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MEMORANDUM

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TO: Docket Control Center

FROM: Steven M. Olea  
Director  
Utilities Division

DATE: November 19, 2013

RE: OAK CREEK WATER COMPANY NO. 1 (DOCKET NO. W-01392A-09-0273,  
DECISION NO. 72286)

LJL for SMB 2013 NOV 19 P 2:52

Arizona Corporation Commission

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In Decision No. 72286, dated May 4, 2011, the Arizona Corporation Commission (“Commission”) approved the application of Oak Creek Water Company No. 1 (“Oak Creek Water” or “Company”) for approval of authority to issue long-term promissory notes or bonds and other evidence of indebtedness.

As part of Decision No. 72286, the Commission ordered that Oak Creek Water:

“shall file, by September 1, 2013, with the Commission’s Docket Control, as a compliance item in this docket, a copy of the ADEQ Certificate of Approval of Construction for Project No. 1.”

On August 6, 2013, Oak Creek Water requested an extension of time to comply with the above item by December 31, 2014. The application states that the Company has obtained a \$440,000 loan from the Water Infrastructure Finance Authority (“WIFA”), which was used partially to finalize engineering drawings and specifications for the necessary facilities. It also states:

“However, due to several factors – including the time to obtain the requisite right-of-ways from the U.S. Forest Service and private entities – the construction project has not yet been completed. Oak Creek is currently soliciting bids, and expects to make a selection by August 31, 2013. After a contractor is selected, the Company anticipates that it will take between 12 and 18 month to finalize construction and obtain the AOC’s. This estimated construction schedule takes into account the fact that during winter months, inclement weather (snow) will require a work stoppage of several months.”

On October 23, 2013, Staff contacted Mr. Patrick Black, Company legal representative to discuss the request for extension of time. Mr. Black indicated that Oak Creek Water has selected Kinney Construction as its general contractor and that actual construction began on October 18, 2013. The Company considers it likely that construction can be completed and the required Arizona Department of Environmental Quality (“ADEQ”) Approval of Construction (“AOC”) can be obtained by the requested extension date of December 31, 2014.

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Based on the application and all of the above, Staff does not object to the Company's request for further extension of time in this matter. Staff therefore recommends that the due dates for provision of the Approval of Construction for Project No. 1 be extended until December 31, 2014.

SMO:BKB:lhv

Originator: Brian K. Bozzo

SERVICE LIST FOR: OAK CREEK WATER COMPANY NO. 1  
DOCKET NO. W-01392A-09-0273

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