provide a legible copy of a map to show the requested area, proposed well site, tank site and arsenic removal plant site.
5. Please indicate who the wastewater provider will be.

Should you have any questions or concerns in this matter please contact me at (520) 628-6555.

Sincerely,



Reg Lopez
Public Utilities Consumer Analyst II
Utilities Division-Tucson

RXL:tdp

cc: Docket Control
Hearing Division/Lyn Farmer
Legal Division/ Chris Kempley