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Desert Mountain Analytical Services PLLC

October 11, 2007

Arizona Corporation Commission
Docket Control
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

OCT 12 2007

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AZ CORP COMMISSION
DOCKET CONTROL

RE: Docket No. W-03948A-07-0495

Dear Mr. Eaddy-

We are in receipt of your Letter of Deficiency dated September 24, 2007 for Empirita Water Company, LLC ("Empirita"). Per our telephone discussion earlier this week, we are filing support and explanations for the 5 items on the List of Deficiencies.

1. Empirita faxed the Compliance Status Report to the Arizona Department of Environmental Quality ("ADEQ") on August 22, 2007. Per this document, ADEQ is requested to fax a response to both the Arizona Corporation Commission Utilities Engineering, and the requesting company within 30 days. Empirita has received no response from ADEQ regarding this request, however, we have attached a letter from ADEQ dated February 20, 2007 that states "...Empirita Water Company is in substantial compliance".
2. Empirita has finally received its Certificate of Compliance from the Arizona Department of Revenue dated October 4, 2007. A copy is attached.
3. Empirita has completed and attached the Water Testing Table. Due to the size of the system, very few tests were required of the system and/or performed during the 2006 Test Year. Additional tests are being performed by the operator of the system in 2007, and the prices and amounts provided in the table are estimates for 2007 testing.
4. All water testing invoices Empirita has for expenses incurred during the Test Year were provided with the original application filed on August 24, 2007.

PO Box 51628 Ahwatukee, AZ 85076-1628
Phone: 480.961.5484 - Fax: 480.961.5488
Email: sonncpa@qwest.net

5. All invoices prior to the Test Year for account 307, Wells and Springs, were related either to the two wells listed in the plant description on page 16 of the application, or exploratory costs to find water that led to one of the resultant wells. Test year expenses relate to a well that will be new to the system. A schedule is attached listing each invoice provided with the original application filed on August 24, 2007 that is classified to account 307, and which specific well by ADEQ number each invoice relates to.

It is our hope that the above items and explanations will enable the application to be found sufficient. If you have any questions or require additional information, please don't hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Sonn S Rowell". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Sonn S Rowell
Certified Public Accountant
Enc

Cc: James Vermilyea, President
Empirita Water Company, LLC



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

February 20, 2007

Case # 39502

Inspection # 73282

Empirita Water Company, LLC
Attention: James L. Vermilyea
2090 N. Kolb Road, Suite 120
Tucson, Arizona 85715-4149

Subject: Closure of the 3/30/06 Notice of Opportunity to Correct Deficiencies
for Empirita Water System #02-122, Place ID #113740

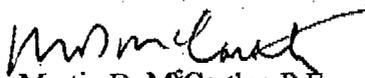
Dear Mr. Vermilyea:

The Arizona Department of Environmental Quality (ADEQ) has closed the Notice of Opportunity to Correct (NOC) deficiencies issued to Empirita Water Company on March 30, 2006. By closing the NOC, ADEQ has determined that Empirita Water Company is in substantial compliance. This determination is based solely upon a finding that the deficiencies have been corrected as requested within the NOC.

ADEQ will not proceed with further action at this time. However, if additional information regarding the alleged violations is discovered, or if further violations occur, ADEQ may reconsider its position and take additional action as appropriate and as allowed by law.

Thank you for your efforts to comply with Arizona's environmental requirements. Should you have any comments or questions regarding this matter, please do not hesitate to contact me at (520) 628-6733.

Sincerely,


Martin D. McCarthy, P.E.
Regional Compliance Manager
Southern Regional Office

cc: Mike Leider, DMD Water Services
Cynthia Campbell, Manager, WQCS, WQD, ADEQ
John Calkins, Manager, DWS, WQD, ADEQ
Laurie Gehlsen, SWAPU, DWS, WQD, ADEQ

Northern Regional Office
1801 W. Route 66 • Suite 117 • Flagstaff, AZ 86001
(928) 779-0313

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

Certificate of Compliance

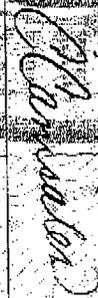
Letter of Good Standing

Empirita Water Company, LLC

This Certificate of Compliance is issued pursuant to Arizona Revised Statutes Section 42-1110 and/or Section 43-1151. It certifies that, according to department records, the above named taxpayer has filed and paid all taxes due under Title 42 and Title 43, specifically and only as to the following described tax types and identification/license numbers:

TAX TYPE
Federal Employer Identification Number : 20-2422472
Transaction Privilege Tax License : 29-1326172E
This certification is made conditionally and is subject to the findings of any subsequent audit.

IDENTIFICATION



Issued To:
Empirita Water Company, LLC
Attn: Mr. James Vermilyea
2090 N. Kolb Rd, Ste 120
Tucson, AZ 85715

Arizona's eSales
Revenue Officer, 602-16-6234
October 4, 2007
www.AZDOR.gov



EMPIRITA WATER COMPANY, LLC
WATER TESTING EXPENSE TABLE - ACCOUNT 635 (ESTIMATED)

Monitoring	Cost per test	No. of tests	Annual Cost
Total coliform - monthly	\$ 20	12	\$ 240
Inorganics - Priority Pollutants	\$ 145		
Radiochemical			
Gross Alpha	\$ 51	2	\$ 102
Radium 226 (if required)	\$ 320	2	\$ 640
Radium 228 (if required)	\$ 320	2	\$ 640
Phase II and V:			
Nitrate	\$ 15	2	\$ 30
Nitrite	\$ 15	2	\$ 30
Asbestos	\$ 165		\$ -
Inorganics - Ba, CN, F			
VOC's			
Pesticides/PCB's/Unreg./SOC's			
Lead & Copper	\$ 33	10	\$ 330
Total			\$ 2,012

**EMPIRITA WATER COMPANY, LLC
RAW PLANT INVOICE DETAIL**

Inv Date	Vendor	Inv Amount	Description of Service	Which Well?
10-Feb-00	GRC	\$ 1,292.65	well analysis and determination of site	55-579078
03-Mar-00	BJ Drilling	16,820.58	borehole for well #1/PVC casing	55-579078
08-Mar-00	GRC	1,446.47	supervise drilling of 2 wells, select more sites	55-579078
10-Mar-00	BJ Drilling	1,631.31	test pumping	55-579078
14-Apr-00	BJ Drilling	8,432.30	borehole/casing/install test pump	55-579078
03-May-00	GRC	5,328.91	sup drilling of new well/long term pump test/samples to lab	55-580933
01-Jun-00	GRC	6,959.65	hydrology report of well samples for ADEQ for new pub water supply	55-580933
29-Jun-00	BJ Drilling	6,340.08	borehole/pvc casing	55-579078
01-Jul-00	BJ Drilling	7,939.02	borehole/casing	55-579078
17-Jul-00	BJ Drilling	2,900.10	test pump	55-579078
18-Jul-00	GRC	1,592.49	final hydro rept, talk w/subs and ACC	55-579078
15-Aug-00	Haley	5,727.75	coord w/driller/long term pump test/samples/lab	55-580933
16-Sep-00	Haley	3,588.73	well work on No 2	55-580933
07-Oct-00	Haley	5,474.73	finalize hydrology repts/perc tests	55-580933
08-Nov-00	Haley	1,823.78	complete perc tests and submit reports	55-580933
15-Nov-00	BJ Drilling	256.35	backhoe work for percolating test pits	55-580933
10-Feb-01	Haley	240.82	discussions with atty re water demand @ cieniga wellfield	55-580933
01-Oct-01	Dickens	342.22	well reports for ADEQ	55-580933
21-Dec-01	Dickens	7,973.50	perc tests, perc hole drilling	55-580933
<p>\$ 86,111.44 Account 307, Wells and Springs</p>				
18-Dec-06	BJ Drilling	\$ 22,997.06	hawk site 2 well - 2006 addition	55-905700
16-Jan-06		5,198.25	no invoice	
19-Mar-06	BJ Drilling	2,027.84	hawk site 2 well - 2006 addition	55-905700
<p>\$ 30,223.15 Account 307, Wells and Springs</p>				

\$ 116,334.59 Total reported on rate application for Test Year End 12/31/06