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CORP COMMISSION
DOCUMENT CONTROL

Transcript Exhibit(s)

Docket #(s): W-01445A-05-0705

Exhibit # : A-1, S-1, S-2, S-3

Arizona Corporation Commission
DOCKETED

APR 07 2006

DOCKETED BY

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*** TX REPORT ***
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RESULT	OK	

ARIZONA WATER COMPANY
Phoenix Office: P. O. Box 29006 - Phoenix, AZ 85038-9006
Phone: 602.240.6860 Fax: 602.240.6878 Email: mail@azwater.com Email: mail@azwater.com

FAX TRANSMISSION SHEET

To: Patricia D. Olsen, President
Montezuma Rimrock Water Co., LLC
Facsimile Number 1-928-226-0278

Date: March 7, 2006

From: Robert W. Geake

Pages including this cover sheet: 11

Subject: Arizona Water Company – Docket No. W-01445A-05-0705

The pages that follow may contain sensitive, privileged or confidential information intended solely for the addressee named above. If you receive this message and are not the agent or employee of the addressee, this facsimile communication has been sent in error. Please do not disseminate or copy any of the attached and notify the sender immediately by telephone. Please also return the attached sheet(s) to the sender by mail.

Attached is a copy of Arizona Water Company's First Set of Data Requests to Montezuma Rimrock Water Co., LLC in the above-referenced matter.

The original letter and data request are being mailed to you via U. S. Mail.

Should you have questions, please contact me at 602.240.6860 or bgeake@azwater.com.

lar

Attachments

EXHIBIT
A-1
admitted RB

ARIZONA WATER COMPANY

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006
PHONE: (602) 240-6860 • FAX: (602) 240-6878 • WWW.AZWATER.COM

March 7, 2006

Patricia D. Olsen, President,
Montezuma Rimrock Water Co. LLC,
P.O. Box 10,
4599 E. Goldmine Road,
Rimrock, AZ 86335

Re: Arizona Corporation Commission
Docket No. W-01445A-05-0705

Dear Ms. Olsen:

Please treat this as Arizona Water Company's first set of data requests to Montezuma Rimrock Water Co. LLC, in the above-captioned matter.

For purposes of this data request, the words "Montezuma Rimrock", "you" and "your" refer to, any representative, including every person and/or entity acting with, under the control of, or on behalf of the Montezuma Rimrock Water Co. LLC,

This data request is continuing in nature, and your answers or any documents supplied in response to this data request should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

Please respond within seven (7) calendar days of your receipt of the fax of this letter. Please provide a copy of any documents produced in response to any part of your response.

If you have any questions regarding this request, please call me at your earliest convenience.

Very truly yours,

Robert W. Geake

Robert W. Geake
Vice President and General Counsel

lar
Enclosure
VIA FAX and CERTIFIED MAIL

cc: Lee Hetrick
Route - Phonenix Staff

ARIZONA WATER COMPANY'S FIRST SET OF DATA REQUESTS TO MONTEZUMA RIMROCK CO. LLC
DOCKET NO. W-01445A-05-0705
March 7, 2006

1.1 With respect to each and every witness Montezuma Rimrock may call or will call to testify at the March 21, 2006, hearing before the Arizona Corporation Commission in this matter, please provide (a) name (b) present address, (c) present occupation, and (d) telephone number.

1.2 With respect to each and every witness listed in response to Item 1.1 above, please provide a brief summary of the testimony that you expect the witness to provide.

1.3 Please provide a copy of each and every exhibit you will offer, expect to offer, or may offer into evidence at the hearing to be held before the Arizona Corporation Commission in this matter.

1.4 As to each exhibit produced in response to item 1.3 above, please state who prepared the exhibit and the date of its preparation.

1.5 For each person or entity to whom Montezuma Rimrock is currently providing water service or who has requested service from Montezuma Rimrock for any property located within Parcel 3 as identified in CC&N Application in Docket No. W-01445A-05-0705, please provide the following:

A) The name and address of the person or entity:

For each person or entity identified, indicate:

B) The date when service commenced or is expected to be commenced:

1.6 Please identify with particularity any and all water service facilities that Montezuma Rimrock owns and/or has installed in Parcel 3 as identified in 1.5 above.

1.7 Please provide copies of any agreements that Montezuma Rimrock has entered into with any person or entity concerning water service to Parcel 3 as identified in 1.5 above.

1.8 Please identify the source of water supply and storage Montezuma Rimrock will use to meet the water demands to serve Parcel 3 as identified in 1.5 above.

1.9 Please identify the name(s), address (es), and telephone number(s) of all persons who prepared or helped in the preparation of any of the responses to this data request.

L David ✓

MEMORANDUM

2006 FEB 21 P 2:09

AZ CORP COMMISSION
DOCUMENT CONTROL

TO: Docket Control
Arizona Corporation Commission

FROM: Ernest G. Johnson
Director
Utilities Division

for

Date: February 21, 2006

RE: STAFF REPORT FOR ARIZONA WATER COMPANY TO EXTEND ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY AT RIMROCK, YAVAPAI COUNTY, ARIZONA. (DOCKET NO. W-01445A-05-0705)

Attached is the Staff Report for the application of Arizona Water Company for an extension of its existing Certificate of Convenience and Necessity. Staff recommends approval with conditions.

EGJ:LAJ:tdp

Originator: Linda A. Jaress

Attachment: Original and 13 Copies

RECEIVED
FEB 21 2006
LEGAL DIV.
ARIZ. CORPORATION COMMISSION

EXHIBIT
S-1
admitted KB

Service List for: Arizona Water Company
Docket No. W-01445A-05-0705

Robert W. Geake
Vice President and General Counsel
Arizona Water Company
Post Office Box 29006
Phoenix, Arizona 85038-9006

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

Mr. Ernest G. Johnson
Director, Utilities 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

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

ARIZONA WATER COMPANY

DOCKET NO. W-01445A-05-0705

APPLICATION FOR EXTENSION
OF CERTIFICATE OF ITS
CONVENIENCE AND NECESSITY

February 2006

STAFF ACKNOWLEDGMENT

The Staff Report for Arizona Water Company (Docket No. W-01445A-05-0705) was prepared by the Staff members listed below. Linda A. Jaress performed the review and analysis of the Company's application. Del Smith prepared the engineering report.

Linda A. Jaress
Executive Consultant III

Del Smith
Chief Engineer

EXECUTIVE SUMMARY
ARIZONA WATER COMPANY.
APPLICATION TO EXTEND ITS CERTIFICATE OF CONVENIENCE
DOCKET NO. W-01445A-05-0705

On October 5, 2005, Arizona Water Company ("Arizona Water" or "the Company") filed an application for approval of an extension to its Certificate of Convenience and Necessity ("CC&N") for its Rimrock system. Before the end of five years, Arizona Water expects to serve 50 customers in the extension area.

The proposed extension area encompasses portions of three sections in an unincorporated area north of the town of Camp Verde in Yavapai County. The extension area is contiguous to the Rimrock system and to Montezuma Rimrock Water Company, LLC ("Montezuma"). Arizona Water intends to run a 12-inch main from its current service territory which is below Parcel Two, up through the eastern half of Parcel Two to reach the proposed development to be located in Parcel One.

Staff has concluded that it is in the public interest for the Commission to approve the extension of Arizona Water's CC&N into Parcels One and Two. Arizona Water has filed a request for service from a developer for Parcel One and the proposed twelve-inch main will run through Parcel Two enabling the availability of water service in that parcel. Staff also concluded that it is not in the public interest at this time for the Commission to approve the extension into Parcel Three due to a lack of a request for service and its proximity to Montezuma.

Staff recommends that the Commission approve the application of Arizona Water for approval of an extension of its CC&N to only Parcel One and Parcel Two as described in Exhibit 1. The request for extension into Parcel 3 should be denied.

Staff also recommends the following:

1. Arizona Water should file in Docket Control, as a compliance item in this docket, a copy of the Approval to Construct for the extension facilities within one year from the date of the decision in this matter.

2. Arizona Water should charge its authorized Rimrock system rates and charges to the customers within the extension area until such time as they are changed by order of the Commission.

3. Arizona Water should file in Docket Control copies of the developer's letter of Adequate Water Supply stating that there is adequate water for the requested area, no later than one year from the effective date of an order approving this extension.

4. Failure to meet the deadlines set forth in recommendations 1 and 3 above should, after due process, cause the grant of the CC&N extension to be null and void.

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ENGINEERING REPORT 3

Introduction

On October 5, 2005, Arizona Water Company ("Arizona Water" or "the Company") filed an application for approval of an extension to its Certificate of Convenience and Necessity ("CC&N") for its Rimrock system. Before the end of five years, Arizona Water expects to serve 50 customers in the extension area.

The Company is a corporation providing water utility service to 74,686 customers in eight counties in Arizona. The Rimrock system, to which this extension will be added, serves approximately 1,190 customers.

The Extension Area Requested

The proposed extension area encompasses portions of three sections in an unincorporated area north of the town of Camp Verde in Yavapai County. The attached Exhibit 1 illustrates the extension area and its proximity to the current Rimrock system and to Montezuma Rimrock Water Company, LLC ("Montezuma"). It can be seen that the requested extension into section 36, is contiguous to Montezuma's service territory on the east. Exhibit 2 illustrates the same area with the three parcels at issue labeled for ease of reference.

Arizona Water has a request for service from one property owner, American West Capital One, L.C., for its Beaver Creek Preserve development which covers approximately 95 acres of section 26 (Parcel One). Arizona Water intends to run a 12-inch main from its current service territory which is below Parcel Two, up through the eastern half of Parcel Two to reach the proposed development to be located in Parcel One. According to Arizona Water, there are several homes that will be in close proximity to the proposed line that runs through Parcel 2. Thus, Arizona Water is requesting an extension through both Parcel One and Parcel Two.

Arizona Water does not have any requests for service from property owners in Parcel Three. It is requesting that area because it is also close to the 12-inch main.

Montezuma

Decision No 67583, dated February 15, 2005, granted a sale of assets and transfer of CC&N of Montezuma Estates Property Owners Association ("MEPOA") to Montezuma, a for-profit water company. According to the Decision, during the course of the proceeding, Arizona Water informed Staff that it was interested in acquiring Montezuma. However, at the administrative hearing in the Montezuma transfer proceeding, one witness testified that the board of MEPOA met with its members who indicated that they did not want to sell to Arizona Water.

Due to the proximity of Arizona Water's proposed extension area to Montezuma, Staff contacted Montezuma to insure that it was aware of the pending extension request. In a telephone conversation with Staff, a representative of Montezuma indicated she had received requests for service from prospective customers in Parcel Three. Upon Montezuma's request,

Staff faxed Montezuma information necessary to intervene in the case. Montezuma has not requested intervention, produced any requests for service, nor has it contacted Staff to indicate further interest in the proceeding. However, Arizona water has not come forth with any requests for service in Parcel Three either. Under these circumstances where Arizona Water does not have requests for service from Parcel Three and the parcel is contiguous to another water company's service territory, Staff recommends that the Commission deny the application of Arizona Water to extend its CC&N into Parcel Three.

The Water System

The Rimrock system is comprised of six wells with a total production capacity of 485 gal/min, 460,000 gallons of storage capacity, booster pumps, pressure tanks, and a distribution system serving approximately 1,200 connections. Further details about the system can be found in Staff's Engineering Report attached as Exhibit 3. Staff determined that, including customer growth in the current service territory along with the addition of the customers in the proposed extension area, Arizona Water will have sufficient capacity to provide service to the extension area.

Financing of the Extension Facilities

The facilities necessary to provide service to the extension area will be financed by a main extension agreement.

Arizona Department of Environmental Quality ("ADEQ") Compliance

ADEQ regulates the Rimrock water system and has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.

The Company has not received the Certificate of Approval to Construct for the proposed facilities. Staff recommends that the Company submit such approval to the Commission as a docketed, compliance item, within one year of the effective date of the order in this proceeding.

Arizona Department of Water Resources Compliance ("ADWR")

The Rimrock system is not within any Active Management Area and is not subject to ADWR's reporting and conservation rules. However, Arizona Water should file in Docket Control copies of the developer's letter of Adequate Water Supply stating that there is adequate water for the requested area, no later than one year from the effective date of an order approving this extension.

ACC Compliance and Complaints

According to the Utilities Division Compliance Section, Arizona Water has no outstanding ACC compliance issues. According to a review of complaints from customers filed with the Consumer Services section, there were no complaints or comments filed by customers of the Rimrock division during 2005 and 2006.

Arsenic

The most recent lab analysis submitted by the Company indicated that the arsenic levels in several of its wells exceed the new arsenic standard. The Company is currently in the process of constructing arsenic remediation facilities to meet the new standard in its Rimrock system.

Proposed Rates

Arizona Water will provide water utility service to customers within the extension area under its currently authorized rates and charges for the Rimrock system.

Franchise

Arizona Water has a franchise agreement with Yavapai County which encompasses the extension area.

Conclusions and Recommendations

Staff has concluded that it is in the public interest for the Commission to approve the extension of Arizona Water's CC&N into Parcels One and Two. Arizona Water has filed a request for service from a developer for Parcel One and the proposed twelve-inch main will run through Parcel Two enabling the availability of water service in that parcel. Staff also concluded that it is not in the public interest at this time for the Commission to approve the extension into Parcel Three due to a lack of a request for service and to its proximity to Montezuma.

Staff recommends that the Commission approve the application of Arizona Water for approval of an extension of its CC&N to only Parcel One and Parcel Two as described in Exhibit 1. The request for extension into Parcel 3 should be denied.

Staff also recommends the following:

1. Arizona Water should file in Docket Control, as a compliance item in this docket, a copy of the Approval to Construct for the extension facilities within one year from the date of the decision in this matter.

2. Arizona Water should charge its authorized Rimrock system rates and charges to the customers within the extension area until such time as they are changed by order of the Commission.

3. Arizona Water should file in Docket Control copies of the developer's letter of Adequate Water Supply stating that there is adequate water for the requested area, no later than one year from the effective date of an order approving this extension.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to Arizona Water be considered null and void, after due process, should the Company fail to meet conditions 1 and 3 listed above within the time specified.

EXHIBIT 1

MEMORANDUM

TO: Linda Jaress
Executive Consultant III
Utilities Division

FROM: Barb Wells
Information Technology Specialist
Utilities Division

THRU: Del Smith
Engineering Supervisor
Utilities Division

DATE: December 7, 2005

RE: **ARIZONA WATER COMPANY (DOCKET NO. W-01445A-05-0705)**
AMENDED LEGAL DESCRIPTION

The area requested by Arizona Water for an extension has been plotted with no complications using an amended legal description, which has been docketed. This legal description is attached and should be used in place of the original description submitted with the application.

Also attached is a copy of the map for your files.

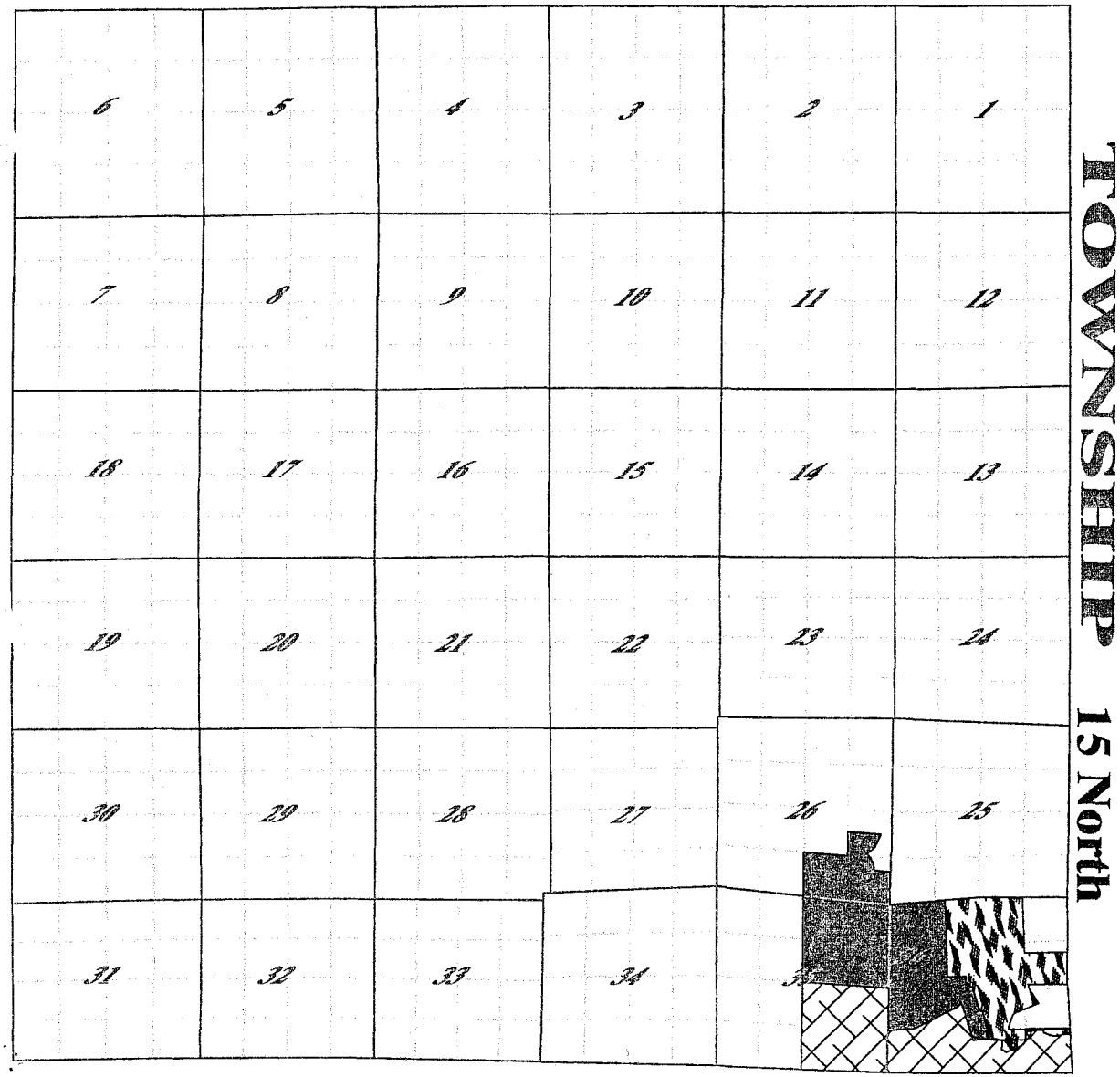
:bsw

Attachments

cc: Docket Control
Mr. Robert Geake
Ms. Deb Person (Hand Carried)
File

COUNTY: *Yavapai*

RANGE 5 East



W-1445 (5)(1)
Arizona Water Company (River Valley)

W-4254 (1)
Montezuma Rimrock Water Company, LLC

Arizona Water Company
Docket No. W-01445A-05-0705
Application for Extension

TR15N5E 15 FEB 2005

EXHIBIT 1

CC&N This Application
REVISED

PARCEL ONE

A parcel of land situated within the Southeast quarter of Section 26, Township 15 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at the Southwest corner of said Southeast quarter;

Thence N00°15'49"W, a distance of 1392.97 feet to the Northwest corner of the South half of the Southeast quarter of said Section 26;

Thence S85°10'44"E, a distance of 1341.11 feet to the Southwest corner of the South half of the Northeast quarter of the Southeast quarter of said Section 26;

Thence N00°16'13'"W, a distance of 709.28 feet to the Northwest corner of said South half of the Northeast quarter of the Southeast quarter of said Section 26;

Thence S85°42'56"E, along the North line of said South half of the Northeast quarter of the Southeast quarter of said Section 26, a distance of 1018.16 feet;

Thence S23°56'15"W, along the boundary of Thunder Ridge - Phase V, according to Book 52 of Maps, Pages 27, 28 and 29 of records, Yavapai County, Arizona, a distance of 414.11 feet;

Thence S49°52'50"W, along said boundary, a distance of 292.91 feet;

Thence S31°19'38"E, along said boundary, a distance of 338.57 feet;

Thence S08°55'58"E, along said boundary, a distance of 226.69 feet;

Thence S82°57'02"E, along said boundary, a distance of 511.00 feet;

Thence S00°17'07"E, along the East line of the Southeast quarter of said Section 26, a distance of 1047.53 feet to the Southeast corner said Section 26;

Thence N84°04'52"W, a distance of 2687.84 feet to The POINT OF BEGINNING.

PARCEL TWO

The Northeast quarter of Section 35, Township 15 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

PARCEL THREE

That portion of Section 36, Township 15 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at the Northwest corner of said Section 36;

Thence N84°25'00"E, coincident with the North line of said Section 36, a distance of 1669.20 feet to the Northwest corner of Lake Montezuma Estates, Unit One, according to Book 13, Map 29 of records, Yavapai County, Arizona;

Thence S02°01'45"E, along the westerly boundary line of said Unit One, a distance of 2339.99 feet;

Thence N88°24'55"E, along a boundary line of said Unit One, a distance of 534.25 feet;

Thence S02°01'45"E, along a boundary line of said Unit One, a distance of 162.84 feet to a corner of said Lake Montezuma Estates Unit One, said corner also being a corner of Lake Montezuma Estates Unit Two, according to Book 13, Map 30 of records, Yavapai County, Arizona;

Thence continuing S02°01'45"E, along said Unit Two boundary, a distance of 162.84 feet;

Thence N88°24'55"E, along said Unit Two boundary, a distance of 205.75 feet;

Thence S15°18'03"E, along said Unit Two boundary, a distance of 627.15 feet;

Thence S31°10'33"E, along said Unit Two boundary, a distance of 88.45 feet;

Thence S53°17'03"E, along said Unit Two boundary, a distance of 106.00 feet;

Thence S14°17'03"E, along said Unit Two boundary, a distance of 860.00 feet;

Thence leaving said Unit Two boundary, S86°05'30"W, a distance of 495.06 feet to the most easterly corner of Montezuma Haven, according to Book 13, Page 73 of records, Yavapai County, Arizona;

Thence N17°50'00"W, coincident with the westerly boundary of said Montezuma Haven, a distance of 1228.20 feet;

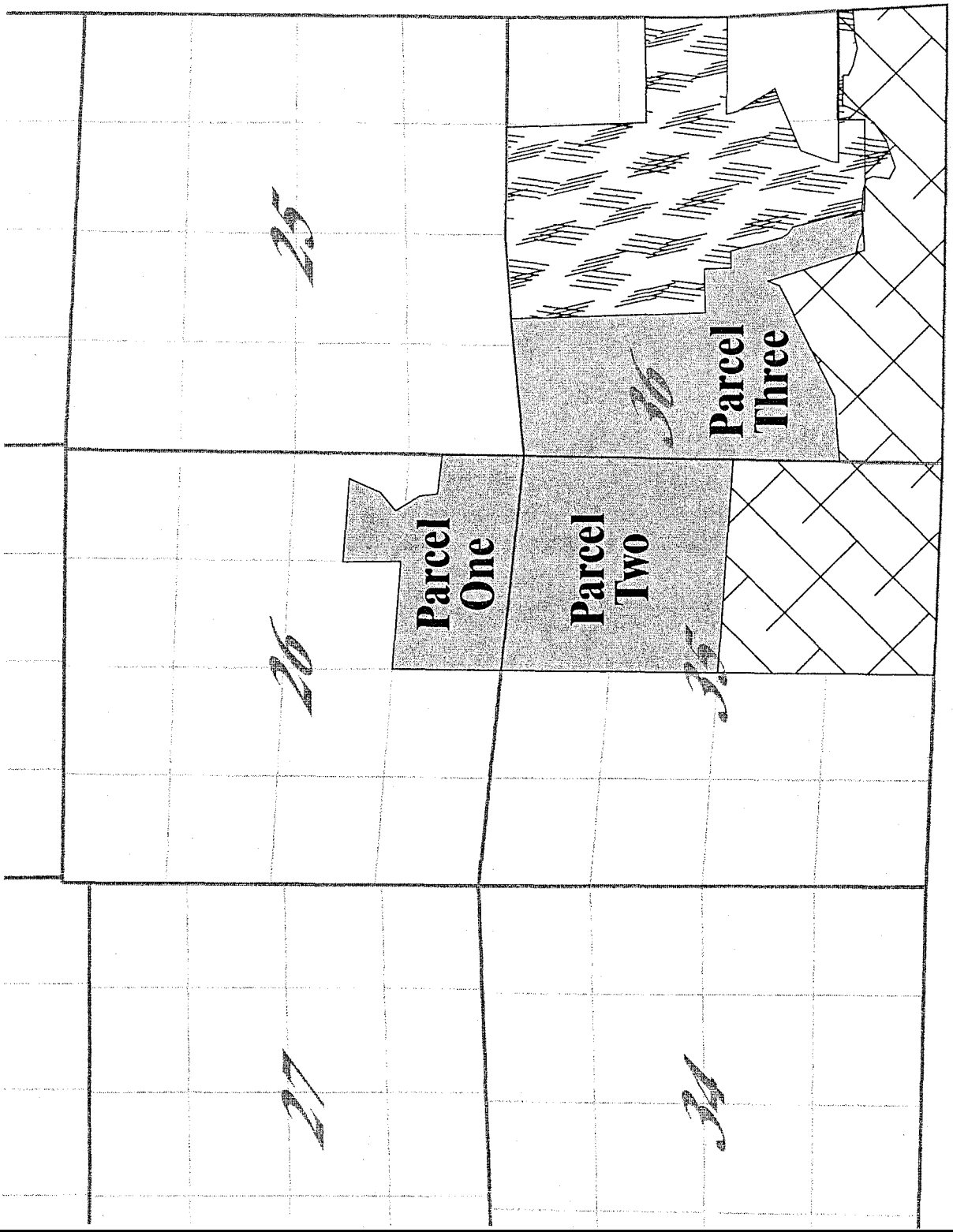
Thence S20°56'00"W, a distance of 153.40 feet;

Thence S63°16'00"W, a distance of 1506.90 feet;

Thence S85°22'30"W, a distance of 790.00 feet to a point on the West line of said Section 36;

Thence N00°49'00"E, coincident with the West line of said Section 36, a distance of 3808.29 feet to the Northwest corner of said Section 36 and the POINT OF BEGINNING.

15 North



MEMORANDUM

DATE: February 7, 2006

TO: Linda Jaress
Executive Consultant III

FROM: Del Smith DS
Utilities Engineer Supervisor

RE: Arizona Water Company – Rimrock system
CC&N Extension – Water
Docket No. W-01445A-05-0705

Introduction

Arizona Water Company ("Arizona Water" or "the Company") has applied to extend its Certificate of Convenience and Necessity (CC&N) for its Rimrock system. With this application the Company proposes to add approximately 400 acres to its Rimrock system CC&N which currently covers an area of approximately 2.5 square miles. The Rimrock system is located approximately 100 miles north of Phoenix on Interstate 17 in Yavapai County. The requested service area includes portions of Sections 26, 35 and 36 in Township 15 North, Range 5 East.

The requested service area consists of three parcels which the Company has identified as Parcels One, Two and Three in its application. America West Capital One, L. C. the owner of Parcel One has requested that the Company provide water service to its 95-acre planned development referred to as Beaver Creek Preserve. The Company has not received any requests for service from the property owners in Parcel Two or Parcel Three. There are no subdivisions planned or platted for these Parcels. The Company described the development in these Parcels as a few houses. The houses presumably receive water from private wells, or they haul water, as there are no water providers serving in these Parcels.

Parcel Two, which is approximately 160 acres in size, is located in the northeast quarter of Section 35 in Township 15 North, Range 5 East. A new water pipeline will be extended through Parcel Two to serve the planned Beaver Creek Preserve development. No other water providers are adjacent to the area contained in Parcel Two.

Parcel Three, which is also approximately 160 acres in size, covers primarily the northwest quarter of Section 36 in Township 15 North, Range 5 East. None of the properties within this parcel are contiguous to the new water pipeline that would be constructed to serve the planned Beaver Creek Preserve development. Parcel Three's eastern boundary is adjacent to the Montezuma Rimrock Water Company ("Montezuma") CC&N service area. Montezuma is providing service in the area

adjacent to Parcel Three. Montezuma apparently has inquiries with regard to serving the area west of its service area which would most likely include the area contained in Parcel Three. Since Arizona Water Company has not received any requests for service from the property owners in Parcel Three and because none of the properties within this parcel are contiguous to the new water pipeline that would be constructed to serve the planned Beaver Creek Preserve development, Staff is hesitant to recommend that the Company's CC&N be extended to include the area contained in Parcel Three at this time.

Capacity

The Rimrock system has in existence six wells[1] with a total production capacity of 485 gal/min, 460,000 gallons of storage capacity, booster pumps, pressure tanks, and a distribution system serving approximately 1,200 connections. Based on historical growth rates, it is anticipated that the existing service area would have 1,365 total customers at the end of five years. The Company has predicted an additional 50 customers for the proposed CC&N extension, at the end of five years. The existing production and storage can serve approximately 1,600 connections.[2] Staff concludes that the Rimrock system has adequate production and storage capacity to serve the existing and proposed CC&N area and can reasonably be expected to develop additional storage and production as required in the future.

Plant Additions

A 12-inch main extension will be required to serve the planned Beaver Creek Preserve development. The Company will fund the extension of its facilities using advances in aid of construction through a main extension agreement that the Company plans to enter into with the developer.

An application has been submitted to the Arizona Department of Environmental Quality (ADEQ) for the installation of the 12-inch pipeline. At this time ADEQ has not issued the Certificate of Approval To Construct (ATC). Staff recommends that the Company be ordered to file with Docket Control, as a compliance item, the ADEQ ATC for the proposed new plant no later than one year from the effective date of an order approving this extension.

ADEQ Compliance

ADEQ regulates the Rimrock system under ADEQ Public Water System I.D. No. 13-046. ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.

---

[1] One well identified as Rimrock #4 is currently inactive.
[2] Includes water produced by the Rimrock #4 well.

Arizona Department of Water Resources (ADWR) Compliance

The Rimrock system is not within any Active Management Area, and consequently is not subject to reporting and conservation rules.

Adequate Water Supply

The Company has not yet received a copy of the Developer's Letter of Adequate Water Supply for the area being requested from ADWR. Staff recommends that the Company be ordered to file with Docket Control, as a compliance item, copies of the Developer's Adequate Water Supply letter, stating that there is adequate water, no later than one year from the effective date of an order approving this extension.

Arsenic

The U.S. Environmental Protection Agency (EPA) has reduced the arsenic maximum contaminant level (MCL) in drinking water from 50 micrograms per liter (μg/l) to 10 μg/l. Recent lab results indicate that the arsenic levels in several of the Company's wells exceed the new standard.

The Company is currently in the process of constructing arsenic remediation facilities at its Rimrock system. These facilities will be completed later this year at which time the Rimrock system will be delivering water that meets the new standard.

Arizona Corporation Commission Compliance

A check with the Utilities Division Compliance Section showed no outstanding compliance issues.[3]

Curtailment Tariff

The Company has an approved curtailment tariff that applies to all of its systems including the Rimrock system.

Conclusions

1. Staff concludes that the Rimrock system has adequate production and storage capacity to serve the existing and proposed CC&N area and can reasonably be expected to develop additional storage and production as required in the future.

2. ADEQ has determined that the Rimrock system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.

---

[3] Compliance Section email dated February 7, 2006.

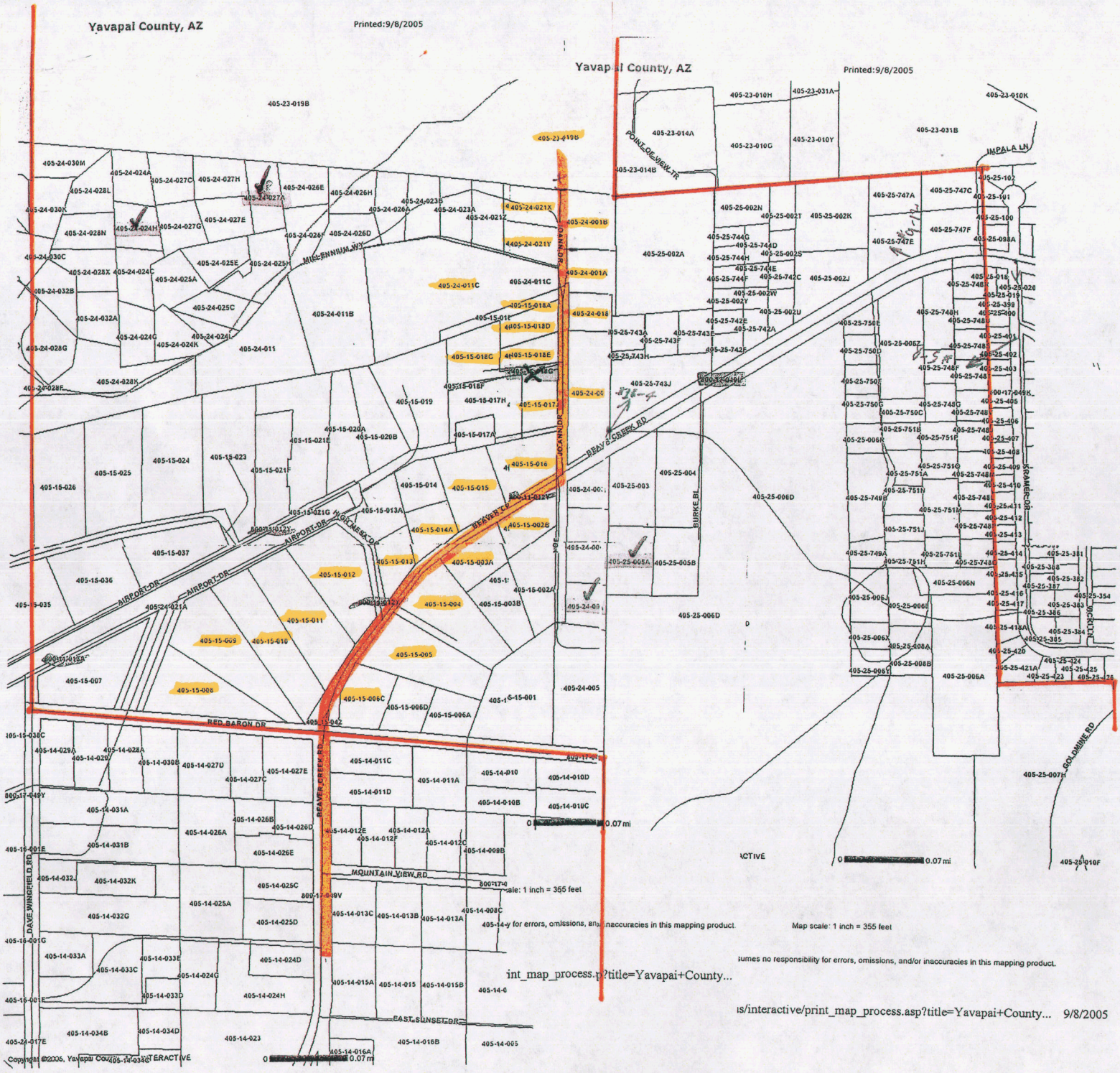
Recommendations

1. Staff recommends that Arizona Water be ordered to file with Docket Control, as a compliance item, the ADEQ ATC for the proposed new plant no later than one year from the effective date of an order approving this extension.

2. Staff recommends that Arizona Water be ordered to file with Docket Control, as a compliance item, copies of the Developer's Adequate Water Supply letter, stating that there is adequate water, no later than one year from the effective date of an order approving this extension.

Yavapai County, AZ

Printed:9/8/2005



Map scale: 1 inch = 355 feet

Disclaimer: Yavapai County assumes no responsibility for errors, omissions, and/or inaccuracies in this mapping product.

http://mapserver.co.yavapai.az.us/interactive/print_map_process.asp?title=Yavapai+County... 9/8/2005

EXHIBIT

S2

admitted

1

EXHIBIT
S-3
admitted

2

3

03/10/2006

03/10/2006

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