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ARIZONA CORPORATION COMMISSION

30MC

April 27, 2004

Arizona Corporation Commission
DOCKETED

APR 28 2004

AZ CORP COMMISSION
DOCUMENT CONTROL

2004 APR 28 A 8:48

RECEIVED

Mr. Jay Shapiro
Fennemore Craig
3003 North Central Ave.
Suite 2600
Phoenix, Arizona 85012

DOCKETED BY

Re: New River Utility Company - Application for an Extension of its Certificate of Convenience and Necessity (CC&N) Docket W-01737A-04-0274

Dear Mr. Shapiro,

In reference to the New River Utility Company Application for an Extension of its Certificate of Convenience and Necessity, dated April 9, 2004, this letter is to inform you, as we previously discussed, Staff's initial analysis has discovered significant compliance problems with the Maricopa County Environmental Services Department. (Attached)

As we discussed in our March 24, 2004 meeting with Mr. Reynolds, the City and yourself, Staff agreed to expedite review and process the Application to ensure Rencor Development and the City are able to obtain the targeted completion dates. Staff was also clear that expedited treatment would depend on the New River Utility Company's compliance status.

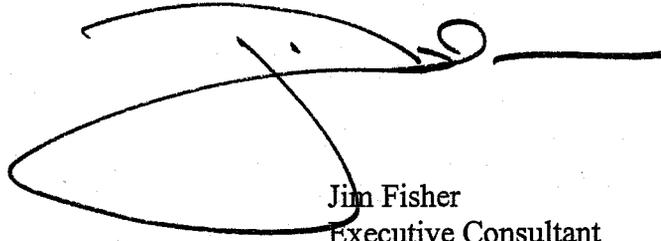
Staff discovery of the utility's non-compliance with the Maricopa County Environmental Services Department, unless resolved in a timely manner, will impact the treatment and recommendation in this case.

Please understand, Staff will continue to expeditiously process the Application as promised in our March 24, 2004 meeting, and subsequent discussions. In fact, a draft of the report is being circulated for approval and filing. However, as you are aware, Staff will not be able to recommend approval of the Application until your client is able to demonstrate current compliance status with the Maricopa County Environmental Services Department. Therefore, until such time as Staff is provided evidence of New River Utility Company compliance with Maricopa County Environmental Services Department, Staff will be required to make a recommendation consistent with New River Utility Company's non-compliance status.

Staff is hopeful the utility will be able to demonstrate compliance prior to the hearing on this application and the requested timeframes for approval can be met.

Should you have any questions or concerns on this matter, please contact me at (602) 542-0839.

Sincerely,

A handwritten signature in black ink, appearing to be "Jim Fisher", written over a horizontal line. The signature is stylized with a large loop and a horizontal stroke.

Jim Fisher
Executive Consultant
Utilities Division

Enclosure

C: Marshall Reynolds
Docket Control
Brian Bozzo
Jason Gellman
Lyn Farmer

04/13/2004 11:54

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AZ CORP COMM

PAGE 01

ARIZONA CORPORATION COMMISSION STATUS REQUEST

TO:
 Maricopa County Environmental Services Department
 Drinking Water Program Manager Attention: John Kolman
 1001 N. Central Ave. Suite 150
 Phoenix, AZ 85004-1935
 Phone 602-506-6666
 Fax 602-506-6925

DATE: April 13, 2004

Please Return the Completed Request Form to John A. Chelus (Tel: 602-542-7273 Fax: 602-542-0766)
 Water Company Name: New River Utility Company
 PWS I.D. Number: 07-051

Compliance Status Report

Overall Compliance Status: No Major Deficiencies Major Deficiencies
 Comments:

Monitoring and Reporting Deficiencies: No Deficiencies Major Deficiencies
 List deficiencies:

Operation and Maintenance Deficiencies: No Deficiencies Major Deficiencies
 Date of last inspection / sanitary survey: _____

Major Operation and Maintenance Deficiencies cited during inspection

- None
- unable to maintain 20 psi
- inadequate storage
- cross connection/backflow problems
- surface water treatment rule
- treatment deficiencies
- approval of construction
- certified operator
- other

Comments: see attached

Enforcement Action:

Has enforcement action been taken? Yes No
 Is water system in compliance with Consent / Compliance Orders/Agreements? Yes No

Comments: see attached

System Information:

Number of Points of Entry 2 Population Served 6500 Connections Served 2589

Compliance Review Conducted by: Doug Taylor R.S.

Phone: 602-506-6631 Date: 4/15/04

Based on data submitted by the water system, Maricopa County Drinking Water Program has determined that this system is currently delivering water that (meets/does not meet) water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned or operated by this utility company.



ENVIRONMENTAL SERVICES DEPARTMENT
WATER AND WASTE MANAGEMENT DIVISION
DRINKING WATER PROGRAM
MEMORANDUM

PUBLIC WATER SYSTEM COMPLIANCE STATUS REPORT

TO: New River Utility Company
File

FROM: John Kolman R.S.
Drinking Water Program Manager

DATE: 4/9/04

SUBJECT: REQUEST FOR COMPLIANCE STATUS INFORMATION RECEIVED

COMPLIANCE STATUS INFORMATION HAS BEEN REQUESTED FOR THE FOLLOWING
WATER COMPANY:

System Name: New River Utility Company

PWS ID#: 07-051

Assigned Monitoring Dates - Initial: 1/1/95. Phase II: 1/1/95. Phase V: 1/1/98.

Does the water system have a Certified Operator? Yes

Does the system have major physical/plant (treatment) deficiencies? No
Please describe: _____

Date of last inspection: April 12, 2004

Does the system have major O & M deficiencies? Minor

Please describe: Due to construction POE 002 does not have a fence surrounding the site and site needs well sign attached. Storage tanks at POE 003 have loose cathodic covers. Sites attached to POE 002 need weeds removed and fence repaired.

Does the system have water quality monitoring/reporting deficiencies? Yes

Please describe: System missed November 2003 total coliform monitoring. System is not performing total coliform monitoring in accordance with the SDWR. MAP reports population exceeding 6,000 which requires 7 monthly samples. System needs to perform missed monitoring public notice for November 2003 and incorrect monitoring for total coliform. System needs to submit new MSSP for review and approval based upon proper population and TTHM/HAA5 plan by June 1, 2004. System has attached an unapproved source to POE 003.

General Public Water System Compliance Status? Non-compliant, major

Number of Service Connections: 2589. Population Served: 6500.

Type of System: Community. Number of POE's: 2. Surface Water: N/A.

Date of compliance review: April 15, 2004. By: Doug Taylor R.S. Initials: DT
Phone: (602) 506-6631

