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ORIGINAL

**MEMORANDUM**

30SM

TO: Docket Control 2006 MAR -3 P 2:49

FROM: Ernest G. Johnson *[Signature]* AZ CORP COMMISSION  
 Director DOCUMENT CONTROL  
 Utilities Division

DATE: March 3, 2006

RE: Docket No. W-20378A-05-0536 New Life Trust, Inc. and  
 Docket No. W-20395A-05-0536 Dateland Water, LLC

On February 15, 2006 Administrative Law Judge Yvette Kinsey filed a Procedural Order in this docket. In the Procedural Order Staff was ordered to provide "updated information from ADEQ regarding the applicant's violations, updated information on steps the Company has taken to address its water quality issues, and any further recommendations." Staff was ordered to file this information not later than March 3, 2006.

Since the Procedural Order, Staff has had numerous discussions with Mr. Ben Thomas, Manager, Dateland Water, LLC ("Company") and representatives from the Arizona Department of Environmental Quality ("ADEQ"). Attachment A is a copy of the Public Notice that was sent to customers and filed with the Commission's Docket Control on February 6, 2006. ADEQ provided the form of this notice and reviewed its content prior to its release to the public. The Notice listed four violations of ADEQ regulations and provided information on what was being done to correct each violation. The table below lists each violation and provides updated information on what action has been taken or will be taken to address each violation.

<b>Violation:</b> System failed to monitor for nitrates in 2000, 2002 and 2005.	<b>Action/Update:</b> Nitrate sampling was taken on 1/30/06. Sample in compliance with MCL.
<b>Violation:</b> System tested positive in January 2006 for total coliform.	<b>Action/Update:</b> A series of four tests will be taken. The two tests in the series taken in February were negative.
<b>Violation:</b> System failed to monitor lead and copper during the period of 2000 through 2005.	<b>Action/Update:</b> First set of initial lead and copper was conducted in January 2006. Samples in compliance with MCL. Additional lead and copper test conducted, waiting for test results.
<b>Violation:</b> System exceeded the MCL for floride in 2000, 2001 and 2003, and did not conduct floride testing in 2002, 2004 and 2005.	<b>Action/Update:</b> Floride will be tested as part of the MAP tests in 2006. Company plans to begin construction of a treatment plant in 2006 that will remove floride and improve its water quality.

Attachment B is correspondence to Mr. Thomas from ADEQ's Water Quality Enforcement Unit which includes testing status and results for the system in question. This correspondence indicates that the system is in compliance with the exception of floride. Attachment C is a letter sent to Staff from Mr. Thomas which outlines actions being taken by the Company to address its water quality issue.

Staff concludes that reasonable action is being to taken by the Company to address its water quality issue. Staff recommends that the Company be required to file with Docket Control, as a compliance item in this docket, the Approval to Construct issued by ADEQ for its proposed water treatment plant by September 30, 2006.

EGJ:DWS:tdp

Originator: Del Smith

Attachment: Original and 13 Copies

Service List for: New Life Trust LLC  
Docket Nos. W-20378A-05-0536 AND W-20395A-05-0536

Mr. Ben Thomas  
3412 West 2<sup>nd</sup> Street  
Anacortes, Washington 98221

Mr. Ernest G. Johnson  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Mr. Christopher C. Kempley  
Chief, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Lyn Farmer  
Chief, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

New Life Trust, Inc.  
dba Dateland Utilities  
3412 W. 2<sup>nd</sup> St.  
Anacortes, WA 98221

RECEIVED

2006 FEB -6 P 2:39

AZ CORP COMMISSION  
DOCUMENT CONTROL

RE: Docket Numbers W-20378A-05-0536 & W-20395A-05-0536

I, Ben Thomas, do hereby certify that on February 2, 2006 I have sent to each of our customers both pages of the attached PUBLIC NOTICE.

*[Faint circular stamp]*

FEB 03 2006

*[Faint text]*

*Ben Thomas*

*2-2-2006*

Ben Thomas  
New Life Trust, Inc.  
dba Dateland Utilities

date

A similar notice will be posted in a public place in our service area and this posting will be witness by a notary per ADEQ requirements.

**PUBLIC NOTICE**  
**IMPORTANT INFORMATION ABOUT YOUR**  
**DRINKING WATER**

**DATELAND UTILITIES WATER COMPANY**  
**Public Water System (PWS) #14-032**

By State law we are required to routinely collect samples from our water system and submit the results to the Arizona Department of Environmental Quality (ADEQ). Our Water System recently violated a number of State regulations. Although these incidents do not require that you take immediate action, as our customers, you have a right to know what happened and what we are doing to correct the situation.

**Violation:** The Water System failed to monitor for **Nitrates** during the periods: 2000, 2002 and 2005.

- **What Should I Do:** Infants below the age of 12 months as the quality of the water regarding nitrates is not known. Infants who drink water containing nitrate in excess of the maximum contaminant level (MCL) of 10 mg/l could become seriously ill, and if untreated, may die. Symptoms include shortness of breath and blue-baby syndrome.
- **What Is Being Done To Correct The Situation:** By February 15, 2006, we will conduct the nitrate test for 2006. You will be informed of the results.

**Violation:** The Water System tested Positive in January 2006 for **Total coliform**.

- **What Should I Do:** You are not required to do anything at this time. Coliform's are bacteria that are naturally present in the environment and are used as an indicator that other, potentially harmful, bacteria may be present.
- **What Is Being Done To Correct The Situation:** During the months of February and March, we will conduct a series of tests and investigate to identify the source of the coliform. You will be informed of the results.

**Violation:** The Water Supplier failed to monitor for **Lead and Copper** during the periods: 2000 through 2005.

- **What Should I Do:** You are not required to do anything at this time.
- **Copper** is an essential nutrient, but some people who drink water containing copper in excess of the action level over a relatively short amount of time could experience gastrointestinal distress. Some people who drink water containing copper in excess of the action level over many years could suffer liver or kidney damage. People with Wilson's Disease should consult their personal doctor.
- **LEAD:** Infants and children who drink water containing lead in excess of the action level could experience delays in their physical or mental development. Children could show slight deficits in attention span and learning abilities. Adults who drink this water over many years could develop kidney problems or high blood pressure.
- **What Is Being Done To Correct The Situation:** By March 1, 2006, we will collect the first of two consecutive six-month samples. The second sample will be collected on/around July 31, 2006. You will be informed of the results.

**PUBLIC NOTICE**  
**IMPORTANT INFORMATION ABOUT YOUR**  
**DRINKING WATER**  
**Dateland Utilities Water Company**  
**(PWS #14-032)**

**Violation:** The Water System exceeded the MCL for **Fluoride** during the periods: 2000, 2001 and 2003, and did not conducted fluoride testing during 2002, 2004 or 2005.

- **What Should I Do:** You are not required to do anything at this time. Some people who drink water containing fluoride in excess of the MCL over many years could get bone disease, including pain and tenderness of the bones. Children may get mottled teeth.
- **What Is Being Done To Correct The Situation:** A series of follow-up tests will be performed, and testing will be conducted in the future, as required by State law. We are developing plans to introduce a reverse osmosis (RO) water treatment plant to address the situation. We expect the RO system to be installed within the next 18 months.

For more information, please contact Ben Thomas @ 360-293-2105

Please share this information with others who drink this water, especially those who may not have received this notice directly.

This notice is being posted by Ben Thomas of Dateland Utilities.

Public Water System #14-032.

Date: February 2, 2006

Posting witnessed by: (notary )

Date:

4514 11001111 -



lambenthomas@hotmail.com

Printed: Thursday, March 2, 2006 3:19 PM

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**From :** Vivian Burns <Burns.Vivian@azdeq.gov>  
**Sent :** Tuesday, February 28, 2006 1:46 PM  
**To :** <lambenthomas@hotmail.com>  
**CC :** <SunstateES@aol.com>  
**Subject :** Dateland Sample Tracking Sheet

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 Attachment : DatelandU\_14-032.xls (0.02 MB)

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Mr. Thomas,

Attached is an ADEQ Sample Tracking Sheet for Dateland Utilities. I use the tracking sheet to establish compliance for a water supplier. The tracking sheet show Dateland to be in compliance with outstanding non-compliance issues, with the exception of high fluoride readings.

I hope the sheet is of some use to you.

Please let me know if I can be of further help.

Vivian Burns, Case Manager  
Arizona Department of Environmental Quality  
Water Quality Enforcement Unit

(602) 771-4608

## Enforcement Unit - Sampling Tracking Sheet

**Facility Name:** Dateland Util (Comm Water Sys)

**Facility Number:** 14-032

**Report Date:** Updated 02/28/06

### Sampling Information

Contam- inant:	Sample Date:	Date Sample Collected:	Sampling Outcome:	Comments: MAP '03, Pop 100, GW
Nitrate - Nitrite	2000	No Sampling	No Sampling	
	2001	1/22/2001	6.60	
	2002	No Sampling	No Sampling	
	2003	9/22/2003	0.00	
	2004	6/10/2004	1.00	
	2005	No Sampling	No Sampling	
	2006	1/30/2006	1.14	
<b>Total Coliform</b>	Jan - Dec 2000			
	Jan - Dec 2001			Missing: Feb
	Jan - Dec 2002			Missing: June and Dec
	Jan - Dec 2003			Missing: Feb
	Jan - Dec 2004	All sampling was completed		
	Jan - Dec 2005			Missing: Apr through Dec.
	Jan - Dec 2006	1/6/2006	Positive	Follow-up: 01/27/06 (x) 4

L&C: 11/16/99 = 0.0 (only tested for L&C in '99)

First set of Initial Lead and Copper conducted 01/26/06 Results: 0.01, <, 0.08, 0.02 and <.

**Cert Oper:** Sunstate Environmental - Rick Miller

CCR: updated to 2004.

M:Excel/Enf - Sampling Tracking Sheet

<b>Enforcement Unit - Sampling Tracking Sheet</b>				
<b>Facility Name: Dateland Util (Comm Water Sys)</b>				
<b>Facility Number: 14-032</b>			<b>Report Date:</b>	
<b>Sampling Information</b>				
<b>Contam- inant:</b>	<b>Sample Date:</b>	<b>Date Sample Collected:</b>	<b>Sampling Outcome:</b>	<b>Comments:</b>
<b>Arsenic</b>	2000	08/09/00 04/21/00	0.038 0.038	MAP
	2001	No testing done		
	2002	No testing done		
	2003	03/20/03	0.03	MAP
	2004	No testing done		
	2005	No testing done		
	2006			MAP testing due
<b>Fluoride</b>	2000	04/21/00 08/09/00 11/09/00	7.33 7.00 7.20	
	2001	1/22/2001	6.60	
	2002	No testing done		
	2003	03/20/03 10/22/03	6.50 6.65	MAP
	2004	No testing done		
	2005	No testing done		
	2006	1/6/2006		MAP testing due

Public Notice was posted by Dateland on Feb. 3, 2006 covering missed nitrate, total coliform and lead & copper monitoring, plus high fluoride readings.

New Life Trust, Inc,  
3412 West 2<sup>nd</sup> Street  
Anacortes, WA 98221

Dell Smith  
Arizona Corporation Commission  
Utilities Division  
1200 West Washington  
Phoenix, AZ 85007  
Fax # 602-542-0766

March 2, 2006

RE: New Life Trust Compliance Status

Dear Dell:

Per Jim Puckett (compliance) and Vivian Burns (enforcement), both with ADEQ, we are in compliance with everything except fluoride. Several total coliform tests in 2004 and 2005 were mistakenly assigned the wrong water system ID number by our certified operator but this has been corrected.

The engineer we have hired, Joseph Jason with J2 Engineer Company, is in the process of designing a 25 gallon per minute water treatment plant using reverse osmosis (RO). This RO system will be located near our well in a building that will also hold our booster pumps required for fire protection. This RO system will remove fluoride, arsenic and sodium and bring our water quality to state standards. We anticipate to have this RO plant operating by 4-1-2007. Dateland Water LLC will be the company providing the capital to make these improvements, so this time line could be delayed if the sale of the water assets are delayed.

We have allowed 3 months to submit plans to ADEQ; 4 months to obtain permission from ADEQ to construct and to obtain a Type 3 General Permit for Lined Impoundment (evaporation pond for RO waste water); and 6 months to construct facilities and to obtain ADEQ approval to operate; which totals 13 months.

Sincerely,



Ben Thomas  
New Life Trust, Inc.