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ORIGINAL
Baca Float Water Co. Inc.

PO Box 1536 – Tubac AZ. 85646

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Thursday, August 25, 2011

2011 SEP 16 P 3: 54

DOCKET NO. WS-01678A-07-0116

AZ CORP COMMISSION
DOCKET CONTROL

RE: Extension of Time to File Compliance Item

Pursuant to Decision No. 69949, Baca Float Water Company, Inc. ("Baca Float" or the "Company") was required to file "a copy of the ADEQ Approval to Construct the facilities needed to serve the first phase of development in the requested area" by October 30, 2009. Decision No. 69949 at 7. Baca Float, through counsel, requested the Arizona Corporation Commission extend the date to file this Approval to Construct by two years, until October 30, 2011. The extended date was granted in Decision No. 71437. It was further ordered that no additional extensions of time would be granted without extraordinary circumstances.

By way of background, W&M Tenants in Common ("W&M TIC") initially sent Baca Float a request for water service of January 4, 2006. Decision No. 69949 15. On February 21, 2007, Presidio de Tubac LLC ("Presidio de Tubac") sent Baca Float a similar request. Decision No. 69949 at 15. Through a series of transactions the property owned by both W&M TIC and Presidio de Tubac was conveyed to Presidio de Tubac Development, Inc. ("Presidio Development"), thereby consolidating ownership of the parcels that comprise the certificate of convenience and necessity ("CCN&N") extension area.

Due to the economic situation throughout the nation and continued slowing of the real estate market, Presidio Development has further delayed its plans to begin constructing a master planned community in the CC&N extension area. See Exhibit A. Due to these economic conditions the developers of the Presidio project have put their plans on hold until financing can be arranged to continue the development. The Presidio Development notes that the situation in Santa Cruz County is so extreme, the Board of Supervisors have agreed to waive the annual "project renewal application process and fees" for all developments which have been approved by the board, but which have not begun development yet. The county has recognized that this current economic slowdown has rivaled some of the worst ever seen in the United States and is most likely the worse ever experienced here in Santa Cruz County. In recognition of that fact they passed the above referenced resolution. Nevertheless, Presidio Development, as indicated in the attached correspondence, anticipates that construction will proceed as planned in 2013. The Presidio Development restated its request for service and has indicated its support for this extension. See Exhibit A. Baca Float further notes that this delay in filing the Approval to Construct will not impact is existing 385 customers in the adjacent service area.

In light of the foregoing and given the "Extraordinary Circumstances" brought on by the current economy, Baca Float respectfully requests an extension of the compliance deadline for filing the Approval to Construct for the facilities needed to serve the first phase of development until September 30, 2013.

If you have any questions please feel free to contact either Gary Brasher or Harold Busboom on the matter.

Respectfully submitted

Baca Float Water Co. Inc.

Arizona Corporation Commission

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SEP 16 2011

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Exhibit A

Presidio de Tubac Development, Inc.

5013 E. Washington Street Suite 100
Phoenix, AZ 85034
(602) 224-4500

Thursday, August 25, 2011

Gary Brasher
Baca Float Water Company
Two Tubac Road
PO Box 1536
Tubac, AZ 85646

*Re: Request for Water Service
Project Update*

Dear Mr. Brasher:

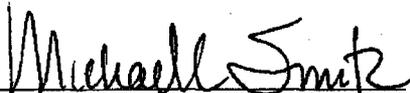
When Presidio De Tubac, LLC requested to be included in Baca Float Water Company's service area in early 2007, it was anticipated that we would be breaking ground on our project in mid-2008. It was not anticipated that we would be in a worldwide recession at that time. As the current market conditions worsen it is unfeasible to proceed with new construction of a master planned community in 2011 as planned. Due to the economic conditions throughout the nation, the state and in Santa Cruz County, the developers of the Presidio Development have put their plans on hold until financing can be arranged to continue the development. The situation in Santa Cruz County is so extreme, the Board of Supervisors have agreed to waive the annual "project renewal application process and fees" for all developments which have been approved by the board, but which have not begun development yet. The county has recognized that this current economic slowdown has rivaled some of the worst ever seen in the United States and is most likely the worse ever experienced here in Santa Cruz County. In recognition of that fact they passed the above referenced resolution.

The revised plan is to move the groundbreaking to the summer of 2013 in anticipation of a recovery from this current situation. We support your request for your service area extension and very much desire to remain in the Baca Float Water Company service area, as this is a critical service to the community.

Please contact me if you have any questions.

Sincerely,

Presidio de Tubac Development, Inc. an Arizona corporation

By: 
Name: Mike Smith
Title: Vice President