



BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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IN THE MATTER OF THE APPLICATION OF
PALO VERDE UTILITIES COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

Docket No. SW-03575A-04-0767

IN THE MATTER OF THE APPLICATION OF
SANTA CRUZ WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

Docket No. W-03576A-04-0767

**NOTICE OF FILING IN COMPLIANCE WITH
DECISION NO. 67830
(Quarterly Compliance Reports)**

Palo Verde Utilities Company, LLC and Santa Cruz Water Company, LLC, in compliance with Decision No. 67830 in the above-captioned dockets,¹ submit the attached quarterly reports documenting compliance with all Arizona Department of Environmental Quality, Arizona Department of Water Resources and the Arizona Corporation Commission requirements, including copies of the most recent ADWR reports for groundwater and reclaimed water usage.

¹ Certain compliance requirements for Decision No. 67240 were carried over to, and incorporated in, Decision No. 67830. See Decision No. 67830 at 11-12. Therefore, in order to avoid duplicate filings, Palo Verde Utilities Company and Santa Cruz Water Company are filing the compliance items in these dockets, but not the dockets underlying Decision No. 67240 (SW-03575A-03-0586 and W-03576A-03-0586).

1 RESPECTFULLY submitted this 17th day of July 2006.

2 ROSHKA DEWULF & PATTEN, PLC

3
4 By 

5 Michael W. Patten
6 One Arizona Center
7 400 East Van Buren Street, Suite 800
8 Phoenix, Arizona 85004

9 Original + 15 copies of the foregoing
10 filed this 17th day of July 2006, with:

11 Docket Control
12 ARIZONA CORPORATION COMMISSION
13 1200 West Washington
14 Phoenix, Arizona 85007

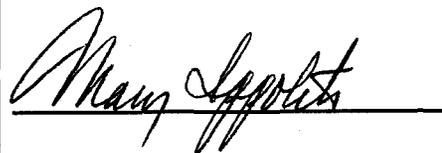
15 Copies of the foregoing hand-delivered/mailed
16 this 17th day of July 2006, to:

17 Dwight Nodes, Esq.
18 Administrative Law Judge
19 Hearing Division
20 Arizona Corporation Commission
21 1200 West Washington
22 Phoenix, Arizona 85007

23 David Ronald, Esq.
24 Legal Division
25 Arizona Corporation Commission
26 1200 West Washington
27 Phoenix, Arizona 85007

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

Brian Bozzo
Utilities Division
Arizona Corporation Commission
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TELEPHONE NO 602-256-6100
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Palo Verde Utilities Company

**Quarterly Compliance Report
Pursuant to Decision No. 67240**

Docket No. W-03576A-03-0586

July 15, 2006

Pursuant to Decision No. 67240, Palo Verde Utilities Company (PVUC) submits the following report setting forth its compliance reporting during the past quarter for the various permits and other compliance reporting obligations associated with the operation of PVUC. PVUC has not received any notices of noncompliance during the past three months and remains in compliance with all agency requirements.

ACC COMPLIANCE

Utilities Division

Permit	Report	Reporting Frequency	Date Due	Date Submitted	Next Report Due
CC&N (Decision No. 67240)	Bond Confirmation	Quarterly	Jul 15, 2006	Jul 15, 2006	Oct 15, 2006
CC&N (Decision No. 67240)	Acquisition Schedule (by parent Global Water Resources)	Quarterly	Jul 15, 2006	Jul 15, 2006	Oct 15, 2006

Corporations Division

Permit	Report	Reporting Frequency	Date Due	Date Submitted	Next Report Due

Santa Cruz Water Company
Quarterly Compliance Report
Pursuant to Decision No. 67240
Docket No. SW-03575A-03-0586

July 15, 2006

Pursuant to Decision No. 67240, Santa Cruz Water Company, LLC (SCWC) submits the following report setting forth its compliance reporting during the past quarter for the various permits and other compliance reporting obligations associated with the operation of SCWC. SCWC has not received any notices of noncompliance during the past three months and remains in compliance with all agency requirements.

ACC COMPLIANCE

Utilities Division

Permit	Report	Reporting Frequency	Date Due	Date Submitted	Next Report Due
CC&N (Decision No. 67240)	Bond Confirmation	Quarterly	Jul 15, 2006	Jul 15, 2006	Oct 15, 2006
CC&N (Decision No. 67240)	Acquisition Schedule (by parent Global Water Resources)	Quarterly	Jul 15, 2006	Jul 15, 2006	Oct 15, 2006

Corporations Division

Permit	Report	Reporting Frequency	Date Due	Date Submitted	Next Report Due

ADEQ COMPLIANCE

Permit	Report	Reporting Frequency	Date Due	Date Submitted	Next Report Due
PWS 11-131	MRDL ¹	Quarterly	10 Jul 06	10 Jul 06	10 Oct 06
	Bacti's ²	Monthly	10 Jul 06	10 Jul 06	10 Aug 06
	DBPs ³	Quarterly	10 Jul 06	10 Jul 06	10 Oct 06
	NO3 ⁴	Quarterly	10 May 06	04 May 06	10 Aug 06
	Sanitary Survey	Every 5 years	June 2006	15 Jun 2006	June 2011
	Consumer Confidence Report	Annually	1 Jul 06	30 Jun 06	1 Jul 07

ADWR COMPLIANCE

Permit	Report	Reporting Frequency	Date Due	Date Submitted	Next Report Due

I declare under penalty of perjury that the foregoing is true and correct.

Cindy Liles 7/13/06

Cindy Liles
Vice President
Santa Cruz Water Company, LLC

Date

Trevor Hill 11 July 2008

Trevor Hill
President
Santa Cruz Water Company, LLC

Date

¹ Maximum Residual Disinfection Level

² Bacteriological Sampling

³ Disinfection By-Products

⁴ Nitrate Sampling

ARIZONA DEPARTMENT OF WATER RESOURCES, 3550 NORTH CENTRAL AVENUE, PHOENIX, AZ 85012-2105
ANNUAL WATER WITHDRAWAL AND USE REPORT
PROVIDER SUMMARY 2005

A 2
 AWS 1
 F1 1
 W1 3

OWNER OF GROUNDWATER RIGHT

SANTA CRUZ WATER CO.
 22601 N 19TH AVE, STE 210
 PHOENIX AZ 85027

RECEIVED
 FEB 15 2006

TYPE OF RIGHT
 LARGE MUNICIPAL PROVIDER

RIGHT / PERMIT NO.
 56-001355.0000

REPORTING PARTY
 56-001355.0000
 LILES, CINDY
 GLOBAL WATER MANAGEMENT, LLC
 22601 N 19TH AVE SUITE 210
 PHOENIX AZ 85027


 PINAL AMA (520) 836-4857

If any of the information preprinted on this report is incorrect, please make the necessary changes.

PART I GROUNDWATER WITHDRAWN

From Box 14. Schedule A attached

X \$ 3.00 = \$
 ACRE - FEET X Withdrawal Fee =

PART II WATER DELIVERED TO OTHER RIGHTS

From Box 24 Schedule D attached

ACRE - FEET

PART III WATER RECEIVED FROM OTHER RIGHTS

Total from Schedule E attached

ACRE - FEET

PART IV LATE FEES

Complete if filing after March 31. NOTE: A portion of a month after March 31 is counted as a full month.

- 1) Enter number of months late
 (Maximum of 6)
- \$ 2) Calculate Late Report Fee
 (\$25.00 X number of months late)
- \$ 3) Calculate Late Payment Fee
 (10 % X number of months late X
 withdrawal fee calculated in Part I)

PART V TOTAL FEES DUE

Add amounts from Parts I and IV

\$

Total Water Used by this right 1977 AF.

Mail or hand deliver this report, together with the appropriate schedules, worksheets and fees to the Arizona Department of Water Resources. If mailed, the report must be postmarked no later than March 31, 2006. If hand delivered, the report must be received by the Department's Records Management Unit or local AMA office no later than 5:00 PM on March 31, 2006.

REPORTS FILED AFTER MARCH 31, 2006 ARE SUBJECT TO LATE FEES (A.R.S. § 45-632) AND PAYMENT OF PREVIOUSLY WAIVED MONETARY PENALTIES ASSOCIATED WITH PRIOR GROUNDWATER CODE VIOLATIONS.

I hereby certify, under penalty of perjury, that the information contained in this report is, to the best of my knowledge and belief, true, correct and complete.

X Cindy M Liles AUTHORIZED SIGNATURE CFo & SVP TITLE 3-30-06 DATE
Cindy M Liles PRINTED NAME 623-580-9600 TELEPHONE NUMBER

NOTE: THIS REPORT MUST BE FILED EVEN IF NO WATER WAS DELIVERED PURSUANT TO THIS RIGHT.

SCHEDULE A

REPORT OF PUMPING

ANNUAL REPORT 2005

Owner

SANTA CRUZ WATER CO.

1 RIGHT/PERMIT/BMP Farm Unit NO.

56-001355.0000

Note: Pumpage for each well must be shown on the attached worksheet. Information for up to four wells may be shown on each worksheet.

2 DWR WELL REGISTRATION NO.		3 Depth to Static Water Level (Designated Providers Only)		4 Ground-water Pumped	RECOVERED WATER PUMPED				PUMPED WATER RECEIVED IN EXCHANGE				13 Total Pumped		
10 40 160 Q Q	LOCATION SEC TWN RNG	Date # 1	Date # 2		Msmt # 1	Msmt # 2	Well Running? (Y/N)	5 CAP	6 SW	7 EFF/ IN	8 EFF/ OUT	9 GW		10 CAP	11 SW
55-612737		10/05		1645											1645
NW NW SW 14 4.0S 3.0E															
55-617336		11/05		561											561
SE SW SE 15 4.0S 3.0E															
55-617337															
SE SW SE 15 4.0S 3.0E															
55-617338															
SE SW SE 15 4.0S 3.0E															
55-617341															
SE SW SE 15 4.0S 3.0E															
55-621406		9/05		1											1
SE SE NE 13 4.0S 3.0E															
55-621407		4/05		4											4
SW SE SW 13 4.0S 3.0E															
55-621408		9/05		240											240
SE SE SE 13 4.0S 3.0E															
14 TOTAL GROUNDWATER WITHDRAWN (acre-feet)					ENTER TOTAL ACRE-FEET OF GROUNDWATER WITHDRAWN IN PART I OF THE SUMMARY PAGE.										

SCHEDULE E

WATER RECEIVED FROM OTHER SOURCES

Owner

Santa Cruz Water Company

RIGHT/PERMIT/BMP Farm Unit NO.

56-001355.0000

ANNUAL REPORT 2005

PART I - WATER RECEIVED FROM PRIMARY IRRIGATION DISTRICTS

PRIMARY DISTRICT Provider no.	<input type="text"/>	Your district user/ account number	<input type="text"/>
Name of Irrigation District	<input type="text"/>	Number of acres eligible to receive surface water	<input type="text"/>

TYPE OF WATER ¹		ACRE-FEET RECEIVED
GROUNDWATER		
SURFACE WATER	Decreed/Appropriative	
	Normal Flow	
	Spillwater	
	CAP	
IN-LIEU GROUNDWATER	Permit Holder	

1 -- Do not include volumes of water associated with a permitted or enrolled exchange agreement in Part I. Water associated with an exchange agreement should be listed in Part III. Total of water rcvd

PART II - WATER RECEIVED OR DIVERTED FROM OTHER SOURCES

TYPE OF WATER	RIGHT NO. SUPPLYING WATER	DWR WELL NUMBER	HOW MEASURED OR ESTIMATED	ACRE-FEET RECEIVED
GROUNDWATER				
CAP				
EFFLUENT	*			237
DECREED/APPROP. TAILWATER				

* From Palo Verde Utilities Co. Total of water rcvd

PART III - WATER RECEIVED PURSUANT TO A PERMITTED OR ENROLLED EXCHANGE AGREEMENT

TYPE OF WATER	EXCHANGE NO. SUPPLYING WATER	PAYBACK FOR			HOW MEASURED OR ESTIMATED	ACRE-FEET RECEIVED
		QUANTITY	TYPE	YR GIVEN		
GROUNDWATER						
CAP						
EFFLUENT						
SRP						
OTHER SW						

Total of water rcvd

Total acre-feet of received and diverted water (add amounts from PARTs I, II, and III.)

ENTER TOTAL ON PART III of the Summary Page.

SCHEDULE F-1 PART 1

POPULATION

ANNUAL REPORT 2005

PROVIDER NAME

1

SANTA CRUZ WATER CO.

RIGHT/PERMIT NO.

56-001355.0000

Pursuant to the Third Management Plan, municipal water providers are required to supply the following information. This information is used to determine actual and target GPCD numbers for Large Municipal Providers and for planning information for Small Municipal Providers.

DEFINITION OF A HOUSING UNIT

A housing unit means a group of rooms or a single room occupied as separate living quarters. Examples of a housing unit include a single-family home, a townhouse, a condominium, an apartment, a permanently setup mobile home or a unit in a multi-family complex. A housing unit may be occupied by a family, a family and unrelated persons living together, two or more unrelated persons living together, or by one person. The number of housing units is *not* the number of service connections. Mobile homes in an overnight or limited-stay mobile home park or a unit in a campground, motel, hotel, or other temporary lodging facility are not considered housing units.

SINGLE-FAMILY HOUSING

A single-family housing unit is a detached dwelling. Include mobile homes *not* located in a mobile home park.

Single-Family Housing	Housing Units
Single-family housing units (<i>not service connections</i>) as of July 1, 2004 .	2 2639
Indicate the net change (added and deleted) of single-family housing units (<i>not service connections</i>) in your service area between July 1, 2004 and July 1, 2005 .	3 3131
Total single-family housing units (<i>not service connections</i>) as of July 1, 2005 .	4 5770

Includes residential units where a water meter

has been installed, including homes under construction

MULTI-FAMILY HOUSING

A multi-family housing unit is a mobile home in a mobile home park or any permanent housing unit having one or more common walls with another housing unit located in a multi-family residential structure, including a unit in a duplex, triplex, four-plex, condominium development, townhouse development or apartment complex. Include mobile homes if they are located in a mobile home park. Do not include mobile homes that are located in an overnight or limited stay mobile home park.

Multi-Family Housing	Housing Units
Multi-family housing units (<i>not service connections</i>) as of July 1, 2004 .	5
Indicate the net change (added and deleted) of multi-family housing units (<i>not service connections</i>) in your service area between July 1, 2004 and July 1, 2005 .	6
Total multi-family housing units (<i>not service connections</i>) as of July 1, 2005 .	7

Please contact your local Active Management Area if you need assistance completing this form.

PROVIDER NAME

SCHEDULE F-1 PART 2

MUNICIPAL PROVIDER WATER DELIVERIES

ANNUAL REPORT 2005

1 SANTA CRUZ WATER CO.

RIGHT/PERMIT NO.

56-001355.0000

Pursuant to the Third Management Plan (TMP), large water providers are required to supply the following information. Do not include direct use effluent on this schedule (please use Part 3 of Schedule F-1).

MONTH	DELIVERIES IN ACRE-FEET								TOTAL	
	RESIDENTIAL A		NON-RESIDENTIAL B					Other***		TOTAL
	Single Family	Multi-Family	Industrial	Commercial <i>*</i>	Government	Turf Related Facilities**				
Jan	50.9			4.6			4.6		60.1	
Feb	48.4			7.0			4.5		59.9	
Mar	56.7			7.2			1.4		65.3	
Apr	66.6			17.0			28.9		112.5	
May	97.7			23.3			6.6		127.6	
Jun	118.7			41.8			25.8		186.3	
Jul	104.6			63.9			35.3		203.8	
Aug	132.6			24.6			93.8		251.0	
Sep	142.0			36.5			176.8		355.3	
Oct	119.7			34.0			77.0		230.7	
Nov	136.3			27.3			50.0		213.6	
Dec	114.2			8.5			26.2		148.9	
TOTAL	2 1188.4	3	4	5 295.7	6	7	8 530.9	9	10 2015.0	

* Turf Related Facilities includes turf-related facilities (10 or more acres of turf or other high water use landscaping) and landscaped public rights-of-way identified as Individual Users.

** Other Turf includes water delivered to other turf areas that are less than 10 acres.

*** Other includes unmetered deliveries. Unmetered deliveries must be calculated using a generally accepted method of estimating water use. Explain in a separate letter how any unmetered deliveries were calculated and which category it belongs if it were metered. e.g. Industrial, Commercial, etc.

** includes construction*

Please contact your local Active Management Area if you need assistance completing this form.

PROVIDER NAME

1 SANTA CRUZ WATER CO.

RIGHT/PERMIT NO.

56-001355.0000

SCHEDULE F-1 PART 3

MUNICIPAL PROVIDER EFFLUENT USE

ANNUAL REPORT 2005

Pursuant to the Third Management Plan, municipal water providers are required to supply the following information. Report the amount of effluent produced, received, delivered, reused, recharged or discharged in your service area in calendar year 2005. List effluent production for each plant in your service area separately.

Treatment Plant/Entity 2	Produced / Received in Acre-Feet A												TOTAL ACRE-FEET PRODUCED 3
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Palo Verde Utilities Company	39.0	34.7	41.4	39.4	42.7	40.0	45.2	49.7	52.9	58.8	62.5	69.5	575.8

Delivered to: 4	Delivered / Reused in Acre-Feet B												TOTAL ACRE-FEET DELIVERED 3	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
Turf Facilities														
Government														
Other (irrigation and construction)	4.0	3.5	11.8	17.9	32.3	31.6	38.9	38.6	41.0	47.5	52.1	40.8	360	
Amount of effluent recharged as reported on the recharge annual report													5	0
Effluent Discharged													6	216

Please contact your local Active Management Area if you need assistance completing this form.

WORKSHEET W-1 2005

GROUNDWATER RIGHT/PERMIT/ 56-001355.0000
BMP Farm Unit NO.

1 DWR WELL REGISTRATION NO. 55-612737

10 Q	40 Q	160 Q	LOCATION Sec Twm Rng		
NW	NW	SW	14	4.0S	3.0E

2 TYPE OF MEASURING DEVICE: TOTALIZER
MAKE / MODEL: _____
SIZE: _____ UNITS MEASURED: gallons
INSTALLATION OR OVERHAUL DATE: _____

3 POWER CO. NAME: ELECTRICAL DISTRICT 3
ACCOUNT NO.: 30034000
POWER METER NO.: 4-1260

ENERGY CONSUMPTION	UNITS
72,272	Kwh

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE
210 272 000	746 421 000	536 149 000

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET	1645	9 BREAKDOWN ESTIMATE	
--------------------	------	-----------------------------	--

Enter total Acre-feet Shown in **10** in Column **13** of Schedule A

10 TOTAL IN ACRE-FEET	1645
------------------------------	------

1 DWR WELL REGISTRATION NO. 55-617336

10 Q	40 Q	160 Q	LOCATION Sec Twm Rng		
SE	SW	SE	15	4.0S	3.0E

2 TYPE OF MEASURING DEVICE: TOTALIZER
MAKE / MODEL: _____
SIZE: _____ UNITS MEASURED: gallons
INSTALLATION OR OVERHAUL DATE: _____

3 POWER CO. NAME: ELECTRICAL DISTRICT 3
ACCOUNT NO.: ED330017000
POWER METER NO.: 3-1005

ENERGY CONSUMPTION	UNITS
87478	Kwh

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE
301030000	483854000	182824000

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET	561	9 BREAKDOWN ESTIMATE	
--------------------	-----	-----------------------------	--

Enter total Acre-feet Shown in **10** in Column **13** of Schedule A

10 TOTAL IN ACRE-FEET	561
------------------------------	-----

1 DWR WELL REGISTRATION NO. 55-617337

10 Q	40 Q	160 Q	LOCATION Sec Twm Rng		
SE	SW	SE	15	4.0S	3.0E

2 TYPE OF MEASURING DEVICE: TOTALIZER
MAKE / MODEL: _____
SIZE: _____ UNITS MEASURED: _____
INSTALLATION OR OVERHAUL DATE: _____

3 POWER CO. NAME: ELECTRICAL DISTRICT 3
ACCOUNT NO.: ED37330000
POWER METER NO.: _____

ENERGY CONSUMPTION	UNITS

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET		9 BREAKDOWN ESTIMATE	
--------------------	--	-----------------------------	--

Enter total Acre-feet Shown in **10** in Column **13** of Schedule A

10 TOTAL IN ACRE-FEET	
------------------------------	--

1 DWR WELL REGISTRATION NO. 55-617338

10 Q	40 Q	160 Q	LOCATION Sec Twm Rng		
SE	SW	SE	15	4.0S	3.0E

2 TYPE OF MEASURING DEVICE: TOTALIZER
MAKE / MODEL: _____
SIZE: _____ UNITS MEASURED: _____
INSTALLATION OR OVERHAUL DATE: _____

3 POWER CO. NAME: _____
ACCOUNT NO.: _____
POWER METER NO.: _____

ENERGY CONSUMPTION	UNITS

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET		9 BREAKDOWN ESTIMATE	
--------------------	--	-----------------------------	--

Enter total Acre-feet Shown in **10** in Column **13** of Schedule A

10 TOTAL IN ACRE-FEET	
------------------------------	--

WORKSHEET W-1 2005

GROUNDWATER RIGHT/PERMIT/ 56-001355.0000
BMP Farm Unit NO.

1	DWR WELL REGISTRATION NO.	10 Q	40 Q	160 Q	LOCATION Sec Twn Rng		
	55-617341	SE	SW	SE	15	4.0S	3.0E
2	TYPE OF MEASURING DEVICE	MAKE / MODEL					
	TOTALIZER						
	SIZE	UNITS MEASURED					
INSTALLATION OR OVERHAUL DATE							
3	POWER CO. NAME	ACCOUNT NO.	POWER METER NO.				
			ENERGY CONSUMPTION UNITS				

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP ? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET	9 BREAKDOWN ESTIMATE

Enter total Acre-feet
Shown in **10** in Column **13** of Schedule A

10 TOTAL IN ACRE-FEET

1	DWR WELL REGISTRATION NO.	10 Q	40 Q	160 Q	LOCATION Sec Twn Rng		
	55-621406	SE	SE	NE	13	4.0S	3.0E
2	TYPE OF MEASURING DEVICE	MAKE / MODEL					
	NO MEASURING DEVICE SPEC						
	SIZE	UNITS MEASURED <i>gallons</i>					
INSTALLATION OR OVERHAUL DATE							
3	POWER CO. NAME	ACCOUNT NO.	POWER METER NO.				
	ELECTRICAL DISTRICT 3	37520001	218328				
ENERGY CONSUMPTION UNITS							

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP ? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE
0	325000	325000

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET	9 BREAKDOWN ESTIMATE
1	

Enter total Acre-feet
Shown in **10** in Column **13** of Schedule A

10 TOTAL IN ACRE-FEET
1

1	DWR WELL REGISTRATION NO.	10 Q	40 Q	160 Q	LOCATION Sec Twn Rng		
	55-621407	SW	SE	SW	13	4.0S	3.0E
2	TYPE OF MEASURING DEVICE	MAKE / MODEL					
	NO MEASURING DEVICE SPEC						
	SIZE	UNITS MEASURED <i>gallons</i>					
INSTALLATION OR OVERHAUL DATE							
3	POWER CO. NAME	ACCOUNT NO.	POWER METER NO.				
	ELECTRICAL DISTRICT 3	ED37510000	555396				
ENERGY CONSUMPTION UNITS							

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP ? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE
0	1401000	1401000

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET	9 BREAKDOWN ESTIMATE
4	

Enter total Acre-feet
Shown in **10** in Column **13** of Schedule A

10 TOTAL IN ACRE-FEET
4

1	DWR WELL REGISTRATION NO.	10 Q	40 Q	160 Q	LOCATION Sec Twn Rng		
	55-621408	SE	SE	SE	13	4.0S	3.0E
2	TYPE OF MEASURING DEVICE	MAKE / MODEL					
	NO MEASURING DEVICE SPEC						
	SIZE	UNITS MEASURED <i>gallons</i>					
INSTALLATION OR OVERHAUL DATE							
3	POWER CO. NAME	ACCOUNT NO.	POWER METER NO.				
	ELECTRICAL DISTRICT 3	37510001	555643				
ENERGY CONSUMPTION UNITS							

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP ? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE
0	78204240	78204240

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET	9 BREAKDOWN ESTIMATE
240	

Enter total Acre-feet
Shown in **10** in Column **13** of Schedule A

10 TOTAL IN ACRE-FEET
240

WORKSHEET W-1 2005

GROUNDWATER RIGHT/PERMIT/ 56-001355.0000
BMP Farm Unit NO.

1 DWR WELL REGISTRATION NO. 55-621410	10 Q	40 Q	160 Q	LOCATION Sec Twn Rng		
	SE	SE	NE	14	4.0S	3.0E
2 TYPE OF MEASURING DEVICE NO MEASURING DEVICE SPEC		MAKE / MODEL				
SIZE		UNITS MEASURED				
INSTALLATION OR OVERHAUL DATE						
3 POWER CO. NAME ELECTRICAL DISTRICT 3	ACCOUNT NO. 30601000	POWER METER NO. 3-2482				
ENERGY CONSUMPTION 474856		UNITS Kwh				

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE
434651000	602812000	168161000

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET 516	9 BREAKDOWN ESTIMATE
Enter total Acre-feet Shown in 10 in Column 13 of Schedule A	
10 TOTAL IN ACRE-FEET 516	

1 DWR WELL REGISTRATION NO. 55-801069	10 Q	40 Q	160 Q	LOCATION Sec Twn Rng		
	SW	SW	SW	15	4.0S	3.0E
2 TYPE OF MEASURING DEVICE NO MEASURING DEVICE SPEC		MAKE / MODEL				
SIZE		UNITS MEASURED				
INSTALLATION OR OVERHAUL DATE						
3 POWER CO. NAME ELECTRICAL DISTRICT 3	ACCOUNT NO. 7300000	POWER METER NO. 570879				
ENERGY CONSUMPTION 131249		UNITS Kwh				

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE
293429000	400095000	106666000

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET 327	9 BREAKDOWN ESTIMATE
Enter total Acre-feet Shown in 10 in Column 13 of Schedule A	
10 TOTAL IN ACRE-FEET 327	

1 DWR WELL REGISTRATION NO.	10 Q	40 Q	160 Q	LOCATION Sec Twn Rng		
2 TYPE OF MEASURING DEVICE		MAKE / MODEL				
SIZE		UNITS MEASURED				
INSTALLATION OR OVERHAUL DATE						
3 POWER CO. NAME	ACCOUNT NO.	POWER METER NO.				
ENERGY CONSUMPTION		UNITS				

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET	9 BREAKDOWN ESTIMATE
Enter total Acre-feet Shown in 10 in Column 13 of Schedule A	
10 TOTAL IN ACRE-FEET	

1 DWR WELL REGISTRATION NO.	10 Q	40 Q	160 Q	LOCATION Sec Twn Rng		
2 TYPE OF MEASURING DEVICE		MAKE / MODEL				
SIZE		UNITS MEASURED				
INSTALLATION OR OVERHAUL DATE						
3 POWER CO. NAME	ACCOUNT NO.	POWER METER NO.				
ENERGY CONSUMPTION		UNITS				

4 DOES ENERGY METER SERVE USES OTHER THAN THE WELL PUMP? Yes No
ENTER "Y" OR "N" IN COLUMN 5 OF SCHEDULE A

WATER TOTALIZING METER READINGS		
5 INITIAL	6 ENDING	7 DIFFERENCE

IF METER WAS REPLACED DURING THE YEAR, INDICATE BEGINNING AND ENDING READING FOR EACH METER IN THE BOXES ABOVE.

8 ACRE FEET	9 BREAKDOWN ESTIMATE
Enter total Acre-feet Shown in 10 in Column 13 of Schedule A	
10 TOTAL IN ACRE-FEET	

SCHEDULE AWS

ASSURED WATER SUPPLY SUPPLEMENT FOR DESIGNATED PROVIDERS

Designated Provider

SANTA CRUZ WATER CO.

Right No.

56-001355.0000

ANNUAL REPORT 2005

Pursuant to A.R.S. § 45-632 and A.A.C. R12-15-711 of the Assured & Adequate Water Supply Rules, designated water providers are required to supply the following information. Instructions are listed under each section of this form.

Note: If any information pre-printed on this form is incorrect, please make the needed corrections. For any information not already pre-printed on this form, please follow the directions below. All parts must be completed.

PART 1 - COMMITTED DEMAND

Please provide the estimated future demand in acre-feet for undeveloped, recorded plats that are located in the area as of December 31, 2005. Report demand for residential versus non-residential lots separately.

Number of Residential Lots	Demand per Lot (af/yr)	Total Demand (af/yr)
7753	.42	3256
Number of Non-Residential Parcels	Total Demand (af/yr)	
0	3256	

Explain how the non-residential demand was calculated. Use a separate sheet if necessary.

PART 2 - PROJECTED ANNUAL DEMAND

Project the annual water demand in acre-feet for each year indicated. Calculate the increase in demand each year from the previous year. The projected demand in most cases will be greater than the total water use for the current calendar year. Current year demand should equal the total water deliveries in the service area for 2005 as reported on the Schedule F forms, plus system losses and unaccounted for water. Include all water sources used.

Year	Projected Population *	GPCD	Total Demand (af/yr)	Increase from Previous Year (af/yr)
2005	17935	125	1977 **	761.40
2006	28655	125	4012	2035
2007	39375	125	5513	1501
2008	50095	125	7014	1501
2009	60815	125	8515	1501
2010	71535	125	10016	1501
2011	82255	125	11517	1501
2012	92975	125	13018	1501
2013	103695	125	14519	1501
2014	114415	125	16020	1501

PART 3 - WATER QUALITY

- A. Is the provider currently in compliance with the Arizona Department of Environmental Quality's state water quality standards and reporting requirements? Yes No
- B. Have any new Superfund or WQARF sites been identified within the provider's service area or have existing contaminant plumes migrated to be within one mile of any service area wells? Yes No

Please contact the Office of Assured and Adequate Water Supply if you need assistance completing this form.

(602) 771-8585

* Based on 2.68 per household

SCHEDULE AWS

Designated Provider

ASSURED WATER SUPPLY SUPPLEMENT
FOR DESIGNATED PROVIDERS

SANTA CRUZ WATER CO.

Right No.

ANNUAL REPORT 2005

56-001355.0000

PART 4 - TOTAL WATER WITHDRAWN, DIVERTED OR RECEIVED - PHYSICAL AVAILABILITY REQUIREMENT

Please show all sources of water withdrawn, received or diverted in 2005. Refer to Schedule A for the total volume of water withdrawn in 2005. Subtract out deliveries to other rights in the rows indicated below. Water received should match Schedule E. Water delivered should match Schedule D. The total volume of water pumped as reported on Schedule A should match the total water withdrawn on line D.1 in the table below.

The total physically, legally and continuously available supply listed below is provided for your reference:

1. Total water physically, legally and continuously available per designation order	5230.4	af
---	--------	----

A. CAP Water:

1. CAP received directly (do not include CAP storage credits recovered)		af
2. CAP delivered directly to other rights (do not include individual user deliveries)		af
3. Part 4.A.1 - Part 4.A.2 (total CAP for use within the service area in 2005)		af

B. Surface Water:

1. Surface water received directly (do not include surface water storage credits recovered)		af
2. Surface water delivered directly to other rights (do not include individual user deliveries)		af
3. Part 4.B.1 - Part 4.B.2 (total surface water for use within the service area in 2005)		af

C. Effluent:

1. Effluent received directly (do not include effluent storage credits recovered)	237	af
2. Effluent delivered directly to other rights (do not include individual user deliveries)		af
3. Part 4.C.1 - Part 4.C.2 (total effluent for use within the service area in 2005)	237	af

D. Water Withdrawn and Groundwater Received for Use in the Service Area in 2005:

1. Total Water Withdrawn (include water storage credits recovered and exchange water)	3294	af
2. Groundwater Received from other rights		af
3. Groundwater delivered to other rights (do not include individual user deliveries)	1554	af
4. Part 4.D.1 + Part 4.D.2 - Part 4.D.3 (total withdrawn water and groundwater received 2005)	1740	af

Note: Pursuant to A.C.C. R12-15-703(J) the director shall consider recovered storage credits when determining physical availability of groundwater.

PART 5 - GROUNDWATER WITHDRAWALS - CONSISTENCY WITH GOAL REQUIREMENT

A. Total Groundwater for Use within the Service Area in 2005:

1. Total from Part 4.D.4 above	1740	af
2. Water Withdrawn as Recovered Long-Term Storage Credits		af
3. Water Withdrawn as Recovered Annual Storage Credits		af
4. Part 5.A.1 - Part 5.A.2 - Part 5.A.3 (total groundwater for use in 2005)	1740	af

B. Groundwater Exemptions:

1. Total Groundwater from Part 5.A.4 above	1740	af
2. Poor Quality Groundwater Withdrawn *		af
3. Water Logged Groundwater Withdrawn *		af
4. Drought Exemption Groundwater Withdrawn **		af
5. Part 5.B.1 above - sum of Parts 5.B.2 through 5.B.4 above		af
6. Amount from line 5.B.5 above reported to the CAGR as Excess Groundwater		af
7. Part 5.B.5 above - Part 5.B.6 (groundwater subtracted from allowance account)	1740	af

* Note: Poor quality groundwater and water logged groundwater must be listed on the designation order to qualify for subtraction here.

** Note: Drought exemption groundwater must be applied for in writing for each year in which the exemption is requested.

Please contact the Office of Assured and Adequate Water Supply if you need assistance completing this form.

(602) 771-8585

ARIZONA DEPARTMENT OF WATER RESOURCES

2005 SERVICE AREA MAP UPDATE

Provider Name: Santa Cruz Water Co.

Provider Number: 56-001355.0000

According to A.R.S. §45-498 of the Arizona Groundwater Management Act, each city, town, private water company and irrigation district within an Active Management Area is required to maintain an accurate and current map delineating its service area and water distribution system.

If your service area boundaries or operating distribution system have not changed since January 1, 2005, indicated this below. If your service area boundaries or operating distribution system have changed since January 1, 2005, indicate this below and submit two copies of your revised service area map with your 2005 Annual Water Withdrawal and Use Report no later than March 31, 2006. A duplicate copy of the service area map submitted to the Department shall be kept on file at your offices.

Maps must be drawn at a scale of 1:31,680 (2 inches to the mile) or larger and must contain all of the elements listed below:

1. The principal features of the operating distribution system including wells, water treatment plants, pumping stations, reservoirs and storage tanks, canals and water mains of a diameter greater than or equal to four (4) inches.
2. The diameter and linear miles of the mains and the capacity of other features of the operating distribution system.
3. The location and names of major streets which carry traffic through and around the service area.
4. Notations of the legal description of the area covered by the service area map. Such notations should include on the borders of the map the townships and ranges covered by the map. Within the body of the map indicate the sections covered by the map.
5. Each map must be signed and dated by an authorized representative.

 Service area boundaries and operating distribution system have not changed since January 1, 2005.

✓ Service area boundaries or operating distribution system have changed since January 1, 2005. (Two copies of the revised map must be submitted with your annual report)

Cindy M Liles
Name (please print)

SVP S. CF
Title

Cindy M Liles
Signature/Date

623-580-9600
Phone

00

00



Janet Napolitano
Governor

ARIZONA DEPARTMENT
OF
ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Stephen A. Owens
Director

Ref: #FS06-414
March 21, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Graham Symmonds, Operations Manager
Palo Verde Utilities Company
22601 North 19th Avenue, Suite 210
Phoenix, Arizona 85027

Re: Annual Compliance Inspection of the Palo Verde Utilities Company Wastewater Treatment Plant (WWTP), ADEQ Inventory No. 105228, Aquifer Protection Permit (APP) No. P105228, Reuse Permit Nos. R105228; R105392; R105393; R105394 and R105395, AZPDES Permit No. AZ0025071-Major, Santa Cruz River Watershed, Inspection ID Nos. 72535, 72543 and 72539

Dear Mr. Symmonds:

The Water Quality Field Services (WQFSU) of the Arizona Department of Environmental Quality (ADEQ) has enclosed an inspection report regarding the inspection conducted at the above referenced facility on March 8, 2006. The inspection was conducted to determine compliance with Arizona Revised Statute (A.R.S.) Title 49, Chapter 2, Article 3 and Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, and pursuant to the authority in A.R.S. §49-203(B)(1) and A.A.C. R18-9-110 (A).

As indicated in the enclosed "Summary of Inspection," no deficiencies were observed during the inspection and during the review of ADEQ records by WQFSU staff. The inspection found the facility to be in compliance with the respective permits issued by ADEQ. There is a recommendation noted at the end of the report. No ADEQ action will result from this inspection.

ADEQ thanks you for your efforts in protecting the public health and the environment.

Sincerely,

William J. Hare, E.P.S.
Water Quality Field Services Unit

Northern Regional Office
1515 East Cedar Avenue • Suite F • Flagstaff, AZ 86004
(928) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733

Annual Inspection of the Palo Verde Utility Company
March 21, 2006

Page 2 of 8

WJH:wjh: O&M2CLIR.LET

cc: Pinal County Health Department
Facility File, Inventory No.105228
WQFSU Reading File
Karen Black, Program and Project Specialist
Wayne Ireland, Community Manager, 20942 No. Province Parkway, Maricopa, AZ
85239

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
 WATER QUALITY DIVISION - WATER QUALITY COMPLIANCE SECTION
 Field Services Unit**

SUMMARY OF INSPECTION - WASTEWATER

Facility: Palo Verde Utilities Company-SBR

Place ID No. 5048

Aquifer Protection Permit (APP) No: P105228

AZPDES Permit No: AZ0025071

Reuse Permit No: R105228, R105392, R105393
 R105394, R105395

Inventory No: 105228

Inspected by: William J. Hare, E.P.S.

Inspection Date: March 8, 2006

Accompanied by: Susan Armijo
 Graham Symmonds

Report Date: March 21, 2006

Start Time: 7:15am

End Time: 11:00am

YES NO N/A UNKNOWN

1. WWTF quality meets the following permit requirements:
 - A. Aquifer Protection Permit
 - B. Reuse Permit
 - C. AZPDES Permit
2. A certified operator is employed by the owner per ADEQ regulations.
3. This system meets permit requirements for operation and maintenance in the APP

X*			
X			
X			
X			
X*			

* The facility had some exceedances for turbidity during the 4th quarter of 2004. However, the exceedances were infrequent and did not meet ADEQ's criteria for SNC.

Facility Description:

The Palo Verde Utilities Company is a wastewater treatment facility that is located two miles north of Maricopa, Arizona in Pinal County. The facility receives wastewater from several communities including the Rancho El Dorado Community which is located on 300 acres of land. Phases I and II of the Rancho El Dorado community have been completed. Several other communities were under construction. On the day of the inspection, about 10,140 single family homes had been substantially completed and were connected to the WWTP.

A 1.0 MGD sequential batch reactor (SBR) commenced operation on January 13, 2004. The facility completed a 2.0 MGD expansion, Phase II, during the Winter of 2005 and currently has a capacity of 3.0 MGD. The Phase II expansion was commissioned on January 9, 2006. The facility consists of the four, 0.75 MGD SBR reactors, double belt sludge press, sand filtration and UV disinfection. Each reactor has a capacity of 0.75 MGD. The headworks and sludge processing components of the facility are covered and have wet air scrubbers. The original SBR reactors were converted to aerobic sludge digesters (ASDs).

Scope of Inspection: This was an annual compliance inspection to determine compliance with the APP, AZPDES and Reuse Permits issued to the facility by ADEQ.

General Information and Growth Projections

The operator informed the inspector that the total build out of the certificate of convenience and necessity (CC&N) area was in the process of being expanded. The referenced expansion includes the area of the 387 Water Improvement District and some additional acreage to the east. The new build out will be 48,000 homes for the expanded service area. Currently, the 387 Water Improvement District is in the "Order of Preliminary" status at the Arizona Corporation Commission and is pending reassignment to the Palo Verde Utility Company. During the 2005 calendar year, the facility grew from 4,027 to 9,528 connections to the sewer. At the time of the inspection, there were 10,140 service connections to the collection system. This includes some 3,400 homes in various phases of construction or pending escrow. Home sales in the area continue to average about 200 homes per month. Phases I and II of the master planned community for Rancho El Dorado have been completed and construction of Phase III has commenced. Construction of the communities of Province, The Villages, Cobblestone and Phase III of Rancho El Dorado is continuing. Flow rates have been averaging about 134 gallons of wastewater per residential hookup. The flow rate at the time of the inspection was 894,000 g.p.d.

Individual APP inspection:

Current Permit Status (Individual APP) LTF No. 34986:

An APP amendment was issued by ADEQ's Water Permits Section on December 1, 2005. The referenced permit amendment increased the flow rate from 3.0 – 9.0 MGD. This permit amendment also added routine groundwater monitoring to the permit. Monitoring tables were incorporated for each phase of increased expansion from 3.0 – 9.0 MGD.

Pre-Inspection File Review

The inspection entailed a review of the self monitoring report forms (SMRFs) Violations Report from January –December of 2005. The SMRFs Violations Report contained some redundant information that was redacted. After the necessary corrections were implemented some exceedances in turbidity and Fecal Coliform, mostly in the 4th quarter of 2005 were noted as listed below. These exceedances are considered minor and did NOT meet ADEQ's criteria for significant non compliance (SNC).

3rd quarter 2005

Daily Average Turbidity – five exceedances of the daily average limit of 2.0 NTU

4th quarter 2005

Fecal Coliform daily monitoring of the effluent– 4 exceedances

Turbidity – 4 exceedances of the daily maximum limit of 5.0 NTU

Daily Average Turbidity – 14 exceedances of the daily average limit of 2.0 NTU

Causes of the turbidity monitoring problems in the SBR reactors:

The parameters in Table 1B in P105228 are required only IF effluent is discharged to the permitted reuse sites that require Class A+ water. This includes the Cobblestone Farms, Province, Villages at Rancho El Dorado, The Duke Golf Course and dust control for the Phase III of the Rancho El Dorado construction site.

The operator noted that during the 4th quarter of 2005, the facility experienced a minor upset in the biomass during a rapid growth rate in the flow rate. At this time, the facility experienced some turbidity excursions and Fecal Coliform exceedances in the APP effluent monitoring. The following factors were reported to be contributing causes in the turbidity and Fecal Coliform exceedances:

- In October 2005, the facility experienced turbidity exceedances as a result of the cleaning activities in the Post Equalization Basin (PEQB).
- In November and December of 2005, the facility experienced increased flows due the rapid growth in the nearby communities. The rapid increase in the flow rate “stressed” the biomass within the SBR reactors.

The facility reported these events to ADEQ both orally and in writing. In addition, the facility instituted the following operational changes.

- The facility continued to conduct increased maintenance on the sand filters.
- The facility utilized chlorine as a stand-by method of dechlorination.
- The operator noted that a substance, “Biofix ADA”, was added to the SBR reactors during December 2005. This additive was able to repair the biomass of the SBR reactors and greatly enhance the sedimentation process.
- The facility also utilized some polymer injection in an effort to enhance the sedimentation process.

The facility reported that commencing January 5, 2006 through February 7, 2006 the new SBR reactors were commissioned. This also “stressed” the biomass. Polymer and Biofix ADA were again utilized to improve the sedimentation process. The operator advised that as of February 7, 2006 to the present time, the turbidity of the effluent has been averaging abuts 0.5 N.T.U. or excellent quality effluent.

The operator noted that about 90% of the effluent generated at the facility is discharged to the

various permitted reuse sites. This was an estimated 182,576,454 million gallons of reclaimed water during the 2005 calendar year.

The inspection did note a shortage of "Caution – Reclaimed Water" signage at the reuse sites including the AZPDES discharge point.

Inspection of the SBR Components:

A site inspection of the WWTP revealed that the various operational components of the SBR were functioning adequately. These included the headworks, sludge processing equipment, SBR reactors and associated blowers and motors, aerobic digester, sand filters and UV system. The headworks is covered and provided with an air scrubber. The inspection noted that the WWTP components were operating very well. This includes the Syneco Systems air scrubber device that treats air from the headworks building. No septic odors were detected in the around the property including the perimeter locations.

Effluent quality was noted to be very good on the day of the inspection with the turbidity at <0.5 NTU. The effluent wetwell was very clear. Total Nitrogen results are usually less than 4.0 mg/L.

Reuse Permit Inspection No. R105393 (Cobblestone Farms), R105394 (Province), R105395 (The Duke Golf Course), R105392 (Villages at Rancho El Dorado), R105228 (Palo Verde Utilities LLC Agricultural Site) Type 2 Reclaimed Water Permits

The facility continues to discharge effluent to several permitted reuse sites permit that have been issued a Type 2 Reclaimed Water General Permits. This includes the Province Community which has Reclaimed Water Permit No. R105394. The Province community has about 20 surface acres of lakes with a build out of 52 acres of lakes. At the time of the inspection, the hydraulic capacity of the Province lakes was near capacity. The facility also discharges reclaimed water the Cobblestone Community (1.2 acres of reuse lakes), The Villages (2 acres of reuse lakes) and the Glenwilde community, which as several acres of reuse lakes. These sites are permitted with the above noted Type 2 Reclaimed Water General Permits.

The inspection included a site tour of the twenty acres of Reuse Lakes at the Province. No foaming, floating solids or other deficiencies were noted. The department had recently received a complaint from a local resident questioning the water quality issues within the manmade lakes. No odors were noted. The inspection did not uncover any violations of the Type 2 Reclaimed Water General Permit, R105394 and associated discharge of effluent to the lake(s).

AZPDES Inspection LTF No. 29852, AZ0025071

The AZPDES Permit is in place and authorizes the discharge of treated effluent into Santa Rosa Wash. The discharges to the wash were intermittent during the Winter months of 2005. During February 2006, the facility discharged to the wash on six days. During the Summer months, no discharges to the wash have occurred. Only 10% of the effluent generated at the WWTP is discharged to the wash. On the day of the inspection, the facility was discharging to the wash. During the 2005 calendar year about 20.761 MGD was discharged to the wash. The discharge

point was inspected and no adverse impacts were noted.

It should be noted that downstream of the permitted outfall, there was a substantial amount of turf planted within the wash. This was reportedly planted by the developer with a 404 permit from the U.S. Army COE. The grass in the wash area appears to impede the flow of water within the stream course. The utility has met with the local homeowners association (HOA) to discuss flow restrictions within the stream course. Some improvements are planned to improve flow within the stream course.

The monitoring data for the AZPDES Permit was reviewed. The results show a 99-100% percent reduction for both the biochemical oxygen demand (BOD) and total suspended solids (TSS). No deficiencies were noted during a review of the discharge monitoring reports for the 2005 calendar year.

This facility generates about 214 tons of dried sludge on an annual basis. The sludge is disposed at the Butterfield Landfill.

The facility utilizes an Isco automatic sampler for AZPDES sampling. The device collects 48 aliquots during a 24 hour period and stores the same in a refrigerated compartment.

Findings and Summary:

The inspection noted that the WWTP had undergone a minor operational upset during the 4th quarter of 2005 and during the commissioning of the new SBR reactors in early 2006. These relatively minor upsets were aggressively treated and the problems were quickly corrected. These minor upsets did not meet ADEQ's criteria for significant non compliance.

The facility appeared well on schedule to meet the growth needs of the service area. Another expansion of the WWTP is anticipated in 2007 which will expand from 3.0 – 6.0 MGD. The inspector found the WWTP to be well operated and well maintained.

Compliance Summary

1. Monitoring and Reporting Requirements. (A) Aquifer Protection Permit Monitoring. Daily effluent monitoring for Fecal Coliform and Turbidity; monthly for Total Nitrogen and the Enteric Virus and quarterly for heavy metals. Volatile organic compounds (VOCs) are to be sampled on a semi-annual basis. The facility experienced numerous turbidity violations during the 4th quarter of 2005. However, the cause of the exceedances has been corrected and the facility was in compliance with turbidity monitoring at the time of the inspection. These exceedances did not meet ADEQ's criteria for SNC and were considered minor. **Rating: Compliance**

(B) AZPDES monitoring is also required including daily flow measurements. Bimonthly monitoring is required for BOD, TSS, pH and chlorine residual. Metals are monitored quarterly. There are numerous other constituents including inorganics, volatile organic compounds (VOCs), base-neutral compounds that are monitored during the 2, 3 and 4th years

of the permit. These are listed in Table 3a-3f. WET testing is required on a quarterly basis. The first month, January 2005, for submission of the discharge monitoring report forms (DMRs) was submitted to ADEQ in a timely manner. **Rating: Compliance**

2. **Operator Certification Requirements.** The WWTF is classified as a Class 3 WWTF and the collection system is classified as a Class 2 Collection System. Jeff Lemley is the operator and holds a Grade 4 WWT and a Grade 4 WWC license issued by ADEQ.
Rating: Compliance.
3. **Operation & Maintenance (O&M) Requirements.** The facility experienced operational problems during the 4th quarter of 2004 regarding P105228. However, the cause of the exceedances has been corrected and the facility was in compliance with turbidity monitoring at the time of the inspection.
Rating: Compliance.

Recommendation:

More signage regarding the use of reclaimed water at the various reuse sites and the AZPDES discharge point, should be placed around the various areas.

END OF REPORT