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BEFORE THE ARIZONA CORPORATION COMMISSION

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2005 MAR 22 P 4: 47
AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE FILING OF
SABROSA WATER COMPANY FOR AN
EMERGENCY INTERIM RATE INCREASE.

DOCKET NO. W-02111A-05-0167

**SUPPLEMENT TO APPLICATION
FOR EMERGENCY INTERIM RATE
RELIEF**

Sabrosa Water Company ("Sabrosa"), through undersigned counsel, hereby submits to the Arizona Corporation Commission ("Commission") this Supplement to Application for Emergency Interim Rate Relief filed on March 8, 2005 (the "Application"), as follows:

On March 8, 2005, Sabrosa submitted the Application to the Commission. In the Application, Sabrosa stated that one of the reasons emergency interim rate relief was necessary was the poor water quality of the Sabrosa wells. Sabrosa also stated that "at least 2 of Sabrosa's wells indicated the presence of Nitrate in the water." Application at 4-5.

On March 10, 2005, Sabrosa tested the Wright Well for Nitrates. Testing on the Wright Well was repeated on March 16, 2005. The average concentration of Nitrates in the two samples taken from the Wright Well was 11.5 mg/L. These results demonstrate that the presence of Nitrates in the Wright Well exceeds the established maximum containment level of 10 mg/L. A copy of a memorandum discussing the Wright Well testing and results is attached hereto as Exhibit 1 and by this reference incorporated herein (the "Nitrate Memorandum").

Upon learning of the results of the Wright Well testing, Sabrosa, among other things, isolated the Wright Well from the Sabrosa distribution system and sent a "Notification of Nitrate Exceedance" to each Sabrosa customer. A sample copy of the notification is attached to the Nitrate Memorandum.

Arizona Corporation Commission

DOCKETED

MAR 22 2005

DOCKETED BY

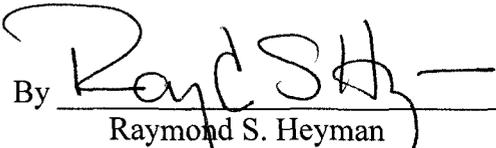
ROSHKA HEYMAN & DEWULF, PLC
ONE ARIZONA CENTER
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PHOENIX, ARIZONA 85004
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1 As explained in the Nitrate memorandum, the Nitrate levels in the Wright Well (and even
2 the Zorillo Well) underscore the emergency situation that exists with Sabrosa and further justifies
3 the emergency rate increase that has been requested. Without additional revenue, Sabrosa will be
4 unable to properly operate and maintain its system or adequately meet the needs of its customers.

5 Wherefore, for all the foregoing supplemental reasons, Sabrosa requests that the
6 Commission expeditiously grant the relief requested in the Application.

7 RESPECTFULLY SUBMITTED this 22nd day of March 2005.

8 ROSHKA HEYMAN & DEWULF, PLC

9
10 By 

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13 One Arizona Center
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15 Phoenix, Arizona 85004
16 Attorneys for Sabrosa Water Company

17 Original and 13 copies of the foregoing
18 filed this 22nd day of March 2005 with:

19 Docket Control
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007

23 Copy of the foregoing hand-delivered/mailed
24 this 22nd day of March 2005 to:

25 Chairman Jeff Hatch-Miller
26 Arizona Corporation Commission
27 1200 West Washington Street
Phoenix, Arizona 85007

Commissioner Marc Spitzer
Arizona Corporation Commission
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23 By Mary Appolito
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MEMORANDUM

TO: Trevor Hill
Cindy Liles

FROM: Graham Symmonds

DATE: 22 March 2005

RE: Nitrate Level – Wright Well
Sabrosa Water Company

SENT BY: Email **PAGES:** 3

BACKGROUND

Routine nitrate analysis at the Sabrosa Water Company has indicated that the Wright Well water exceeds the maximum contaminant level (“MCL”) for nitrate (NO₃-N). The MCL for nitrate is 10 mg/L. Water tested Wright Well shows the following:

Date Analysis Received	NO ₃ -N
10 March 2005	11 mg/L
16 March 2005	12 mg/L

By the Safe Drinking Water Act, on exceeding an MCL, a contingency plan is implemented which allows for a check sample to be taken. The original sample and the check sample are then averaged to determine the reportable level. In this case, the average of the two samples (11.5 mg/L) exceeds the MCL.

Levels from the Zorillo Well initially showed a nitrate level of 9.8 mg/L, but the check sample returned at 5.1 mg/L. This makes the reportable value 7.5 mg/L. This is below the MCL. However, due to the fact the value exceeds the trigger (5.0 mg/L), Sabrosa will continue to require quarterly sampling for nitrate at the POEs.

The Sabrosa Well was not running during the sampling period.

IMMEDIATE ACTION

On notification of the first sample results, GWM staff isolated the Wright Well from service. A second sample was taken to confirm the results. On notification that the check sample confirmed the original sample, on 17 March 2005 GWM contacted:

1. Jenny Young, Maricopa County Environmental Services Department; and
2. John Calkin, Arizona Department of Environmental Quality.

An exceedance of an MCL for nitrate requires initiation of an acute reporting protocol (24 hour public notice). This notice was mailed by first class mail to each Sabrosa Water Customer on 17 March 2005 (a copy of this notice is included as an attachment). In addition, the notice was placed on the GWR web-site (www.gwresources.com).

HEALTH EFFECTS OF NITRATE

Nitrate is a regulated primary contaminant under the Safe Drinking Water Act due to its potential for causing serious health problems. The following is taken from the USEPA web-site:

Short-term: Excessive levels of nitrate in drinking water have caused serious illness and sometimes death. The serious illness in infants is due to the conversion of nitrate to nitrite by the body, which can interfere with the oxygen-carrying capacity of the child's blood. This can be an acute condition in which health deteriorates rapidly over a period of days. Symptoms include shortness of breath and blueness of the skin.

Long-term: Nitrates and nitrites have the potential to cause the following effects from a lifetime exposure at levels above the MCL: diuresis, increased starchy deposits and hemorrhaging of the spleen.

SUSPECTED ROUTE OF ENTRY

The Sabrosa Water Company system is rural-based. Many residents maintain livestock activity in the area. The significant amount of rain received in the area in January and February has likely caused an increase in the water reaching the water table. This run-off water will carry nitrate from the surface to the groundwater. The other wells in the area may also be susceptible to nitrate contamination, although the Wright Well in particular is situated in direct contact with animal husbandry activities.

FOLLOW-ON ACTIVITY

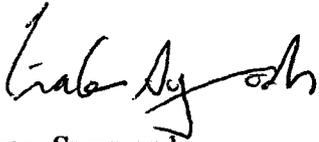
GWM will continue to monitor the nitrate levels at Sabrosa. Operations staff have undertaken the following activities:

1. The Wright Well will remain isolated from the distribution system;
2. Additional samples for nitrate have been taken from the distribution system;
3. Staff are incrementally changing the water in the water storage tank by dropping approximately 2.5 feet every two days, and allowing the tank to be filled from the Zorillo Well; and

4. Increased routine monitoring of nitrate at the POE's is being undertaken.

CONCLUSIONS

The isolation of the Wright Well due to nitrate contamination represents a loss of one quarter of the production capacity of the Sabrosa Water Company. In addition, this highlights the susceptibility of the wells to contamination, and probably explains the bacteriological hits associated with the system prior to the installation of the chlorination system under Arizona American Water's term as interim manager. As the company moves into the summer season, water supply will become critical. An alternative supply for this system will be a requirement in the near future.



Graham Symmonds
VP Compliance

SABROSA WATER COMPANY
A Global Water Managed Utility

Our File: SWC/Regulatory/MCESD/Reporting

17 March 2005

«AddressBlock»

Re: NOTIFICATION OF NITRATE EXCEEDANCE
Sabrosa Water Company PWS# 07-052

«GreetingLine»

This letter is to inform you that water from the Wright Well analyzed by Global Water Resources personnel exceeded the Maximum Contaminant Level ("MCL") for nitrate (NO₃-N). The MCL for nitrate is 10 mg/L; the water from the Wright Well measured 11.5 mg/L.

In response to this data, GWR has isolated the Wright Well from the distribution system. Water is still available from the Zorillo Well and the Sabrosa Well which meets all MCLs.

NOTICE

Analyte	MCL (mg/L)	Measured Value (mg/L)	Sources	Health Effects
Nitrate	10	11.5	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits.	Infants below the age of six months who drink water containing nitrate in excess of the MCL could become seriously ill and, if untreated, may die. Symptoms include shortness of breath and blue-baby syndrome.

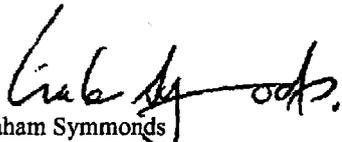
Should you need additional information, please contact:

1. Global Water Resources Customer Service: 623-580-9600
2. Maricopa County Environmental Services Department: 602-506-6616

Global Water Resources will continue to analyze water from the Wright Well to determine the potential for re-connecting the source to the distribution system in the future. In the interim, the isolation of this well represents a loss of production capacity in the system, and therefore all residents are urged to conserve water.

Sincerely,

GLOBAL WATER MANAGEMENT, LLC


Graham Symmonds
Vice President Compliance

cc. ADEQ
MCESD
ACC