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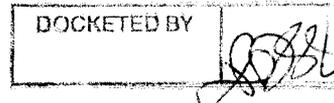
AZ CORP COMMISSION
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June 17, 2011

JUN 17 2011

CERTIFIED MAIL

Mr. Henry Melendez, President
DII-Emerald Springs, L.L.C.
212 E. Rowland Street #423
Covina, CA 91723



RE: APPLICATION BY DII EMERALD SPRINGS ("COMPANY") FOR A
CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDER SEWER
SERVICE - DOCKET NO. WS-20794A-11-0140

STAFF DATA REQUEST

Dear Mr. Melendez:

The Arizona Corporation Commission Staff ("Staff") is in the process of analyzing your request for a Certificate of Convenience and Necessity ("CC&N") to provide sewer service. In reviewing the application of DII-Emerald Springs, L.L.C. ("Company" or "Applicant"), and the Arizona Administrative Code ("A.A.C") for provision of sewer service (a copy of which is attached), Staff has determined that the following information is needed to appropriately process the application:

1. Provide a correct (metes and bounds) legal description for the subdivision and/or a full sized plat map, so that Staff can assist in drafting a legal description that is acceptable to both parties.
2. Provide the physical address of the sewer facility providing service to the Emerald Springs residents.
3. The Applicant is required to provide notice to each person owning land within the requested service area. Was the "public notice" included in the application provided to each resident and/or landowner?
4. The applicant is also required to provide written notice within 10 days of filing the application to the municipal manager or administrator of each municipality with corporate limits that overlap with or are within five miles of the proposed service area. Has such notice been provided? If not, please explain the reason.

5. What relationship does Blue Tower Holdings, Inc., have with the Company?
6. What relationship does Dynamic Financial and Investment Services, Inc. have with the Company?
7. Has the Company, owner, or affiliates ever faced foreclosure proceedings? If so, please explain the activities associated with the foreclosure and the status.
8. Staff's research indicates that the Emerald Springs property consists of 240-245 acres and is to be developed in three phases. What is the status of each phase of the development and does the Company and/or the owner have any plans to expand its sewer services?
9. Please provide a copy of any contracts, agreements, and/or pertinent correspondence with the Emerald Springs HOA to provide sewer service.
10. Did the Company and/or owner purchase any property or plant from the prior owner who was identified as Thompson Development WWTP according to Staff's research?
11. Have any of the members and/or employees of the Company or affiliated companies been accused of allegations of political corruption (including but not limited to campaign violations and election law violations); allegations of construction violations; allegations of misconduct; and filings at administrative hearings at any local, state or federal agencies, including at the Federal Elections commission, Registrar of Contractors, or any violations of law? If so, please provide a comprehensive list of all individuals that have been accused of the above-mentioned allegations; the litigation history; and the individual case disposition.
12. Have any of the persons listed in item number 11 above been convicted or admitted to any of the allegations listed?
13. Have any of the members of the Company ever filed for bankruptcy? If so, please provide the litigation history and the case disposition.
14. Please identify any and all mechanics', tax or other liens that have been assessed against the Company or members thereof.

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Staff is currently working with the Company on other financial and engineering information required as a part of a rate investigation. As soon as Staff receives the requested information above, we will process the application in conjunction with the other financial and engineering information received.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0818 or e-mail me at vwallace@azcc.gov.

Sincerely,

A handwritten signature in cursive script that reads "Vicki Wallace".

Vicki Wallace
Executive Consultant

Cc: Docket Control
Juan Manrique
Marlin Scott
Barbara Wells/Lori Miller
Wesley Van Cleve
Lyn Farmer