

COMMISSIONERS
MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE



ARIZONA CORPORATION COMMISSION

Brian McNeil
Executive Director

Direct Line: (602)542-3935
Fax: (602)542-0752
E-Mail wmundell@azcc.gov

September 13, 2007

Arturo Gabaldon, President
Community Water Company of Green Valley
PO Box 1078
Green Valley, AZ 85622-1078

Re: Proposed CAP Pipeline to Green Valley

Dear Mr. Gabaldon:

It is my understanding that the Community Water Company of Green Valley ("CWGV") intends to accept an offer by Augusta Resource Corporation ("ARC") to build a pipeline that would transport CAP water to Green Valley. It has been reported that this \$9-15 million pipeline would be paid for entirely by ARC as a goodwill gesture. I also understand that CWGV and ARC have signed a letter of intent to this effect. Please send me a copy of that letter at your earliest convenience.

Even though you have already met with Commission Staff on this issue, I feel that a public comment meeting on the proposal should be held in Green Valley in the near future. This will allow the customers of CWGV to weigh in on an important issue that will impact their community.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "William A. Mundell".

William A. Mundell, Commissioner
Arizona Corporation Commission

cc: Chairman Gleason
Commissioner Hatch-Miller
Commissioner Mayes
Commissioner Pierce
Dean Miller
Lace Collins