



0000082453

### Transcript Exhibit(s)

Docket #(s): WS-01678A-07-0459

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Exhibit #: EXA-1,

EXA-2

3-1

AZ CORP COMMISSION  
DOCKET CONTROL

2008 MAR -7 P 3: 19

RECEIVED

Arizona Corporation Commission  
DOCKETED

MAR -7 2008

DOCKETED BY	
	KK MR

One Arizona Center  
Phoenix, AZ 85004-2202  
602.382.6000 P  
602.382.6070 F  
swlaw.com

Marcie A. Shuman  
602.382.6520  
mshuman@swlaw.com

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2007 OCT 30 P 4: 41

AZ CORP COMMISSION  
DOCKET CONTROL

DENVER  
IRVINE  
LAS VEGAS  
PHOENIX  
SALT LAKE CITY  
TUCSON

October 30, 2007

Blessing N. Chukwu  
Executive Consultant III  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, Arizona 85007

**Re: Baca Float Water Company's Application for Extension of its Certificate of Convenience and Necessity for Sewer Service (Docket No. WS-01678A-07-0459); Response to Insufficiency Letter**

Dear Blessing:

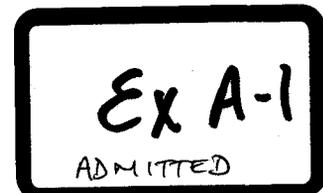
Baca Float Water Company ("Company") hereby responds to the deficiencies outlined in your letter dated August 31, 2007. The numbered items below correspond to the numbered items in your letter.

(1) Enclosed as Exhibit 1 is a copy of the Company's 2006 annual report for its sewer division as submitted to the Commission. As originally prepared, the 2006 report did not include sewer plant descriptions, sewer flow data and related information. This information, current as of 2007, is attached as Exhibit 2.

(2) In response to your request for sewer plant descriptions and sewer data flow, the Company has completed pages 10-13 of the annual report form (wastewater company plant description, wastewater flows, statistical information, etc.) with data that is current as of 2007. See the attached Exhibit 2. In the past, the Company only collected monthly sewer flow readings. During a routine inspection by the Arizona Department of Environmental Quality ("ADEQ") last month, ADEQ requested that the Company start collecting daily and monthly data on sewer flow. As a result, the Company just started to collect daily data on sewer flow.

(3) Enclosed as Exhibit 3 is a copy of the most recent Compliance Status Report for the Company from ADEQ.

(4) Enclosed as Exhibit 4 are (i) a spreadsheet which sets forth the estimated cost of \$722,525 for the planned wastewater treatment plant and influent lift station that will be



Blessing N. Chukwu  
Executive Consultant III  
October 30, 2007  
Page 2

constructed to serve the extension area; and (ii) a spreadsheet which sets forth the estimated cost of **\$320,500** for the on-site sewer collection mains that will be constructed within the extension area. In its application, the Company inadvertently omitted the estimated cost of the on-site sewer collection mains and the estimated engineering cost and contingency on the off-site facilities. When these additional estimated amounts are included, the total estimated project cost is **\$1,043,025**. The 86-lot subdivision addressed in the extension application will be developed as a single phase or as two phases (no final decision has been made by the developer on this point), and the Company anticipates that substantially all of the estimated costs for the wastewater treatment plant, lift station and sewer collection mains will be incurred at the beginning of the project.

(5) Enclosed as Exhibit 5 are copies of the original Aquifer Protection Permit (APP No. 102959) and significant amendment of APP No. 102959 issued by ADEQ for the Company's existing treatment facilities.

(6) The Company estimates that it will start construction of the sewer infrastructure to serve the new extension area on or about June 1, 2008, and that construction will be completed on or about March 1, 2009. (*See also* Application at page 5).

We believe this response and the corresponding enclosures address all deficiencies listed in your August 31, 2007, letter within the 60-day timeframe as set forth in A.A.C. R14-2-610(C)(3). If you have any questions, please contact me at the number above.

Very truly yours,

SNELL & WILMER

  
Marcie A. Shuman

Enclosures

cc: Docket Control (13 copies with enclosures)  
Gary Brasher (via e-mail with enclosures)  
David Grounds (via e-mail with enclosures)

# **Exhibit 1**

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

B

**WS-01678A**

Baca Float Water Company- Sewer Division  
P.O. Box 1536  
Tubac, AZ 85646

**ANNUAL REPORT**

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN05	06
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entered  
4-2-07  
RF

**COMPANY INFORMATION**

<b>Company Name (Business Name)</b> <u>Baca Float Water Co., Inc. – Sewer Division</u>		
<b>Mailing Address</b> <u>P.O. Box 1536</u> (Street)		
<u>Tubac</u> (City)	<u>AZ</u> (State)	<u>85646</u> (Zip)
<u>(520) 398-3177</u> Telephone No. (Include Area Code)	<u>(520) 398-2407</u> Fax No. (Include Area Code)	<u>n/a</u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>n/a</u>		
<b>Local Office Mailing Address</b> <u>same as above</u> (Street)		
<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>
<u>Local Office Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>
<b>Email Address</b> <u>n/a</u>		

**MANAGEMENT INFORMATION**

<b>Management Contact:</b> <u>Richard Lockwood</u> (Name)			<u>Manager</u> (Title)
<u>P.O. Box 1536</u> (Street)	<u>Tubac</u> (City)	<u>AZ</u> (State)	<u>85646</u> (Zip)
<u>(520) 398-3177</u> Telephone No. (Include Area Code)	<u>(520) 398-2407</u> Fax No. (Include Area Code)	<u>n/a</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>n/a</u>			
<b>On Site Manager:</b> <u>Lino Vega</u> (Name)			
<u>P.O. Box 1536</u> (Street)	<u>Tubac</u> (City)	<u>AZ</u> (State)	<u>85646</u> (Zip)
<u>(520) 398-3177</u> Telephone No. (Include Area Code)	<u>(520) 398-2407</u> Fax No. (Include Area Code)	<u>n/a</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>n/a</u>			

Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Jacqueline Brasher  
(Name)

Two Tubac Rd. Tubac AZ 85646  
(Street) (City) (State) (Zip)

(520) 398-2506 (520) 398-2407 n/a  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** Michael Milroy- Snell & Wilmer  
(Name)

Once Church Road Tucson AZ 85701  
(Street) (City) (State) (Zip)

(520) 882-1200 (520) 884-1294 n/a  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Please mark this box if the above address(es) have changed or are updated since the last filing.

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input checked="" type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME: Baca Float Water Co., Inc. – Sewer Division

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization			
352	Franchises			
353	Land and Land Rights			
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>TOTALS</b>			

See Water Co Report

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: Baca Float Water Co., Inc. – Sewer Division

**CALCULATION OF DEPRECIATION EXPENSE**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights			
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>TOTALS</b>			

*See Water Co. Report*

This amount goes on the Comparative Statement of Income and Expense Acct. 403

COMPANY NAME: Baca Float Water Co., Inc. – Sewer Division

**BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$	\$
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$	\$
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$	\$
	<b>TOTAL ASSETS</b>	\$	\$

*See Water Co. Report*

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
252	Advances in Aid of Construction	\$	\$
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Other Paid in Capital		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$	\$

See Water Co. Report

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 42,892.00	\$ 94,449.00
522	Measured Revenues		
536	Other Wastewater Revenues		
	<b>TOTAL REVENUES</b>	\$ 42,892.00	\$ 94,449.00
	<b>OPERATING EXPENSES</b>		
701	Salaries and Wages	\$ 57,663.00	\$ 85,052.00
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power	4,117.00	5,556.00
716	Fuel for Power Production		
718	Chemicals		589.00
720	Materials and Supplies	22,322.00	12,757.00
731	Contractual Services – Professional	14,744.00	9,024.00
735	Contractual Services – Testing	3,659.00	3,853.00
736	Contractual Services – Other	9,829.00	
740	Rents		11,947.00
750	Transportation Expense		179.00
755	Insurance Expense	7,363.00	3,010.00
765	Regulatory Commission Expense		3,111.00
775	Miscellaneous Expense		3,603.00
403	Depreciation Expense	1,513.00	
408	Taxes Other Than Income	112.00	
408.11	Property Taxes	2,061.00	1,015.00
409	Income Taxes		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 123,383.00	\$ 139,696.00
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/EXPENSE</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	<b>\$ (80,491.00)</b>	<b>\$ (45,247.00)</b>

COMPANY NAME: Baca Float Water Co., Inc. – Sewer Division

**SUPPLEMENTAL FINANCIAL DATA**  
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

COMPANY NAME: Baca Float Water Co., Inc. – Sewer Division

**WASTEWATER COMPANY PLANT DESCRIPTION**

**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)

**FORCE MAINS**

Size	Material	Length (Feet)
4-inch		
6-inch		

**MANHOLES**

Type	Quantity
Standard	
Drop	

**CLEANOUTS**

Quantity

COMPANY NAME: Baca Float Water Co., Inc. – Sewer Division

**WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**COLLECTION MAINS**

**SERVICES**

Size (in inches)	Material	Length (in feet)
4		
6		
8		
10		
12		
15		
18		
21		
24		
30		

Size (in inches)	Material	Quantity
4		
6		
8		
12		
15		

*NA*

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY**

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	



**STATISTICAL INFORMATION**

Total number of customers \_\_\_\_\_

Total number of gallons treated \_\_\_\_\_

gallons

NA

COMPANY NAME: Baca Float Water Co., Inc. – Sewer Division \_\_\_\_\_ YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_ (45,247.00) \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_ 0 \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_ (45,247.00) \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_ 0 \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
SIGNATURE

03/30/07  
\_\_\_\_\_  
DATE

Gary P. Brasher  
\_\_\_\_\_  
PRINTED NAME

President  
\_\_\_\_\_  
TITLE

COMPANY NAME: Baca Float Water Co., Inc. – Sewer Division \_ YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 1,015.00

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

APR 9 2 2007

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME): Santa Cruz
NAME (OWNER OR OFFICIAL) TITLE: Gary P. Brasler, President
COMPANY NAME: Baca Float Water Co., Inc. - Sewer Division

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL

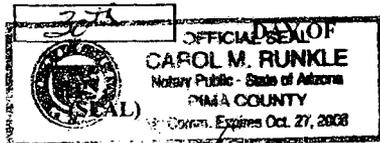
(520) 398-2506

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



COUNTY NAME	Santa Cruz	
MONTH	March	2007

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Oct. 27, 2008

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME): <u>Santa Cruz</u>
NAME (OWNER OR OFFICIAL) TITLE: <u>Gary P. Brasher, President</u>
COMPANY NAME: <u>Baca Float Water Co., Inc. - Sewer Division</u>

APR 12 2007  
AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>98,270.00</u>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 3,821.00  
IN SALES TAXES BILLED, OR COLLECTED)

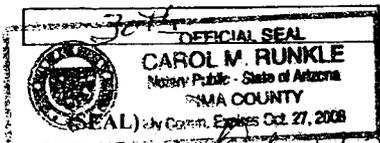
**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 398-2506  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

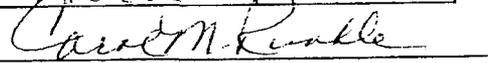
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME	<u>Santa Cruz</u>
MONTH	<u>March 2007</u>

  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Oct. 27, 2008

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**RECEIVED**  
APR 12 2007

VERIFICATION

STATE OF Arizona

COUNTY OF (COUNTY NAME): Santa Cruz	
NAME (OWNER OR OFFICIAL): Gary P. Brasher	TITLE: <u>President</u>
COMPANY NAME: Baca Float Water Co., Inc. - Sewer Division	

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>98,270.00</u>

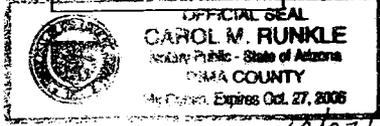
(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 3,821.00 IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

*G. P. Brasher*  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 398-2506  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 30th DAY OF

NOTARY PUBLIC NAME	<u>Carol M. Runkle</u>
COUNTY NAME	<u>Santa Cruz</u>
MONTH	<u>March</u>   <u>2007</u>

(SEAL)   
MY COMMISSION EXPIRES 10/27/08

*Carol M. Runkle*  
SIGNATURE OF NOTARY PUBLIC

# 2006 PROPERTY TAX NOTICE

**ARIZONA**

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE
951-33-501 3	3501	8.3254	4.9114	

	VALUE IN DOLLARS	ASSMT %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	NET ASSESSED		
PRIMARY LAND, BLDGS, ETC	16,202	24.5	3,969	0	8.3254	330.44	PRIMARY PROPERTY TAX	652.72
PRIMARY PERSONAL PROPERTY	15,798	24.5	3,871	0	8.3254	322.28	LESS STATE AID TO EDUCATION	0.00
PRIMARY TOTALS	32,000		7,840	0		652.72	NET PRIMARY PROPERTY TAX	652.72
SECONDARY LAND	0	24.5	0	0	4.9114	0.00	SECONDARY PROPERTY TAX	361.38
SECONDARY BLDGS, ETC	16,202	24.5	3,969	0	4.9114	194.84	SPECIAL DISTRICT TAX	0.00
SEC. PERSONAL PROPERTY	15,798	24.5	3,871	0	4.2999	166.44	TOTAL TAX DUE FOR 2006	1,014.10
SECONDARY TOTALS	37,000		7,840	0		361.38		

0041675  
 SITUS ADDRESS:  
 NULL  
 LEGAL DESCRIPTION:  
 TOTAL VALUE OF OPERATING PROPERTY:  
 This is the only notice you will receive.  
 Caesar Ramirez  
 Santa Cruz County Treasurer  
 2150 N Congress Dr  
 Nogales AZ 85621-1091  
**THIS IS A  
 CALENDAR YEAR  
 TAX NOTICE**

JURISDICTION	2006 TAXES	2005 TAXES
02000 SANTA CRUZ COUNTY	259.12	184.19
07035 SANTA CRUZ SD #35	515.90	365.12
11201 TUBAC FD	206.97	145.27
11900 FIRE DISTRICT ASSIST	7.84	5.50
15001 SANTA CRUZ COUNTY FC	24.27	27.93
02001 STATE SCHOOL TAX EQU	0.00	23.97
<b>TOTALS</b>	<b>1,014.10</b>	<b>751.98</b>

951-33-501 3  
 0007559 01 AV 0.293 \*\*AUTO T3 0 0794 85646-424141  
  
 BACA FLOAT SEWER SYSTEM  
 GARY P BRASHER  
 P O BOX 4241  
 TUBAC AZ 85646-4241

**PAYMENT INSTRUCTIONS**  
 To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2006. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2007. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than 2006. Delinquent interest will be waived.  
 Make your check payable to and mail to:  
 Caesar Ramirez  
 Santa Cruz County Treasurer  
 2150 N Congress Dr  
 Nogales AZ 85621-1091

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE MAIL TO US:  
 PARCEL NUMBER  
 0041675

**BACA FLOAT WATER COMPANY INC**

PO Box 1536  
Tubac, AZ 85648  
520-398-3177

BARRIOCONTROLLER@AOL.COM WWW.BARRIODETUBAC.COM

BANK OF THE WEST  
180 West Continental Road #170  
Green Valley, AZ 85614  
91-564/1221

11832

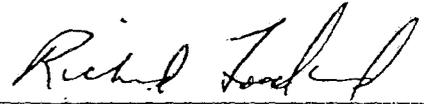
10/1/2006

PAY TO THE ORDER OF Caesar Ramirez Santa Cruz County Treasure

\$\*\*1,014.10

One Thousand Fourteen and 10/100\*\*\*\*\* DOLLARS

Caesar Ramirez Santa Cruz County Treasure  
2150 N. Congress Dr  
Nogales AZ 85621-1091



MEMO

951-33-501 3

⑈011832⑈ ⑆ [REDACTED] ⑆ [REDACTED]

[REDACTED]

284829753 9102 9102 01 10-12-06

10112006 2150 CREDITED TO PAYEE AEG  
32881 0085 >11901331< PHX WLEX  
90142669 JPMORGAN CHASE BANK NA  
FT WORTH, TX

5240053662

DO NOT WRITE STAMP OR SIGN BELOW THIS LINE  
OR SIGNATURE WILL BE INVALID

## **Exhibit 2**

**COMPANY NAME: BACA FLOAT WATER CO INC. (SEWER DIVISION CURRENT 2007)**

**WASTEWATER COMPANY PLANT DESCRIPTION**

**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Sub Surface Constructed Wetlands
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	100,000 (4 - 25,000 Gal Cells)

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Barrio de Tubac Subdivision	98	1/2	10	557,100

**FORCE MAINS**

Size	Material	Length (Feet)
4-inch		
6-inch	Green Sewer Pipe	24,500

**MANHOLES**

Type	Quantity
Standard	45
Drop	

**CLEANOUTS**

Quantity
69

**COMPANY NAME: BACA FLOAT WATER CO INC. (SEWER DIVISION CURRENT 2007)**

**WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**COLLECTION MAINS**

**SERVICES**

Size (in inches)	Material	Length (in feet)
4	Green Sewer Pipe	9,200
6		
8		
10		
12		
15		
18		
21		
24		
30		

Size (in inches)	Material	Quantity
4		
6		
8		
12		
15		
2	Sch 40 PVC 150 PSI	26,000
	(distribution of reuse)	

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY**

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	94 Sewer Tanks (capacity 557,100)
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	Chlorinator and De-Chlorinator
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Slow Sand Filter
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	Chain Link Fences
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Lab Equipment, Tools, Vehicles, Gas Power Generator

**COMPANY NAME: BACA FLOAT WATER CO INC. (SEWER DIVISION CURRENT 2007)**

**WASTEWATER FLOWS**

<b>MONTH/YEAR (Most Recent 12 Months)</b>	<b>NUMBER OF SERVICES</b>	<b>TOTAL MONTHLY SEWAGE FLOW</b>	<b>SEWAGE FLOW ON PEAK DAY</b>
April 2007	1	231,600	
May 2007	1	35,800	
June 2007	1	39,200	
July 2007	1	148,400	
August 2007	1	209,100	

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE**

<b>Method of Effluent Disposal</b> (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse
<b>Wastewater Inventory Number</b> (all wastewater systems are assigned an inventory number)	
<b>Groundwater Permit Number</b>	
<b>ADEQ Aquifer Protection Permit Number</b>	APP 102959
<b>ADEQ Reuse Permit Number</b>	
<b>EPA NPDES Permit Number</b>	

**STATISTICAL INFORMATION**

Total number of customers 350

Total number of gallons treated Average of 4,328 per Day gallons

# **Exhibit 3**



Janet Napolitano  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • [www.adeq.state.az.us](http://www.adeq.state.az.us)



Stephen A. Owens  
Director

September 06, 2007

RE: Compliance Status for Baca Float Water Company, Inventory number 102959,  
Place ID: 265, Permit number: 36054.

Dear Ms. Shuman;

Your request for evaluation of compliance status for the above facility is completed. Our records indicate that Baca Float Water Company has Aquifer Protection Permit number 102959 issued on 12/15/2006.

The Aquifer Protection Permit reporting requirements and monitoring results which have been submitted indicate the facility **is in compliance** based on the current information that is available to ADEQ. There is no enforcement actions are pending.

It should be understood that the compliance status of a facility may change from time to time based upon monitoring results or a facility inspection. Therefore this is based on the most current information available.

Sincerely,

Fred Vakili, EHS- II  
Water Quality Data Unit  
Water Quality Compliance Section

Northern Regional Office  
1515 East Cedar Avenue • Suite F • Flagstaff, AZ  
86004

Southern Regional Office  
400 West Congress Street • Suite 433 • Tucson, AZ  
85701

# **Exhibit 4**

Tubac 40 - Initial Cost Estimate (not based on final design criteria)  
 For General Cost Estimate Purposes Only

	Quantity	Units	Unit Cost	Cost
Earthwork	6,000	cy	10 \$	60,000
30-mil Liner	80,000	sf	1 \$	80,000
Geotextile	80,000	sf	0.2 \$	16,000
3" Mulch	600	cy	22 \$	13,200
Rock	5,000	cy	30 \$	150,000
Drain Pipe	2,600	lf	0.2 \$	520
Plants	4,000	ea	2 \$	8,000
Control Structures/Yard Pipe	4	ea	2,000 \$	8,000
Influent Lift Station	1	ls	80000 \$	80,000
Settling tank concrete	110	cy	550 \$	60,500
Settling Tank excavation	360	cy	50 \$	18,000
Back up generator	1	ls	10,000 \$	10,000
Chlorination/storage	1	ls	20,000 \$	20,000
Yard Piping	1	ls	25000 \$	25,000
6' chain link fence	440	lf	20 \$	8,800
Split rail fence	2,000	lf	10 \$	20,000
Subtotal			\$	578,020
25% Eng and Contingency				144,505
Total			\$	722,525

# PSOMAS

## OPINION OF PROBABLE CONSTRUCTION COST

Job Name: Tubac 40 Job No.: 05012-03-1055  
 Preliminary  Final  Date: 10/30/2007  
 Prepared By: Thomas C. Lodge Checked By: \_\_\_\_\_ Revised: \_\_\_\_\_

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT
<b>PHASE I - NORTH</b>					
1	Sewer - 8 inch PVC	L.F.	2,620	\$35.00	\$91,700
2	Manholes	EA.	18	\$3,000.00	\$54,000
3	HCS	EA.	54	\$400.00	\$21,600
					\$167,300
<b>PHASE II - SOUTH</b>					
1	Sewer - 8 inch PVC	L.F.	1,920	\$35.00	\$67,200
2	Manholes	EA.	11	\$3,000.00	\$33,000
3	HCS	EA.	28	\$400.00	\$11,200
					\$111,400
	<b>Subtotal Sewer Costs</b>				\$278,700
	15% Contingency				\$41,800
	<b>Total Sewer</b>				\$320,500

# **Exhibit 5**



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Fife Symington, Governor

Russell F. Rhoades, Director

WU96:495

File No. P-102959

June 11, 1996

Mr. Roy Ross  
Baca Float Water Company  
P.O. Box 4241  
Tubac, AZ 85646

COPY

RE: Baca Float Water Company WWTP  
Aquifer Protection Permit No. P-102959

Dear Mr. Ross:

Enclosed is a signed copy of the Aquifer Protection Permit No. P-102959, with Executive Summary, for the Baca Float Water Company Wastewater Treatment Plant. Effective June 7, 1996, under the provisions of Title 18, Chapter 9, Article 1, of the Arizona Administrative Code (A.A.C.), the Baca Float Water Company is authorized to operate its wetlands-based wastewater treatment plant, in Tubac, Arizona, pursuant to the terms and conditions of Aquifer Protection Permit No. P-102959.

If you have any questions about this permit or need further assistance, please contact me at (602) 207-4666. Thank you for your cooperation in protecting the water quality of the State of Arizona.

Sincerely,

A handwritten signature in cursive script, appearing to read "William Marceau".

William Marceau  
Wastewater APP and Reuse Unit  
Division of Water Quality

WM:wm

cc: Russ Best, Supervisor, ADEQ Wastewater APP and Reuse Unit  
Lynne Dekarske, Water Protection Approvals and Permits Section  
Julie Collins, ADEQ, Water Quality Data Unit  
Trenlin Hubbert, Southwest Wetlands Group, Inc.  
Tom Andrews, Southwest Wetlands Group, Inc.

**EXECUTIVE SUMMARY**  
for  
**AQUIFER PROTECTION PERMIT NO. P-102959**  
**Baca Float Water Company**

**Facility Name:**

Baca Float Water Company

**Facility Owner:**

Baca Float Water Company  
P.O. Box 4241  
Tubac, AZ 85646

**Facility Location:**

The Baca Float WWTP will be located approximately 1/2 mile southeast of the community of Tubac in Santa Cruz County, in Township 21 S, Range 13 E, Section 18, SW SW SE, over groundwater of the Santa Cruz Active Management Area. The facility will provide wastewater treatment for the Barrio de Tubac residential development, located on property adjacent to the WWTP.

**Facility Description:**

This facility is a subsurface flow wetlands-based WWTP that will treat up to 0.1 MGD of primary effluent wastewater discharged from a series of septic tanks at the Barrio de Tubac residential development in Tubac, Arizona. The WWTP as herein permitted does not actually include the septic tanks, which will be under separate ownership. The WWTP will consist of a pre-treatment tank for supplementary BOD and TSS reduction, a flow splitter, four parallel constructed wetland cells designed for subsurface flow, a dosing tank for distribution of flow to downline system components, recirculating sand filters, an aeration channel and habitat pond, and a storage pond for controlling the water level in the habitat pond. Wetland cells will be planted with cattail, bulrush, and common reed. From the habitat pond, treated effluent will be discharged to a land application storage pond, from which it will be applied to 9.3 acres of native vegetation. The land application storage pond has a 10-day effluent storage capacity. All system components, including the terminal land application storage pond, will be lined with a 40 mil polypropylene geomembrane. The entire wastewater treatment, storage, and land application area will be surrounded by a six-foot fence of non-climbable fabric, topped by three strands of barbed wire. The fenced area will be posted with signs forbidding trespass.

**Compliance with Aquifer Water Quality Standards (AWQS):**

The system is designed to discharge effluent with total nitrogen levels below 8 mg/l. Coliform levels will be reduced by filtration through the wetlands vegetation beds and by exposure to ultraviolet radiation in the high surface area wetlands and storage ponds. The depth to groundwater is 11 feet. Further polishing of the effluent through soil-aquifer treatment is expected because the percolation rate at the disposal site is slow (between 30 and 60 min/inch). Residual coliform levels should be further reduced by this percolation. The wastewater will not contain an industrial component, so the presence of metals or VOCs is not anticipated.

**Best Available Demonstrated Control Technology (BADCT):**

Wetlands-based wastewater treatment is an accepted technology currently used in many states and countries. In the Baca Float facility, all system components will be lined with 40 mil polypropylene geomembrane. The Baca Float system is designed to remove total nitrogen to less than 8 mg/l, BOD to 5 mg/l, and TSS to 5 mg/l. Final effluent should achieve tertiary or advanced secondary quality. The facility therefore meets BADCT.

**Point of Compliance:**

Monitor wells will be drilled at two points of compliance. POC No. 1 is located immediately downgradient of the wetlands cells. POC No. 2 is located immediately downgradient of the land application area. The second POC was designated in order to properly monitor the effect of disposal on a small parcel of private property located within the Baca Float WWTP and the Barrio de Tubac development, immediately downgradient of the land application area. An active private drinking water supply well is located on this property. POC No. 2 therefore will ensure that groundwater is not adversely affected at the drinking water well. Monitor wells at both POCs will be monitored for ambient groundwater conditions prior to facility startup to compare with data obtained later.

**Monitoring Requirements:**

Final effluent will be monitored daily for flow, monthly for pH, quarterly for fecal coliform, monthly for total nitrogen and semiannually for heavy metals. The monthly monitoring for nitrogen will be reduced to quarterly after two years if data shows that nitrogen is being effectively removed. Groundwater at both POC wells will be monitored quarterly for all nitrogen forms (nitrate, nitrite, nitrate and nitrite combined, and total nitrogen) monthly for total coliform, and annually for heavy metals.

**Zoning Requirements:**

The applicant has submitted statements from the Santa Cruz County Department of Planning and Zoning, verifying that the facility complies with applicable zoning ordinances and regulations.

**Technical Capability:**

The facility has been designed by an engineer registered in Arizona. Facility owners will obtain a certified operator for the completed WWTP.

**Financial Capability:**

The applicant has demonstrated financial capability pursuant to A.A.C. R18-9-108.B.8.c.ii.

**Special Circumstances:**

Pursuant to the requirements of the Arizona Department of Water Resources (ADWR) for the Santa Cruz Active Management Area, irrigation "to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock, range livestock or poultry..." is not allowed. For this reason, the facility has been restricted to applying wastewater to natural vegetation for on-site landscaping only. The phrase "land application" is used in the permit in place of "irrigation".

STATE OF ARIZONA

AQUIFER PROTECTION PERMIT NO. P-102959

PART I.

AUTHORIZATION TO DISCHARGE POLLUTANTS IN A MANNER SUCH THAT CURRENT AND REASONABLY FORESEEABLE FUTURE USES OF THE AQUIFER ARE PROTECTED

In compliance with the provisions of Arizona Revised Statutes (A.R.S.) Title 49, Chapter 2, Articles 1, 2 and 3; Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, Article 1; A.A.C. Title 18, Chapter 11, Article 4; and conditions set forth in this permit:

Facility Name: Baca Float Water Company WWTP

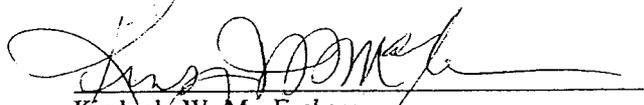
Owner:

Baca Float Water Company  
P.O. Box 4241  
Tubac, AZ 85646

is authorized to operate the Baca Float Water Company facility located south of the community of Tubac, in Santa Cruz County, Arizona, over groundwater of the Santa Cruz Active Management Area in Township 21 S, Range 13 E, Section 18 SW SW SE, Gila and Salt River Base Line and Meridian, at:

Latitude	31° 36' 30"	North
Longitude	111° 02' 30"	West

This permit shall become effective on the date of the Division Director's signature and shall be valid for the life of the facility (operational, closure, and post-closure periods) provided that the facility is constructed, operated, and maintained pursuant to all the conditions of this permit according to the design and operational information documented or referenced in PARTS I, II, III, IV, V, VI, and VII of this Permit, and such that Aquifer Water Quality Standards are not violated.



Kimberly W. MacEachern  
Director, Water Quality Division  
Arizona Department of Environmental Quality

Signed this 7<sup>th</sup> day of June, 1996

PART II. SPECIFIC CONDITIONS

A. Discharge Limitations

1. The permittee is authorized to operate a subsurface flow wetlands-based wastewater treatment plant (WWTP) to treat up to 0.1 million gallons per day (MGD) of primary effluent from a series of septic tanks at the Barrio de Tubac residential development. The WWTP herein permitted shall consist of a pre-treatment tank for supplementary BOD and TSS reduction, a flow splitter, four parallel constructed wetland cells designed for subsurface flow, a dosing tank for distribution of flow to downline system components, recirculating sand filters, an aeration channel and habitat pond, and a storage pond for controlling the water level in the habitat pond. Treated effluent shall be discharged to a second storage pond, referred to on design plans accompanying this permit as the land application storage area, with a 10-day effluent storage capacity. From this storage area the effluent shall be applied on 9.3 acres of native vegetation. Effluent shall be applied to the disposal area through a grid of perforated PVC pipes placed at approximately 22 ft. intervals throughout the 9.3 acre site. All system components, including the terminal land application storage pond, prior to the land application site shall be lined with 40 mil polypropylene geomembrane. The WWTP and the land application delivery system shall be constructed as indicated on the design plans approved by and on file at the Arizona Department of Environmental Quality (ADEQ).
2. The materials authorized to be disposed of through the Baca Float Water Company WWTP shall consist solely of effluent from septic tanks which treat typical household sewage and pre-treated commercial wastewater. The materials authorized to be applied to the land application area through the delivery system herein permitted shall consist solely of effluent from the Baca Float Water Company WWTP. Neither the Baca Float WWTP nor the septic tanks discharging into this system shall include motor oil, gasoline, paints, varnishes, hazardous wastes, solvents, pesticides, fertilizers or other materials not generally associated with toilet flushing, food preparation, laundry facilities and personal hygiene.
3. No cross-connections shall exist between the piping of the effluent disposal system for the Baca Float WWTP and any delivery system for potable water.
4. Specific discharge limitations are specified in PART IV, TABLE I.

B. Monitoring Requirements

1. Discharge Monitoring
  - a. Monitoring Schedule

Discharge from the WWTP shall be monitored according to PART IV, TABLE I.

b. Monitoring Location

Discharge monitoring shall be performed at Pump Station Number 2, where effluent is pumped from the land application storage area to the land application site, located at:

Identification	Latitude	Longitude
Pump Station Number 2, Downline of Land Application Storage Area	31° 36' 15" N	111° 02' 37" W

2. Groundwater Monitoring

a. Points of Compliance (POC)

Two points of compliance are designated for this facility in accordance with A.R.S. 49-244, as indicated on sheet 1 of 15 of the design plans on file at ADEQ, and located as indicated in the following:

Identification	Location	Latitude	Longitude
POC No. 1	Hydrologically Downgradient of Wetlands WWTP	31° 36' 13" N	111° 02' 30" W
POC No. 2	Between Land Application Site and Private Property, and Hydrologically Downgradient of Application Site.	31° 36' 14" N	111° 02' 37" W

The Director may designate additional points of compliance if information on groundwater gradients indicates the need.

b. Monitor Well Installation

Prior to discharge of any wastewater into the Baca Float wetlands WWTP, monitor wells shall be installed and completed at POC No. 1 and POC No. 2. All monitoring wells shall be installed and located according to plans approved by the Arizona Department of Water Resources (ADWR) and ADEQ, as referenced in PART V.A. After construction, the ADWR registration numbers of the wells shall be incorporated into this permit in PART IV, TABLE II.

c. Ambient Groundwater Monitoring

Prior to discharge of any wastewater into the Baca Float wetlands WWTP, at least one groundwater sample shall be taken from each POC monitor well identified in part II.B.2.b. and analyzed for all parameters listed in PART IV, TABLE II.

d. Groundwater Compliance Monitoring

Beginning with the date on which discharge of wastewater into the Baca Float wetlands WWTP is initiated, both POC monitoring wells identified in part II.B.2.b. shall be monitored according to the requirements of PART IV, TABLE II.

3. Operational Monitoring

a. Pre-Operational QA/QC Requirements

Prior to operation of the facility, the operator shall inspect the facility to verify that all components function as designed. The permittee shall provide written certification to ADEQ, at the address listed in PART II.H.1., that inspection of all components was performed and indicating the results of inspection.

b. Facility Maintenance Inspection

- (1) The pollution control structures shall be inspected according to PART IV, TABLE III. A log of these inspections shall be kept at the facility for ten (10) years from the date of each inspection, available for review by ADEQ personnel.
- (2) If any damage to the pollution control structures is identified during inspection, proper repair procedures shall be performed. All repair procedures and material(s) used shall be documented on the Self-Monitoring Report Form and submitted quarterly to ADEQ at the address listed in PART II.H.1.

4. Sampling Protocols

a. Discharge Monitoring System

Sample collection, preservation, and holding times shall be consistent with the most recent ADEQ Quality Assurance Project Plan.

b. Groundwater Monitoring

- (1) Sampling procedures, preservation techniques and holding times shall be consistent with the most recent ADEQ Quality Assurance Project Plan.
- (2) Static water levels shall be measured and recorded prior to sampling a well. Wells shall be purged of at least three borehole volumes (as calculated using the static water level) or until indicator parameters (pH, temperature, conductivity) are stable, whichever represents the greater volume. If evacuation results in the well going dry, the well should be allowed to recover to 80% of the original borehole volume,

or for 24 hours, whichever is shorter, prior to sampling. If after 24 hours there is not sufficient water for sampling, the well shall be recorded as dry for the monitoring event. An explanation for reduced pumping volumes, a record of the volume pumped, and modified sampling procedures shall be reported on the Self-Monitoring Report Form.

5. Installation and Maintenance of Monitoring Equipment

a. Discharge Monitoring Equipment

The permittee shall provide monitoring or sampling access, ports, or devices at the facility for all monitoring required in this permit.

b. Groundwater Monitoring Equipment

Any groundwater monitoring wells, if required by this permit, shall be installed and maintained according to plans approved by ADEQ so that proper groundwater samples can be collected. Should additional groundwater wells be determined necessary, the construction details shall be submitted to ADEQ, at the address specified in PART II.H.1., for approval.

6. Monitoring Records

The following information associated with each sample, inspection or measurement and the name of each individual who performed the sampling, inspection, or measurement shall be included in the monitoring records:

- a. Date, time and exact place of sampling, inspection, or measurement and the name of each individual who performed the sampling, inspection, or measurement;
- b. Procedures used to collect the sample, perform the inspection, or make the measurement;
- c. Date on which sample analysis was completed;
- d. Name of each individual and laboratory who performed the analysis;
- e. Analytical techniques or methods used to perform the sampling and analysis; laboratory detection limit for each test method performed; analytical variance for each parameter analyzed;
- f. Chain of custody records;
- g. Any field notes relating to the information described in subparagraphs a through f above.

C. Contingency Plan Requirements

The permittee shall maintain at least one copy of the approved contingency plan(s) at the location where day-to-day decisions regarding the operation of the facility are made. The permittee shall revise promptly all copies of the contingency plan(s) to reflect approved changes. The permittee shall advise anyone responsible for the operation of the facility of the location of copies of all contingency and emergency plans.

In addition to the information contained in the approved contingency plan referenced in Part V.A, at a minimum the following contingency requirements shall be implemented.

1. Alert Level (AL), Discharge Limit (DL) or Aquifer Quality Limit (AQL) Exceedance
  - a. The permittee shall notify the Department at the address specified in PART II.H.1 within five days of becoming aware of the exceedance of an AL, DL or AQL.
  - b. Verification sampling shall be conducted within five days of becoming aware that an AL, DL or AQL has been exceeded.
  - c. Within five days of receiving the results of verification sampling from the laboratory, the permittee shall notify the Department of the results, at the address indicated in PART II.H.1, regardless of whether the results are positive or negative.
    - (1) If the results of verification sampling indicate that an AL, DL or AQL has not been exceeded, the permittee shall assume that no exceedance has occurred. Unless the permittee is otherwise instructed by the Department, no further action is required until the next scheduled monitoring round.
    - (2) If the results of verification sampling verify that an AL, DL or AQL has been exceeded, the permittee shall, within 30 days of receiving the laboratory results verifying that an AL, DL, or AQL has been exceeded, submit to ADEQ either (i) or (ii) of the following:
      - (a) a written report which includes the documentation specified in PART II.H.3.b.; upon approval by the Department, the permittee shall initiate the actions necessary to mitigate the impacts of the exceedance; at a minimum, the plan shall include provisions for more frequent sampling until constituent concentration is below the AL, DL or AQL for two consecutive samples; the plan shall also indicate if any additional parameters are to be tested for;

- (b) a demonstration that the AL, DL or AQL exceedance resulted from error(s) in sampling, analysis, or statistical evaluation, or from natural fluctuation in the parameter which exceeded the permit limit.
  - d. In the event of an AL, DL, or AQL exceedance, the Department may require additional monitoring, studies, or remedial activities beyond those specified in this permit. In addition, if the permittee submits a demonstration that the AL, DL, or AQL exceedance was due to error(s) in sampling, analysis, or statistical evaluation, or to natural fluctuations, and this demonstration is not accepted by ADEQ, the Department may require that the permittee submit the documentation included in PART II.H.3.b.
- 2. Nitrogen Discharge Monitoring

If discharge monitoring indicates that the WWTP is not consistently removing nitrogen to below the discharge limits listed in TABLE I, ADEQ shall have the right to extend the duration of monthly discharge monitoring for nitrogen forms beyond the two years indicated in TABLE I. In addition, after the permittee has initiated quarterly discharge monitoring for nitrogen pursuant to TABLE I, ADEQ shall have the right to require the permittee to return to monthly nitrogen monitoring if the monitoring data indicate that the WWTP is not effectively removing nitrogen.
- 3. Spills/Accidental Discharge
  - a. In the event of any unauthorized discharge or spill of sewage, septage, partially treated wastewater, or effluent, the permittee shall take all necessary measures to insure that the health and safety of Barrio de Tubac residents, the general public, and the environment are not endangered. The affected area shall be promptly isolated and information on persons that may have been exposed to the material shall be recorded. If the material is either sewage or septage, a qualified contractor shall remove and dispose of the material according to applicable federal, state, county, and city regulations.
  - b. The permittee shall correct any failure that results in the violation of a permit condition and take the following actions:
    - (1) Within 30 days of a sewage, septage, partially treated wastewater, or effluent spill or accidental discharge that might cause the violation of an Aquifer Water Quality Standard or might cause imminent and substantial endangerment to human health or to the environment, the permittee shall submit to the Department, at the address specified in PART II.H.1., a written report that includes the documentation required in PART II.H.3.b.

- (2) Upon review of the above required report, the Department may require additional monitoring and/or actions.

4. Drainage Failure

If a drainage structure such as a diversion berm or a ditch fails or is blocked, prompt action shall be taken to repair the structures with readily available materials, in order to minimize impacts on the facility. Temporary repairs shall be replaced by permanent repairs as soon as conditions allow. Permanent repair structures shall be designed to prevent future failures.

5. Emergency Response

- (a) The permittee shall provide for emergency response on a 24-hour basis in the event that a condition arises which results in imminent and substantial endangerment to human health or to the environment. A plan for emergency response shall be kept at the facility and shall provide for the following:

- (1) designation of an emergency response coordinator who shall notify ADEQ and activate the necessary contingency plan in the event of an emergency;
- (2) a general description of the procedures, personnel and equipment to be used to assure appropriate mitigation of unauthorized discharges; and
- (c) a list of names, addresses and telephone numbers of persons to be contacted in the event of an emergency.

- (b) The emergency response coordinator shall notify ADEQ immediately in the event that emergency response measures are taken or those portions of the contingency plan that address an imminent and substantial endangerment are activated.

D. Temporary Cessation

The permittee shall notify ADEQ in writing before temporary cessation of any operation at the facility. Notification of the temporary cessation does not relieve the permittee of any permit requirements unless otherwise specified in this permit. Accompanying the notification shall be a description of any measures to be taken to maintain discharge control systems such that discharge is minimized to the greatest extent practicable during temporary cessation.

E. Closure

1. The permittee shall notify ADEQ of his intent to cease, without intent to resume, an activity for which the facility was designed or operated, prior to ceasing. Within 90 days following notification, the permittee shall submit for

approval, to ADEQ, a closure plan which eliminates, to the greatest extent practicable, any reasonable probability of further discharge from the facility and of exceeding Aquifer Water Quality Standards at the point(s) of compliance. This plan shall be in addition to any approved closure method referenced in the facility file. The plan shall describe the following details:

- a. The approximate quantities and the chemical, biological, and physical characteristics of the materials to be removed from the facility;
  - b. the destination of the materials to be removed from the facility and an indication that placement of the materials at that destination is approved;
  - c. the approximate quantities and the chemical, biological, and physical characteristics of the materials that will remain at the facility;
  - d. the methods to be used to treat any materials remaining at the facility;
  - e. the methods to be used to control the discharge of pollutants from the facility;
  - f. any limitations on future land or water uses created as a result of the facility's operations or closure activities;
  - g. the methods to be used to secure the facility;
  - h. an estimate of the cost of closure; and
  - i. a schedule for implementation of the closure plan and the submission of a post-closure plan.
2. Upon ADEQ approval of the closure plan, the permittee shall implement the plan, including any modifications to the plan required by ADEQ in order to ensure that closure eliminates, to the greatest extent practicable, any reasonable probability of further discharge from the facility and of exceeding Aquifer Water Quality Standards at the applicable point of compliance.
  3. Upon completion of closure activities, the permittee shall give written notice to ADEQ indicating that the approved closure plan has been implemented fully, and shall provide proof of the inclusion in the deed to the property of complete information about the materials buried or discharged at the facility and any limitations on future land or water uses created as a result of the facility's operations or closure activities.

F. Post-Closure

1. Post-closure requirements by ADEQ will be based on review of facility closure activities.

2. If post-closure requirements are deemed to be necessary, the permittee shall submit a post-closure plan, prior to initiating post-closure activities, to the address specified in PART II.H.1. The plan shall describe all of the following:
  - a. The duration of the post-closure care.
  - b. The monitoring procedures to be implemented by the permittee, including monitoring frequency, type, and location.
  - c. A description of the operating and maintenance procedures to be implemented for aquifer quality protection devices, such as liners, treatment systems, pump-back systems, and monitoring wells.
  - d. A schedule and description of physical inspections to be conducted at the facility following closure.
  - e. An estimate of the cost of post-closure maintenance and monitoring.
  - f. A description of limitations on future land or water uses, or both, at the facility site as a result of facility operations.

ADEQ reserves the right to modify the post-closure plan as necessary to ensure that aquifer water quality will be protected. Upon review and approval of the plan by ADEQ, the permittee shall initiate post-closure activities.

3. The permittee shall notify ADEQ in writing when the post-closure activities have been completed.

G. Compliance Schedule Requirements

1. A copy of the emergency response plan shall be submitted to ADEQ, at the address listed in PART II.H.1., within 30 days from the effective date of this permit. The plan shall include the information referenced in PART II.C.5.a.

H. Reporting Requirements

1. Reporting Location

Signed copies of all reports, notifications and correspondence required in this permit shall be submitted to the Department, at:

Arizona Department of Environmental Quality  
Aquifer Protection Permit Compliance  
3033 N. Central Avenue  
Phoenix, Arizona 85012

Phone Number: (602) 207-4675

2. Monitoring Reporting

- a. The permittee shall complete the Self-Monitoring Report Form provided by the Department to reflect facility inspection requirements designated in PART IV, TABLE III and submit it to ADEQ quarterly along with other reports required by this permit. Facility inspection reports shall be submitted no less frequently than quarterly, regardless of operational status.
- b. PART IV, TABLES I and II contain the frequency for reporting results from discharge and groundwater monitoring requirements. Results shall be submitted on the Self-Monitoring Report Form. Monitoring methods shall be recorded and any deviations from the methods and frequencies prescribed in this permit shall be reported.
- c. The permittee shall complete the Self-Monitoring Report Forms, to be supplied by the Department, to the extent that the information reported may be entered on the form. The results of all monitoring required by this permit shall be submitted in such a format as to allow direct comparison with the limitations and requirements of the permit.

3. Permit Violation or Alert Level Exceedance Reporting

- a. The permittee shall notify ADEQ within five days of becoming aware of a violation of any permit condition, including violation of a discharge limit or an aquifer quality limit, or an exceedance of an alert level.
- b. The permittee shall submit a written report, to the address specified in PART II.H.1., within 30 days after becoming aware of a violation of a permit condition, including violation of a discharge limit or an aquifer quality limit, or an exceedance of an alert level. The report shall document all of the following:
  - (1) a description of the violation/exceedance and its cause;
  - (2) the period of violation/exceedance, including exact date(s) and time(s), if known, and the anticipated time period during which the violation/exceedance is expected to continue;
  - (3) any action taken or planned to mitigate the effects of the violation/exceedance, or to eliminate or prevent recurrence of the violation/exceedance;
  - (4) any monitoring activity or other information which indicates that any pollutants would be reasonably expected to cause a violation of an Aquifer Water Quality Standard; and
  - (5) any malfunction or failure of pollution control devices or other equipment or process.

4. Modification Reporting

- a. All requests for permit modifications shall be done in accordance with PART VI.H.3., unless otherwise specified in this permit.
- b. Requests for a major modification to a facility (as defined in PART V.C.24.) shall be submitted at least 180 calendar days before making the major modification.

5. Operational Reporting

- a. The permittee shall report the operational conditions listed in PART IV, TABLE IV, on the Self-Monitoring Report form quarterly. If none of the conditions occur, the report shall say "no event" for a particular reporting period. If the facility is not in operation, the permittee shall indicate that fact on the Self-Monitoring Report Form.
- b. The permittee shall submit the data required in PART IV, TABLES I through IV, regardless of the operating status of the facility unless otherwise approved by the Department or allowed in this permit.

6. Self-Monitoring Reports

The Self-Monitoring Report shall include: Copies of laboratory analysis forms, documentation on sampling date and time, name of sampler, static water level in wells prior to sampling, sampling method, purging volume, indicator parameters, analytical method, method detection limit, date of analysis, preservation and transportation procedures, and analytical facility. Data shall be compiled on standardized forms which allow comparison with past reports.

7. Reporting Schedule

Samples taken:

Report due by:

Samples taken during quarter beginning	Quarterly Report due by
Jan 1	Apr 28
Apr 1	Jul 28
Jul 1	Oct 28
Oct 1	Jan 28

## PART III. OTHER CONDITIONS

A. Analytical Methodology

Water samples shall be analyzed using U.S. Environmental Protection Agency (EPA) approved methods or State of Arizona approved methods. Any EPA or State of Arizona approved method may be used as long as it provides a method detection limit which accurately quantifies the concentration of the parameter listed. For parameters for which an AL, DL or AQL is specified in this permit, the method detection limit must be lower than the AL, DL or AQL specified. ADEQ reserves the right to reject data due to inaccurate method detection limits. Analyses shall be performed by a laboratory licensed by the Arizona Department of Health Services, Office of Laboratory Licensure & Certification. For results to be considered valid, all analytical work shall meet quality control standards specified in the approved methods. A list of certified laboratories can be obtained at the address listed below:

Arizona Department of Health Services  
Office of Laboratory Licensure & Certification  
3443 North Central Avenue  
Phoenix, Arizona 85012

Phone Number: (602) 255-3454

B. Environmental Laboratory Contact

Upon submittal of samples to a state-certified laboratory for analysis, the permittee shall forward a copy of the signed permit to the laboratory for reference.

C. Facility Security

All WWTP components, as well as the land application storage pond, shall be fenced in compliance with the requirements of ADEQ. The land application area shall be surrounded by a six-foot fence of non-climbable fabric topped by three strands of barbed wire. The fenced area shall be posted with signs forbidding trespass.

D. Facility Operator Requirements

The WWTP shall be operated by an operator certified in the State of Arizona.

PART IV. TABLES

TABLE I  
 DISCHARGE MONITORING

Sampling Point Number	Identification	Latitude	Longitude
# 1	Pump Station Number 2, Downline of Land Application Storage Area	31° 36' 15" N	111° 02' 37" W

ANALYTICAL METHODOLOGY

In measuring an Alert Level (AL) or Discharge Limit (DL), any EPA or State of Arizona approved analytical method may be used as long as it provides a method detection limit which is lower than the AL or DL specified in this TABLE for the parameter in question, and otherwise accurately quantifies the concentration of the parameter listed.

Parameter	Alert Level (AL) <sup>1</sup>	Discharge Limit (DL) <sup>1</sup>	Sampling Frequency	Reporting Frequency
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Nutrients:

Flow <sup>2</sup>	N/A <sup>3</sup>	0.1 MGD <sup>1</sup>	Daily	Quarterly
pH	N/A	4.5 - 9	Monthly	"
Fecal Coliform <sup>1</sup>	N/A	1000 CFU/100 ml <sup>1</sup> or MPN/100 ml	Quarterly	"
Total Nitrogen <sup>4</sup>	8.0 mg/l <sup>1</sup>	10.0	Monthly for two years, then Quarterly <sup>5</sup>	"

Metals:

Antimony	0.005	0.006	Semiannually	Semiannually
Arsenic	07.04	0.05	"	"

<sup>1</sup> All numeric monitoring limits listed in TABLES I and II are in mg/l except the limits for: flow, which is in million gallons per day (MGD); pH, which is in standard pH units; and coliform, which is in CFU (Colony Forming Units) per 100 ml. Coliform may also be reported as Most Probable Number (MPN) of equal or lesser values.

<sup>2</sup> Flow shall be measured at an in-line turbine meter at pump station number 2, where effluent is pumped from the land application storage area to the land application area.

<sup>3</sup> N/A = Not applicable.

<sup>4</sup> Total Nitrogen is equal to Nitrate/Nitrite-N plus Total Kjeldahl Nitrogen (TKN). Total Kjeldahl Nitrogen (TKN) includes ammoniacal N and organic N.

<sup>5</sup> This change in N monitoring frequency shall not occur unless the permittee requests it in writing, and ADEQ approves the request after reviewing monitoring data to date. The period of two years shall begin at the date of facility start-up. If discharge monitoring indicates that the WWTP is not consistently removing Nitrogen to below the discharge limits listed in TABLE I, ADEQ shall have the right to extend the duration of monthly discharge monitoring for Nitrogen forms beyond the two years indicated in this TABLE. In addition, after the permittee has initiated quarterly discharge monitoring for Nitrogen, ADEQ shall have the right to require the permittee to return to monthly Nitrogen monitoring if the monitoring data indicate that the WWTP is not effectively removing Nitrogen.

**TABLE I  
DISCHARGE MONITORING  
(Continued)**

Barium	1.60	2.00	Semiannually	Semiannually
Beryllium	0.0032	0.004	"	"
Cadmium	0.004	0.005	"	"
Chromium (total)	0.08	0.1	"	"
Lead	0.04	0.05	"	"
Mercury	0.0016	0.002	"	"
Nickel	0.08	0.1	"	"
Selenium	0.04	0.05	"	"
Thallium	0.0016	0.002	"	"

**TABLE II  
GROUNDWATER DETECTION MONITORING**

Sampling Point Number	Well Number	Cadastral Location	ADWR Registration Number	Latitude	Longitude
#2	POC No. 1	(D-21-13)18daa		31° 36' 13" N	111° 02' 30" W
#3	POC No. 2	(D-21-13)18dcc		31° 36' 14" N	111° 02' 37" W

**ANALYTICAL METHODOLOGY**

In measuring an Alert Level (AL) or Aquifer Quality Limit (AQL), any EPA or State of Arizona approved analytical method may be used as long as it provides a method detection limit which is lower than the AL or AQL specified in this TABLE for the parameter in question, and otherwise accurately quantifies the concentration of the parameter listed.

Parameter	Alert Level (AL) <sup>1</sup>	Aquifer Quality Limit (AQL) <sup>1</sup>	Sampling Frequency	Reporting Frequency
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**Microbiologicals:**

Total Coliform <sup>1, 6</sup>	0.0 CFU/100 ml or MPN/100 ml (See Footnote No. 6)	0.0 CFU/100 ml or MPN/100 ml (See Footnote No. 6)	Monthly	Quarterly
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NOTE: Footnotes 1 and 4 are as listed for TABLE I.

<sup>6</sup> The AQL for total coliform is equal to the aquifer water quality standard (AWQS) for microbiological contaminants (R18-11-406.F.), which is based on the presence or absence of total coliforms in a 100 ml sample. If a sample is total coliform-positive, a 400 milliliter repeat sample shall be taken within two weeks of the time the sample results are reported. Any total coliform-positive repeat sample following a total coliform-positive sample constitutes a violation of the aquifer water quality standard for microbiological contaminants, and of the AQL for total coliform listed in this permit.

TABLE II  
 GROUNDWATER DETECTION MONITORING  
 (Continued)

Nitrogen Forms				
Nitrate as N	8.0 mg/l <sup>1</sup>	10.0	Quarterly <sup>7</sup>	Quarterly
Nitrite as N	0.8	1.0	"	"
Nitrate and Nitrite as N	8.0	10.0	"	"
Total Nitrogen <sup>4</sup>	Reserved	Reserved	"	"
Metals:				
Antimony	0.005	0.006	Annually	Annually
Arsenic	0.04	0.05	"	"
Barium	1.60	2.00	"	"
Beryllium	0.0032	0.004	"	"
Cadmium	0.004	0.005	"	"
Chromium (total)	0.08	0.1	"	"
Lead	0.04	0.05	"	"
Mercury	0.0016	0.002	"	"
Nickel	0.08	0.1	"	"
Selenium	0.04	0.05	"	"
Thallium	0.0016	0.002	"	"

<sup>7</sup> ADEQ reserves the right to increase the frequency of groundwater monitoring for Nitrogen forms if, at any point during the life of this facility, discharge monitoring pursuant to TABLE I indicates that total Nitrogen levels in the effluent exceed the discharge limit for two or more consecutive sampling rounds.

**TABLE III  
 FACILITY INSPECTION**

Parameter	Performance Levels	Inspection Frequency
Liner Integrity	No Visible Cracks or Leaks	Quarterly
Berm Integrity	No Visible Erosion	Monthly
Swale Integrity (Land Application Area)	No Visible Blockage	Monthly
Pump Integrity (All Pumps throughout WWTP and Effluent Distribution Lines)	Good Working Condition	Monthly
Freeboard in Ponds	Minimum of 3 feet	Monthly

**TABLE IV  
 OPERATIONAL REPORTING SUMMARY**

Operational Condition	Specific Reference for Necessary Action
Alert Level (Either Discharge or Groundwater), Discharge Limit, or Aquifer Quality Limit Exceedance	PART II.C.1.
Accidental Discharge	PART II.C.2.
Emergency Response	PART II.C.4.
Temporary Cessation	PART II.D.
Closure	PART II.E.
Post-Closure	PART II.F.
Major Modification to Facility	PART II.H.4.b.
Modification to Permit	PART VI.H.3.
Bankruptcy or Environmental Enforcement Against the Permittee	PART VI.C.
Change in Owner or Operator (Permit Transfer)	PART VI.H.4.

PART V. REFERENCES: PERTINENT INFORMATION

A. References

The terms and conditions set forth in this permit have been developed based upon the information contained in the following:

1. Field Inspection Form(s): \_\_\_\_\_
2. Permit Application Received by ADEQ: 9/19/94
3. Hydrologic Review Completed: 8/14/95
4. Engineering Review File Number: 940558
5. ADEQ Approval of Well Construction Plans: 8/14/95
6. Plan Approval by WPAP Section: \_\_\_\_\_
7. Amendments to above No. 2: \_\_\_\_\_
8. Public Notice Published 2/23/96
9. Public Hearing comments, correspondence and any additional supplemental information contained in the permit file.
10. Other \_\_\_\_\_

B. Facility Information

1. Facility Contact Person Mr. Roy Ross
2. Address: Baca Float Water Company
3. Emergency Telephone Number: 520-398-2506

The Department shall be notified within 30 days of the change in facility contact person.

4. Landowner of Facility Site: Baca Float Land Development Limited Partnership  
Address: P.O. Box 4241  
Tubac, Arizona 85646

C. Definitions

1. "Alert Level (AL)" means a numeric value, expressing either a concentration of a pollutant or a physical or chemical property of a pollutant, which is established in an individual Aquifer Protection Permit and which serves as an early warning indicating a potential violation of either an Aquifer Water Quality Standard at the applicable point of compliance, or any permit condition.
2. "Applicant" means the owner or operator of the facility.
3. "Aquifer Protection Permit (APP)" means an individual, or general permit issued pursuant to A.R.S. Section 49-203 and 49-241 through 251, and A.A.C. R18-9-101 et sec.
4. "Aquifer Quality Limit (AQL)" means the maximum amount of a given constituent which the permit conditions allow in the aquifer at the point of compliance.
5. "Aquifer Water Quality Standard" means a standard established pursuant to A.R.S. Section 49-221 and 49-223.
6. "Areal composite sample" means a set of samples collected from an area and combined into a single sample. The number and spacing shall be representative of the quality of the accumulated material.
7. "BADCT" means the Best Available Demonstrated Control Technology, processes, operating methods, or other alternatives to achieve the greatest degree of discharge reduction determined for a facility by the Director pursuant to A.R.S. Section 49-243.B and D.
8. "Chain of Custody Form" is used to maintain and document sample possession for enforcement purposes (User's Guide to the EPA Contract Laboratory Program).
9. "Department" means the Department of Environmental Quality.
10. "Director" means the Director of Environmental Quality or the Director's designee.
11. "Discharge" means, for purposes of the aquifer protection permit program prescribed by A.R.S. Title 49, Chapter 2, Article 3, the addition of a pollutant from a facility either directly to an aquifer or the land surface or the vadose zone in such a manner that there is a reasonable probability that the pollutant will reach an aquifer.
12. "Discharge Impact Area" means the potential areal extent of pollutant migration, as projected on the land surface, as the result of a discharge from a facility.
13. "Discharge Limitation (DL)" means any restriction, prohibition, limitation or criteria established by the Director, through a rule, permit or order, on quantities, characteristics of pollutants.
14. "Drywell" has the meaning ascribed to it in A.R.S. Section 49-331.3.

15. "Environment" means navigable waters, any other surface water, groundwater, drinking water supply, land surface, subsurface strata or ambient air, within or bordering on this state.
16. "Exceedance" means violation of environmental protection standards by exceeding allowable limits or concentration levels.
17. "Existing facility" means a facility on which construction began before September 26, 1989 and which is neither a new facility nor a closed facility. For purposes of this definition construction on a facility has begun if the facility owner or operator has either:
  - a. Begun, or cause to begin, as part of a continuous on-site construction program any placement, assembly or installation of a building, structure or equipment;  
or
  - b. Entered a binding contractual obligation to purchase a building, structure or equipment which is intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility engineering and design studies, do not constitute a contractual obligation for purposes of this definition.
18. "Facility" means any land, building, installation, structure, equipment, device, conveyance, area, source activity or practice from which there is, or with reasonable probability may be, a discharge.
19. "Groundwater Quality Protection Permit" means a permit issued by the Arizona Department of Health Services or the Department pursuant to A.A.C. R9-20-208 prior to September 26, 1989.
20. "Hazardous substance" means:
  - a. Any substance designated pursuant to Section 311(b)(2)(a) and 307(a) of the Clean Water Act;
  - b. any element, compound, mixture solution or substance designated pursuant to Section 102 of CERCLA;
  - c. any hazardous waste having the characteristics identified under or listed pursuant to A.R.S. 49-922;
  - d. any hazardous air pollutant listed under 112 of the Federal Clean Air Act (42 United States Code Section 7412);
  - e. any imminently hazardous chemical substance or mixture with respect to which the administrator has taken action pursuant to Section 7 of the Federal Toxic Substances Control Act (15 United States Code Section 2606); and
  - f. any substance which the Director, by rule, either designates as a hazardous substance following the designation of the substance by the Administrator under the authority described in subdivisions (a) through (e) of this paragraph

or designates as a hazardous substance on the basis of a determination that such a substance represents an imminent and substantial endangerment to public health.

21. "Inert material" means that which is insoluble in water and will not decompose or leach substances to water, such as broken concrete, brick, rock, gravel, sand, uncontaminated soils.
22. "Injection well" means a well which receives a discharge through pressure injection or gravity flow.
23. "mg/l" means milligrams per liter.
24. "Major Modification(s) to a Facility" means any of the following:
  - a. A physical change in an existing facility or change in its method of operation that results in a significant alteration in the characteristics or volume of the pollutants discharged.
  - b. The addition of a process or major piece of production equipment, building or structure that is physically separated from the existing operation and that causes a discharge.
25. "NPDES Permit" means a permit issued by the United States Environmental Protection Agency for discharge to the waters of the United States as required by the Clean Water Act, as amended.
26. "New Facility" means a previously closed facility that resumes operation or a facility on which construction was begun after the effective date of this chapter on a site at which no other facility is located or to totally replace the process or production equipment that causes the discharge from an existing facility. A major modification to an existing facility is deemed a new facility to the extent that the criteria in A.R.S. 49-243, subsection B, paragraph 1 can be practicably applied to such modification.
27. "Operator" means any person who makes management decisions regarding facility operations governed by this permit.
28. "Owner" means any person holding legal or equitable title in any real property subject to this permit.
29. "Point of Compliance" means the designated point or points as determined by the Director pursuant to A.R.S. Title 49, Section 244.
30. "Pollutant" means fluids, contaminants, toxic wastes, toxic pollutants, dredged spoil, solid waste, substances and chemicals, pesticides, herbicides, fertilizers and other agricultural chemicals, incinerator residue, sewage, garbage, sewage sludge, munitions, petroleum products, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt and mining, industrial, municipal and agricultural wastes or any other liquid, solid, gaseous or hazardous substances.

31. "Recharge project" has the meaning ascribed to it A.R.S. Section 45-651.5.
32. "Regulation" means A.A.C. Title 18, Chapter 9, Article 1, requirements for facilities affecting aquifer water quality.
33. "Sewage" means wastes from toilets, baths, sinks, lavatories, laundries, and other plumbing fixtures in residences, institutions, public and business building, mobile homes, watercraft, and other places of human habitation, employment, or recreation.
34. "Sewage disposal system" means a system for a sewage collection, treatment and discharge by surface or underground methods.
35. "Surface impoundment" means a pit, pond or lagoon, having a surface dimension that is equal to or greater than its depth, which is used for the storage, holding, settling, treatment or discharge of liquid pollutants containing free liquids.
36. "Temporary cessation" means any cessation or operation of a facility for a period of greater than 60 days but which is not intended to be permanent.
37. "Toxic pollutant" means a substance that will cause significant adverse reactions if ingested in drinking water. Significant adverse reactions are reactions that may indicate a tendency of a substance or mixture to cause long-lasting or irreversible damage to human health.
38. "ug/l" means micrograms per liter.
39. "Underground storage and recovery project" has the meaning ascribed to it in A.R.S. Section 45-802.6.
40. "Vadose zone" means the zone between the ground surface and any aquifer.
41. "Well" means a bored, drilled or driven shaft, pit or hole whose depth is greater than its largest surface dimension.

PART VI. GENERAL CONDITIONS: RESPONSIBILITIES

A. Preservation of Rights

This permit shall not be construed to abridge or alter causes or action or remedies under the common law or statutory law, criminal or civil, nor shall any provision of this permit, or any act done by virtue of this permit, be construed so as to stop any person, this State or any political subdivision of this site, or owners or land having groundwater or surface water rights or otherwise, from exercising their rights or, under the common law or statutory law, from suppressing nuisances or preventing injury due to discharges.

B. Monitoring Requirements

The permittee shall conduct any monitoring activity necessary to assure compliance with any permit condition, with Aquifer Water Quality Standards, and with A.R.S. 49-241 through 49-251:

1. The permittee shall install, use and maintain all monitoring equipment in acceptable condition or provide alternate methods approved by the Department; and
2. the permittee is required to conduct monitoring of a type and frequency sufficient to yield data, which are representative of the monitored activity and approved by the Department.

C. Reporting of Bankruptcy or Environmental Enforcement

The permittee shall notify ADEQ, at the address listed in PART II.H.1., within five (5) days after the occurrence of either:

1. The filing of bankruptcy by the permittee; or
2. the entry or any order or judgement against the permittee for the enforcement of any environmental protection statute and in which monetary damages or civil penalties are imposed.

D. Site Examination

1. On presentation of credentials, the Department may, if reasonably necessary, inspect the facility or an activity used for the generation, storage, treatment, collection or disposal of any waste or pollutant, and where records are kept for the purpose of ensuring compliance with A.R.S. Title 49, Chapter 2, A.A.C. R18-9-101 through 130 and this permit, or to verify information submitted in a permit application, or documented in a permit including any permit conditions.
2. The Department may:
  - a. Obtain samples;

- b. analyze or cause to be analyzed any samples either on-site or at another location;
  - c. take photographs;
  - d. inspect equipment, activities, facilities and monitoring equipment or methods of monitoring; or
  - e. inspect and copy any records required to be maintained.
3. Any pertinent information required by the permit shall be available for on-site inspection during normal business hours. The owner or operator of the property shall be afforded the opportunity to accompany a Department inspector. Split samples, receipts, and copies of photographs will be provided to the facility owner or operator if the owner or operator requests them at the time the samples(s) is (are) obtained or the photograph(s) is (are) taken as the case may be. A copy of the results of any analyses made of samples, monitoring, or testing shall be furnished promptly to the owner or operator.
  4. Inspections shall be conducted pursuant to the appropriate provisions of the Arizona Revised Statutes.

E. Proper Operation

1. The permittee shall at all times operate the facility so as to ensure the greatest degree of discharge reduction achievable through application of the best available demonstrated control technology, processes, operation methods or other alternatives, including, where practicable, no discharge of pollutants as determined in the application process.
2. The permittee shall operate the facility to ensure that pollutants discharged will in no event cause or contribute to a violation of aquifer water quality standards at the applicable point of compliance for the facility, or that no pollutants discharged will further degrade, at the applicable point of compliance, the quality of any aquifer, that already violates the aquifer quality standard for that pollutant.

F. Technical and Financial Capability

1. The permittee shall maintain the technical and financial capability necessary to fully carry out the terms of this permit.
2. Any bond, insurance policy or trust fund provided as a demonstration of financial capability in the permit application (R18-9-108.8.c.iii.) shall be in effect prior to any activity authorized by this permit and remain in effect for the duration of the permit.

G. Other Rules and Laws

The issuance of this permit does not waive any federal, state, county or local government rules, regulations or permits applicable to this facility.

H. Permit Actions

1. This permit may be modified, transferred, renewed or revoked under the rules of the Department. The filing of a request by the permittee for a permit action does not stay any existing permit condition.

2. The Director shall issue a public notice of all proposed permit actions pursuant to R18-9-124.

3. Permit Modification

a. Request for modification of a permit shall be made in writing by the permittee, the Department, or any affected person, and shall identify the specific item(s) to be considered for modification and the facts and reasons which justify the request.

b. The permittee may be required to submit additional information pursuant to A.A.C. R18-9-108, including an updated permit application.

c. The Director may modify an individual Aquifer Protection Permit if the Director determines any one or more of the following:

(1) That material and substantial alterations or additions to a permitted facility justify a change in permit conditions;

(2) that the discharge from the facility violates or could reasonably be expected to violate any Aquifer Water Quality Standard;

(3) that rule or statutory changes have occurred, such as to require a change in the permit; and/or

(4) that there has been a change of an applicable point of compliance.

d. With written concurrence of the permittee, the Department may make minor modifications to a permit for any of the following reasons without giving public notice or conducting a public hearing:

(1) To correct typographical errors;

- (2) increase the frequency of monitoring or reporting;
- (3) change an interim compliance date in a compliance schedule if the permittee can show just cause and that the new date does not interfere with the attainment of a final compliance date requirement;
- (4) change construction requirements, if the alteration complies with the requirements of these rules and provides equal or better performance; or
- (5) replace monitoring equipment, including wells, if such replacement results in equal or greater monitoring effectiveness.

4. Permit Transfer

- a. The Director may transfer an individual Aquifer Protection Permit if the Director determines that the proposed transferee will comply with A.R.S. 49-241 through 49-251 and A.A.C. Chapter 9, Article 1, regardless of whether the permittee has sold or otherwise disposed of the facility, until the Director transfers the permit.
- b. The proposed transfer or and the transferee shall notify the Department within ten days after any change in the owner or operator of the facility. The notice shall include the name and signature of the transferor owner or operator, the name and signature of the transferee owner or operator; and the name and location of the facility.
- c. Information required in R18-9-108.A.1, 2, 3 and 6; B.7, 8, and 9; and D. shall be submitted about the transferee prior to transfer of the permit.

5. Permit Revocation and Suspension

The Director may suspend or revoke this permit for any of the following reasons:

- a. Noncompliance by the permittee with any applicable provision of Title 49, Chapter 2, Article 3 or the Arizona Revised Statutes, A.A.C. Title 18, Chapter 9, Article 1 or permit conditions;
- b. the permittee's misrepresentation or omission of any fact, information or data related to the permit application or permit;

- c. the Director determines that the permitted activity is causing or may cause a violation of any Aquifer Water Quality Standard; or
- d. a permitted discharge has the potential to cause or will cause imminent and substantial endangerment to public health or the environment.

I. Confidentiality of Information

1. Any information submitted to or obtained by the Department pursuant to A.R.S. 49-243 may be available to the public unless it is designated confidential. Information or a particular part of the information shall be considered confidential on either:

- a. A showing, satisfactory to the Director, by any person that the information, or a particular part of the information, if made public, would divulge the trade secrets of the person; or
- b. a determination by the attorney general that disclosure of the information or a particular part of the information would be detrimental to an ongoing criminal investigation or to an ongoing or contemplated civil enforcement action under A.R.S. Title 49, Chapter 2 in Superior Court.

2. Criteria for Determining Confidentiality

- a. A confidentiality claim has been made at the time the information was submitted or obtained;
- b. the facility owner or operator has shown that reasonable measures have been taken to protect the confidentiality of the information and intends to continue to take such measures;
- c. the information is not, and has not been, reasonably obtainable without the facility owner or operator's consent by persons other than governmental bodies by use of legitimate means, other than discovery based on a showing of special need in a judicial or quasi-judicial proceeding;
- d. no statute or rule specifically requires disclosure of the information; and
- e. the facility owner or operator has shown that disclosure of the information is likely to cause harm to its competitive position.

3. Financial information required in the permit or permit application will be held confidential. Notwithstanding, the Director may disclose any records, reports or information obtained from any person in regard to this permit, including records, reports or information obtained by the Director or Department employees, to:
  - a. Other state employees concerned with administering A.R.S. Title 49, Chapter 2, or if the records, reports or information are relevant to any administrative or judicial proceeding under that chapter; and/or
  - b. employees of the United States Environmental Protection Agency, if such information is necessary or required to administer and implement or comply with the Clean Water Act, and Safe Drinking Water Act, CERCLA or provisions and regulations relating to those acts.
4. Claims of confidentiality for the following information shall be denied:
  - a. The name and address of any permit applicant or permittee;
  - b. the chemical constituents, concentrations and amounts of any pollutant discharge; or
  - c. the existence or level of a concentration of a pollutant in drinking water or in the environment.

J. Violations; Enforcement

Any person who owns or operates a facility contrary to the provisions of A.R.S. Title 49, Chapter 2, who violates the conditions specified in the A.A.C. Title 18, Chapter 9, Article 1, or this permit, is subject to the enforcement actions prescribed in A.R.S. Title 49, Chapter 2, Article 4 or the Arizona Revised Statutes.

PART VII. AQUIFER WATER QUALITY STANDARDS

A. General Standards Applicable to all Aquifers

1. A discharge shall not cause the concentration of a pollutant in an aquifer to exceed at an applicable point of compliance any one of the maximum concentrations prescribed in A.A.C. R18-11-406, unless a higher Aquifer Quality Limit has been established for this permit.
2. A discharge shall not cause a pollutant to be present in an aquifer classified for drinking water protected use in a concentration which endangers human health.
3. A discharge shall not cause a violation of a surface water quality standard established for a navigable water of the State.
4. A discharge shall not cause a pollutant to be present in an aquifer which impairs existing or reasonably foreseeable uses of water in an aquifer.



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

January 18, 2007

Mr. Dick Lockwood  
Baca Float Water Company  
P.O. Box 1536  
Tubac, AZ 85646

Dear Mr. Lockwood:

Enclosed is a copy of the signed Aquifer Protection Permit Other Amendment, and the Executive Summary for the above referenced facility. The APP conditions shall apply from December 15, 2006, which is the date of the Water Quality Division Director's signature, and shall be valid for the life of the facility (operational, closure, and post-closure periods).

Thank you for your cooperation in protecting the water quality of the State of Arizona. If you have any questions about the permit or need further assistance, please contact me at (800) 234-5677 ext.771-4683 or (602) 771-4683.

Sincerely,

Asif Majeed, Manager  
APP and Reuse Unit  
Groundwater Section, Water Quality Division

Enclosures (2): Permit & Executive Summary

cc: Cynthia Campbell, Water Quality Compliance Section  
Matthew Hodge, Mgr., Water Quality Data Unit, ADEQ  
Robert Casey, Manager, Water Quality Enforcement Unit, ADEQ  
John Gibbons, Manager, Field Services Unit  
Lynne Dekarske, Administrative Assistant III, Groundwater Section, ADEQ  
Marcy Mullins, Wastewater, and APP Unit (letter only)  
Martin McCarthy, P.E., SRO, Environmental Compliance Regional Manager  
Glen Vortherm, Project Engineer  
Marcia Colquitt, Manager, Water Quality Compliance Assurance Unit

WWRR07:0041

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



# Fact Sheet

Aquifer Protection Permit 102959  
 Place ID #00265, LTF # 36054  
 SIGNIFICANT AMENDMENT  
 Baca Float Water Company Wastewater  
 Treatment Plant

The Arizona Department of Environmental Quality (ADEQ) proposes to issue an amendment to the aquifer protection permit for the subject facility that covers the life of the facility, including operational, closure, and post closure periods unless suspended or revoked pursuant to Arizona Administrative Code (A.A.C.) R18-9-A213. This document gives pertinent information concerning the issuance of the permit. The requirements contained in this permit will allow the permittee to comply with the two key requirements of the Aquifer Protection Program: 1) meet Aquifer Water Quality Standards at the Point of Compliance; and 2) demonstrate Best Available Demonstrated Control Technology (BADCT). BADCT's purpose is to employ engineering controls, processes, operating methods or other alternatives, including site-specific characteristics (i.e., the local subsurface geology), to reduce discharge of pollutants to the greatest degree achievable before they reach the aquifer or to prevent pollutants from reaching the aquifer.

## I. FACILITY INFORMATION

### Name and Location

Permittee's Name:	Baca Float Water Company
Mailing Address:	P.O. Box 1536 Tubac, Arizona 85646
Facility Name and Location:	Baca Float Water Company Wastewater Treatment Plant, located approximately 1/2 mile SE of Tubac Arizona.

### Regulatory Status

An Aquifer Protection Permit (APP) was issued on August June 7, 1996. An application for this significant amendment was received on July 8, 2005.

The facility was issued a notice of violation (NOV) on November 22, 2004. The NOV was issued as the facility had not installed a monitor well, sampling ports were not provided, facility maintenance inspection was not performed and a contingency plan document was not available at the site. All issues except the monitor well issues have been resolved. This amendment requires the change in disposal method from land application to reuse at consumptive rates. Therefore under this amendment no monitor well is required, and this should resolve the remaining NOV issue concerning the monitor well installation

### **Facility Description**

The permittee is authorized to operate a 0.1 million gallons per day (MGD) wastewater treatment plant (WWTP). The wastewater from septic tanks located at the Barrio de Tubac residential development and the golf course building, flows to the pretreatment tank located at the head of the WWTP. From the pretreatment tank, the effluent goes through a flow splitter, and then through two parallel trains of constructed subsurface flow wetlands. Each wetland train consists of two wetlands cells connected in series. Effluent from each wetland cell flows to a dosing tank and then to two sand filters. Effluent from the filters is chlorinated to meet Class A reclaimed water standards, enters the pump station # 1, which acts a temporary storage tank and also provides contact time for chlorination. From Pump station # 1 the effluent may be pumped back to the flow splitter located at the head of the WWTP or to a Habitat Pond. Effluent from the Habitat Pond flows to a storage pond. Effluent from the storage pond is pumped to an adjacent reuse site, consisting of turf, cottonwood and pine trees. The reuse site is also owned by the permittee and will be permitted under a reclaimed water permit. The WWTP treatment plant design was approved by ADEQ on March 26, 1997.

The discharge from the facility may not exceed 15,000 gpd in phase I (Table IA). The facility may increase the discharge to 25,000 gpd (phase II), as stated in Section 3.0 of the Compliance schedule, item # 3, upon approval by ADEQ. Further increases in flow up to 100,000 gpd, which is the design capacity of the WWTP can be approved under an "other" amendment as stated in Section 3.0 of the Compliance schedule, item # 3.

The purpose of this amendment is to change the method of disposal from land application to reuse, and consequently delete the groundwater monitoring, as by reusing the effluent at consumptive rates, the effluent is not expected to reach groundwater. Further, in order to meet the standards for disinfection required for Class A reclaimed water, chlorination of the effluent will be required under this amendment.

The facility is located over groundwater in the Santa Cruz Active Management Area. The depth to groundwater is approximately 16 feet below land surface (bls) and the flow of groundwater is generally to the east towards the Santa Cruz River. The nearest point of use in the aquifer is an irrigation well located approximately ¼ mile south of the facility and two production wells located approximately ½ mile southwest of the facility.

### **Amendment Description**

Listed below are the changes to the permit as a result of this amendment:

1. Section 2.1. Facility Description – Changed the facility description to recognize the use of septic tanks, located at the residences, as primary treatment. Added

chlorination disinfection in order to meet the standards for reuse Class A reclaimed water.

2. Section 2.4. Points of Compliance (POC). Changed POC locations. Deleted the two POC locations for groundwater wells. Added three theoretical POC locations downgradient of the wetlands and the storage pond.
3. Section 2.2.5. Effluent classified for A reclaimed water.
4. Section 2.5.3, Groundwater Monitoring. Deleted groundwater monitoring, and requirement for ambient groundwater monitoring.
5. Section 3.0, Compliance Schedule. Added a procedure in the compliance schedule to allow the facility to increase the flow up to 0.1 MGD in phases.
6. Section 4.0., Monitoring Tables. Added additional monitoring constituents in metals suite and added a VOC monitoring suite. Nitrogen monitoring increased from quarterly to monthly. Total nitrogen discharge limit set to reserved, till the facility collects data to determine the de-nitrification capability of the wetlands. Deleted groundwater monitoring
7. Other changes include change in permit language to conform to the latest boilerplate language.

## **II. BEST AVAILABLE DEMONSTRATED CONTROL TECHNOLOGY**

The facility treats the influent wastewater in wetland cells, providing some nitrogen removal. However as all wetland cells and storage ponds are lined with a 40 mil polypropylene geomembrane liner, effluent is not expected to reach the aquifer. The effluent is filtered, and chlorinated to meet Class A reclaimed water standards.

## **III. COMPLIANCE WITH AQUIFER WATER QUALITY STANDARDS**

The permittee is required to show that pollutants discharged will not cause or contribute to a violation of aquifer water quality standards at the POC. The location of the POCs which show compliance with aquifer water quality standards is determined by an analysis of the pollutant management area (PMA), the discharge impact area (DIA), and locations and uses of groundwater wells in the area. The POC locations are selected to protect off-site uses of groundwater, to verify BADCT performance, and to allow early detection of potential impact from the WWTP discharges.

The pollutant management area (PMA) as described in Arizona revised Statutes (ARS) §49-244 as the limit projected in the horizontal plane of the area on which pollutants are or will be placed. The PMA includes horizontal space taken up by any liner, dike or other barrier designed to contain pollutants in the facility. If the facility

contains more than one discharging activity, the PMA is described by an imaginary line circumscribing the several discharging activities. The PMA for this facility is defined by a line circumscribing the four wetland cells, Habitat pond, and the Storage pond.

The discharge impact area (DIA) is defined by ARS §49-201.13. The DIA means the potential aerial extent of pollutant migration, as projected on the land surface, as the result of a discharge from a facility. The DIA is similar in shape and size to the PMA because all discharging facilities are lined and no discharge is expected.

**Point(s) of Compliance (P.O.C.)**

**2.4 Points of Compliance (POCs) [A.R.S. § 49-244]**

The Points of Compliance are established by the following designated locations:

POC#	POC Locations	Latitude	Longitude
1	Northeast corner of the WWTP site	31°36'30" N	111°02'29" W
2	East corner of the WWTP site	31°36'27" N	112°02'29" W
3	Southeast corner of the WWTP site	31°36'22" N	112°02'31" W

Groundwater monitoring is not required at the points of compliance, except as a contingency action.

The Director may amend this permit to require installation of wells and initiation of groundwater monitoring at the POC or to designate additional points of compliance if information on groundwater gradients or groundwater usage indicates the need.

**Monitoring and Reporting Requirements**

The following parameters will be monitored:

Parameter	Effluent	Reclaimed Water
Flow	daily	NA
bacteria: <i>E-coli</i>	Daily	Daily
nutrients: nitrate, nitrite, TKN	quarterly	NA
depth to groundwater	N/A	N/A
inorganic chemicals: metals, cyanide, fluoride as listed in AAC R18-9-11-406.B	Quarterly	NA
Volatile Organic Compounds as listed in AAC R18-9-11-406.B	Semi-annually	N/A

Parameter	Effluent	Reclaimed Water
Turbidity	N/A	Continuous
Viruses	N/A	Monthly/Suspended

Discharge limits (DLs) are set equivalent to the applicable AWQS except for nitrogen; Alert Levels (ALs) are set at 80% of the discharge limits. Groundwater monitoring is not required at the POCs.

#### IV. STORM WATER AND SURFACE WATER CONSIDERATIONS

The facility is located in a 100-year floodplain. The 100-year flood plain elevation at the location of the facility is 3201 +/- . An earthen berm with an elevation of 3204 +/- has been constructed around the facility to protect it from the 100-year flood. This same berm protects the facility from run-off during any storm events.

The nearest surface water body is the Santa Cruz River located approximately ¼ mile to the east of the facility and Tubac Creek located approximately ½ mile to the north.

#### V. COMPLIANCE SCHEDULE

For each compliance schedule item listed below, the permittee shall submit the required information, including a cover letter that lists the compliance schedule items, to the Groundwater Section. A copy of the cover letter must also be submitted to the Water Quality Compliance Section, Enforcement Unit.

Compliance Item	Schedule
Total Nitrogen data	Begin sampling once there is flow from the wetlands. Notify ADEQ within 15 days of flow leaving wetlands that sampling has commenced.
Total Nitrogen data	Sample monthly for 18 months. Submit data within 30 days of collecting the last sample to ADEQ, along with a request to set the Discharge and Alert Limit in the permit, based on the results of monitoring. This must be submitted along with a request for an "other" amendment.
When the facility has planted additional 7.4 acres of turf, submit a letter from a Professional Engineer verifying this along with an updated water balance. ADEQ will review the information, and if approved ADEQ will send a letter of approval to increase flows to 25,000 gpd.	The facility may increase the flow from 15,000 gallons per day (gpd) (phase I) to 25,000 gpd, (phase II) and monitor as per Table 1B, after receiving ADEQ approval to do so. The facility may discontinue monitoring as per Table IA. Flows beyond 25,000 gpd may only be increased upon submitting additional reuse information, and documentation regarding adequate storage under an "other amendment.

## VI. OTHER REQUIREMENTS FOR ISSUING THIS PERMIT

### **Technical Capability**

Baca Float Company has demonstrated the technical competence necessary to carry out the terms and conditions of the permit in accordance with A.R.S. § 49-243(N) and A.A.C. R18-9-A202(B).

The WWTP was designed by the consulting firm of Southwest Westland Group, dated December 15, 1994, and signed and sealed by Thomas Andrew, a registered engineer in the State of Arizona.

ADEQ requires that appropriate documents be sealed by an Arizona registered geologist or professional engineer. This requirement is a part of an on-going demonstration of technical capability. The permittee is expected to maintain technical capability throughout the life of the facility.

### **Financial Capability**

Baca Float Company has demonstrated the financial responsibility necessary to carry out the terms and conditions of the permit in accordance with A.R.S. § 49-243(N) and A.A.C. R18-9-A203. The permittee is expected to maintain financial capability throughout the life of the facility.

### **Zoning Requirements**

Baca Float Company WWTP has been properly zoned for the permitted use and the permittee has complied with all Santa Cruz County zoning ordinances in accordance with A.R.S. § 49-243(O) and A.A.C. R18-9-A201(A)(2)(c).

## VII. ADMINISTRATIVE INFORMATION

### **Public Notice (A.A.C. R18-9-108(A))**

The public notice is the vehicle for informing all interested parties and members of the general public of the contents of a draft permit or other significant action with respect to a permit or application. The basic intent of this requirement is to ensure that all interested parties have an opportunity to comment on significant actions of the permitting agency with respect to a permit application or permit. This permit will be public noticed in a local newspaper after a pre-notice review by the applicant and other affected agencies.

### **Public Comment Period (A.A.C. R18-9-109(A))**

The aquifer protection program rules require that permits be public noticed in a newspaper of general circulation within the area affected by the facility or activity

and provide a minimum of 30 calendar days for interested parties to respond in writing to ADEQ. After the closing of the public comment period, ADEQ is required to respond to all significant comments at the time a final permit decision is reached or at the same time a final permit is actually issued.

**Public Hearing (A.A.C R18-9-109(B))**

A public hearing may be requested in writing by any interested party. The request should state the nature of the issues proposed to be raised during the hearing. A public hearing will be held if the Director determines there is a significant amount of interest expressed during the 30-day public comment period, or if significant new issues arise that were not considered during the permitting process.

**VIII. ADDITIONAL INFORMATION**

Additional information relating to this proposed permit may be obtained from:

Arizona Department of Environmental Quality  
Water Quality Division – Wastewater, Recharge & Reuse Unit  
Attn: Asif Majeed  
1110 W. Washington St., Mail Code 5415B-3  
Phoenix, Arizona 85007  
Phone: (602) 771- 4683

STATE OF ARIZONA  
AQUIFER PROTECTION PERMIT NO. P-102959  
PLACE ID # 265, LTF # 36054  
SIGNIFICANT AMENDMENT

**1.0 AUTHORIZATION**

In compliance with the provisions of Arizona Revised Statutes (A.R.S.) Title 49, Chapter 2, Articles 1, 2 and 3, Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, Articles 1 and 2, A.A.C. Title 18, Chapter 11, Article 4 and amendments thereto, and the conditions set forth in this permit, Baca Float Water Company is hereby authorized to operate the Baca Float Wastewater Treatment Plant, located approximately ½ mile southeast of Tubac, Arizona, in Santa Cruz County, over groundwater of the Santa Cruz Active Management Area, in Township 21 S, Range 13 E, Section 18, of the Gila and Salt River Baseline and Meridian.

This permit becomes effective on the date of the Water Quality Division Director's signature and shall be valid for the life of the facility (operational, closure, and post-closure periods) unless suspended or revoked pursuant to A.A.C. R18-9-A213. The permittee shall construct, operate and maintain the permitted facilities:

1. Following all the conditions of this permit including the design and operational information documented or referenced below, and
2. such that Aquifer Water Quality Standards (AWQS) are not violated at the applicable point(s) of compliance (POC) set forth below or if an AWQS for a pollutant has been exceeded in an aquifer at the time of permit issuance, that no additional degradation of the aquifer relative to that pollutant and as determined at the applicable POC occurs as a result of the discharge from the facility.

**1.1 PERMITTEE INFORMATION**

**Facility Name:** Baca Float Wastewater Treatment Plant  
**Facility Address:** Two Tubac Road, ½ mile southeast of Tubac  
Santa Cruz County, Arizona

**Permittee:** Baca Float Company  
**Permittee Address:** P.O. Box 1536  
Tubac, Arizona 85646

**Facility Contact:** Dick Lockwood, Facility Manager  
**Emergency Phone No.:** 520-391-7188

**Latitude/Longitude:** 31E36' 30" N/ 111E02' 30" W  
**Legal Description:** 21 S, Range 13 E, Section 18, SW<sup>¼</sup>, SW<sup>¼</sup>, SE<sup>¼</sup> of the Gila and Salt River Baseline and Meridian.

**1.2 AUTHORIZING SIGNATURE**

  
\_\_\_\_\_  
Joan Card, Director  
Water Quality Division  
Arizona Department of Environmental Quality

Signed this 15<sup>th</sup> day of December, 2006

**2.0 SPECIFIC CONDITIONS [A.R.S. §§ 49-203(4), 49-241(A)]**

**2.1 Facility / Site Description [A.R.S. § 49-243(K)(8)]**

The permittee is authorized to operate a 0.1 million gallons per day (MGD) wastewater treatment plant (WWTP). The wastewater from septic tanks located at the Barrio de Tubac residential development and the golf course building, flows to the pretreatment tank located at the head of the WWTP. From the pretreatment tank, the effluent goes through a flow splitter, and then through two parallel trains of constructed subsurface flow wetlands. Each wetland train consists of two wetlands cells connected in series. Effluent from each wetland cell flows to a dosing tank and then to two sand filters. Effluent from the filters is chlorinated to meet Class A reclaimed water standards, enters the pump station # 1, which acts a temporary storage tank and also provides contact time for chlorination. From Pump station # 1 the effluent may be pumped back to the flow splitter located at the head of the WWTP or to a Habitat Pond. Effluent from the Habitat Pond flows to a storage pond. Effluent from the storage pond is pumped to an adjacent reuse site, consisting of turf, cottonwood and pine trees. The reuse site is also owned by the permittee and will be permitted under a reclaimed water permit. The WWTP treatment plant design was approved by ADEQ on March 26, 1997.

The discharge from the facility may not exceed 15,000 gpd in phase I (Table IA). The facility may increase the discharge to 25,000 gpd (phase II), as stated in Section 3.0 of the Compliance schedule, item # 3, upon approval by ADEQ. Further increases in flow up to 100,000 gpd, which is the design capacity of the WWTP can be approved under an "other" amendment as stated in Section 3.0 of the Compliance schedule, item # 3.

The purpose of this amendment is to change the method of disposal from land application to reuse, and consequently delete the groundwater monitoring, as by reusing the effluent at consumptive rates, the effluent is not expected to reach groundwater. Further, in order to meet the standards for disinfection required for Class A reclaimed water, chlorination of the effluent will be required under this amendment.

The site includes the following permitted discharging facilities:

Facility	Latitude	Longitude
Wetlands	31° 36' 30" N	111° 02' 30" W
Habitat Pond	31° 36' 30" N	111° 02' 39" W
Storage Pond	31° 36' 23" N	111° 02' 32" W

**Annual Registration Fee [A.R.S. § 49-242]**

The Annual Registration Fee for this permit is established by A.R.S. § 49-242(E) and is payable to ADEQ each year. The design flow is 0.1 million gallons per day (mgd).

**Financial Capability [A.R.S. § 49-243(N) and A.A.C. R18-9-A203 ]**

The permittee has demonstrated financial capability under A.R.S. § 49-243(N) and A.A.C. R18-9-A203 at the time of the issuance of the permit on June 7, 1996. The permittee shall maintain financial capability throughout the life of the facility.

**2.2 Best Available Demonstrated Control Technology [A.R.S. § 49-243(B) and A.A.C. R18-9-A202(A)(5)]**

The Water Reclamation Facility shall be designed, constructed, operated, and maintained to meet the treatment performance criteria for wastewater treatments plants, prior to the January 2001 APP rules. The storage pond, the Habitat Pond and the wetland cells are all lined with a 40 mil polypropylene liner. The wetlands are expected to denitrify to a certain extent, but may not meet the AWQS standard of 10.0 mg/l.

The facility shall meet the requirements for the pretreatment by conducting monitoring as per R18-9-B204(A)(6)(b)(iii).

All industrial hookups and other non-residential hookups to the treatment system shall be authorized according to the applicable federal, state or local regulations.

#### **2.2.1 Engineering Design**

The WWTP was designed by the consulting firm of Southwest Westland Group, dated December 15, 1994, and signed and sealed by Thomas Andrew, a registered engineer in the State of Arizona.

#### **2.2.2 Site-specific Characteristics**

Not Applicable.

#### **2.2.3 Pre-Operational Requirements**

Not Required. The WWTP is already in operation.

#### **2.2.4 Operational Requirements**

1. The permittee shall maintain a copy of the up-to-date O & M manual at the WWTP site at all times and shall be available upon request during inspections by ADEQ personnel.
2. The pollution control structures shall be inspected for the items listed in Section 4.0, Table III - FACILITY INSPECTION (OPERATIONAL MONITORING).
3. If any damage of the pollution control structures is identified during inspection, proper repair procedures shall be performed. All repair procedures and material(s) used shall be documented on the Self-Monitoring Report Form submitted quarterly to the ADEQ Water Quality Compliance.

#### **2.2.5 Wastewater Treatment Plant Classification**

A.A.C. R18-9-703(C)(2)(a), A.A.C. R18-11-303 THROUGH 307]

The WWTP will produce reclaimed water meeting Class A Reclaimed Water Quality Standards and can be used for any allowable use in that class under a valid reclaimed water permit (A.A.C. R18-9, Article 7).

### **2.3 Discharge Limitations [A.R.S. §§ 49-201(14), 49-243 and A.A.C. R18-9-A205(B)]**

1. The permittee is authorized to operate the WWTP with a maximum average monthly flow of 0.1 MGD. However the discharge capacity will be limited to 0.015 MGD in phase I and 0.025 MGD in phase II, based on the available reuse area and storage capacity.
2. The permittee shall notify all users that the materials authorized to be disposed of through the WWTP are typical household sewage and shall not include motor oil, gasoline, paints, varnishes, hazardous wastes, solvents, pesticides, fertilizers or other materials not generally associated with toilet flushing, food preparation, laundry facilities and personal hygiene.
3. The permittee shall operate and maintain all permitted facilities to prevent unauthorized discharges pursuant to A.R.S. § 49-201(12) resulting from failure or bypassing of BADCT pollutant control

technologies including liner failure<sup>1</sup>, uncontrollable leakage, overtopping (e.g., exceeding the maximum storage capacity, defined as a fluid level exceeding the crest elevation of a permitted impoundment), of basins, lagoons, impoundments or sludge drying beds, berm breaches, accidental spills, or other unauthorized discharges.

4. Specific discharge limitations are listed in Section 4.0, Tables IA, IB and IC.

#### 2.4 Points of Compliance (POCs) [A.R.S. § 49-244]

The Points of Compliance are established by the following designated locations:

POC#	POC Locations	Latitude	Longitude
1	Northeast corner of the WWTP site	31°36'30" N	111°02'29" W
2	East corner of the WWTP site	31°36'27" N	112°02'29" W
3	Southeast corner of the WWTP site	31°36'22" N	112°02'31" W

Groundwater monitoring is not required at the points of compliance, except as a contingency action.

The Director may amend this permit to require installation of wells and initiation of groundwater monitoring at the POC or to designate additional points of compliance if information on groundwater gradients or groundwater usage indicates the need.

#### 2.5 Monitoring Requirements [A.R.S. § 49-243(K)(1), A.A.C. R18-9-A206(A)]

All monitoring required in this permit shall continue for the duration of the permit, regardless of the status of the facility. All sampling, preservation and holding times shall be in accordance with currently accepted standards of professional practice. Trip blanks, equipment blanks and duplicate samples shall also be obtained, and chain of custody procedures shall be followed, in accordance with currently accepted standards of professional practice. The permittee shall consult the most recent version of the ADEQ Quality Assurance Project Plan (QAPP) and EPA 40 CFR PART 136 for guidance in this regard. Copies of laboratory analyses and chain of custody forms shall be maintained at the permitted facility. Upon request these documents shall be made immediately available for review by ADEQ personnel.

##### 2.5.1 Discharge Monitoring

The permittee shall monitor the wastewater according to Section 4.0, Table IA, IB and IC. A representative sample of the wastewater shall be collected at the point of discharge from effluent pump station # 1.

##### 2.5.1.1 Reclaimed Water Monitoring

The permittee shall monitor the parameters listed under Table IC in addition to the routine discharge monitoring parameters listed in Tables IA and IB.

##### 2.5.2 Facility / Operational Monitoring

Operational monitoring inspections shall be conducted according to Section 4.0, Table III.

<sup>1</sup>Liner failure in a single-lined impoundment is any condition that would result in leakage exceeding 550 gallons per day per acre.

- a. If any damage of the pollution control structures is identified during inspection, proper repair procedures shall be performed. All repair procedures and materials used shall be documented on the Self-Monitoring Report Form (SMRF) submitted quarterly to the ADEQ Water Quality Compliance. If none of the conditions occur, the report shall say "no event" for a particular reporting period. If the facility is not in operation, the permittee shall indicate this on the SMRF.
- b. The permittee shall submit data required in Section 4.0, Table III regardless of the operating status of the facility unless otherwise approved by the Department or allowed in this permit.

**2.5.3 Groundwater Monitoring and Sampling Protocols**

Routine groundwater monitoring is not required under the terms of this permit.

**2.5.4 Surface Water Monitoring and Sampling Protocols**

Routine surface water monitoring is not required under the terms of this permit.

**2.5.5 Analytical Methodology**

All samples collected for compliance monitoring shall be analyzed using Arizona state approved methods. If no state approved method exists, then any appropriate EPA approved method shall be used. Regardless of the method used, the detection limits must be sufficient to determine compliance with the regulatory limits of the parameters specified in this permit. Analyses shall be performed by a laboratory licensed by the Arizona Department of Health Services, Office of Laboratory Licensure and Certification. For results to be considered valid, all analytical work shall meet quality control standards specified in the approved methods. A list of Arizona State certified laboratories can be obtained at the address below:

Arizona Department of Health Services  
Office of Laboratory Licensure and Certification  
250 North 17<sup>th</sup> Ave.  
Phoenix, AZ 85007  
Phone: (602) 364-0720

**2.5.6 Installation and Maintenance of Monitoring Equipment**

Monitoring equipment required by this permit shall be installed and maintained so that representative samples required by the permit can be collected. If new groundwater wells are determined to be necessary, the construction details shall be submitted to the ADEQ Groundwater Section for approval prior to installation and the permit shall be amended to include any new points.

**2.6 Contingency Plan Requirements [A.R.S. § 49-243(K)(3), (K)(7) and A.A.C. R18-9-A204 and R18-9-A205]**

**2.6.1 General Contingency Plan Requirements**

At least one copy of the approved contingency and emergency response plan(s) submitted in the application shall be maintained at the location where day-to-day decisions regarding the operation of the facility are made. The permittee shall be aware of and follow the contingency and emergency plans.

An alert level (AL) exceedance, violation of a discharge limit (DL), aquifer quality limit (AQL), or other permit condition shall be reported to ADEQ following the reporting requirements in Section 2.7.3.

Some contingency actions involve verification sampling. Verification sampling shall consist of the first follow-up sample collected from a location that previously indicated a violation or the exceedance of an AL. Collection and analysis of the verification sample shall use the same protocols and test methods to analyze for the pollutant or pollutants that exceeded an AL or violated an AQL. The permittee is subject to enforcement action for the failure to comply with any contingency actions in this permit. Where verification sampling is specified in this permit, it is the option of the permittee to perform such sampling. If verification sampling is not conducted within the timeframe allotted, ADEQ and the permittee shall presume the initial sampling result to be confirmed as if verification sampling has been conducted. The permittee is responsible for compliance with contingency plans relating to the exceedance of an AL or violation of a DL, AQL, or any other permit condition.

## **2.6.2 Exceeding of Alert Levels/Performance Levels**

### **2.6.2.1 Exceeding of Performance Levels (PL) Set for Operational Conditions**

1. If the operational PL set in Section 4.0, Table III has been exceeded (permit condition violated) the permittee shall:
  - a. Notify the ADEQ Water Quality Compliance Section within five (5) days of becoming aware of an exceedance of any permit condition in Table III.
  - b. Submit a written report within thirty (30) days after becoming aware of an exceedance of a permit condition. The report shall document all of the following:
    - (1) A description of the exceedance and its cause;
    - (2) the period of the exceedance, including exact date(s) and time(s), if known, and the anticipated time period during which the exceedance is expected to continue;
    - (3) any action taken or planned to mitigate the effects of the exceedance or spill, or to eliminate or prevent recurrence of the exceedance or spill;
    - (4) any monitoring activity or other information which indicates that any pollutants would be reasonably expected to cause a violation of an Aquifer Water Quality Standard; and
    - (5) any malfunction or failure of pollution control devices or other equipment or process.
2. The facility is no longer on alert status once the operational indicator no longer indicates that a PL is being exceeded. The permittee shall, however, complete all tasks necessary to return the facility to its pre-alert operating condition.

### **2.6.2.2 Exceeding of Alert Levels (ALs) Set for Discharge Monitoring**

1. If an AL set in Section 4.0, TABLE I has been exceeded, the permittee shall immediately investigate to determine the cause of the exceedance. The investigation shall include the following:

- a. Inspection, testing, and assessment of the current condition of all treatment or pollutant discharge control systems that may have contributed to the exceedance.
  - b. Review of recent process logs, reports, and other operational control information to identify any unusual occurrences;
  - c. Pretreatment source control for industrial pollutants.
2. The permittee shall initiate actions identified in the approved contingency plan referenced in Section 5.0 and specific contingency measures identified in Section 2.6 to resolve any problems identified by the investigation which may have led to an AL exceedance. To implement any other corrective action the permittee shall obtain prior approval from ADEQ according to Section 2.6.6.
  3. Within thirty (30) days of an AL exceedance, the permittee shall submit the laboratory results to the ADEQ Water Quality Compliance Section, Data Unit, along with a summary of the findings of the investigation, the cause of the exceedance, and actions taken to resolve the problem.
  4. Upon review of the submitted report, the Department may amend the permit to require additional monitoring, increased frequency of monitoring, amendments to permit conditions or other actions.

#### **2.6.2.2.1. Exceeding Permit Flow Limit**

1. If the AL for average monthly flow in Section 4.0, Table IA or IB is exceeded, the permittee shall submit an application for an APP amendment to expand the WWTP or submit a report detailing the reasons that expansion is not necessary.
2. Acceptance of the report instead of an application for expansion requires ADEQ approval.

#### **2.6.2.3 Exceeding of Alert Levels in Groundwater Monitoring**

##### **2.6.2.3.1 Alert Levels for Indicator Parameters**

Not required at time of permit issuance.

##### **2.6.2.3.2 Alert Levels for Pollutants with Numeric Aquifer Water Quality Standards**

Not required at time of permit issuance.

##### **2.6.2.3.3 Alert Levels to Protect Downgradient Users from Pollutants Without Numeric Aquifer Water Quality Standards**

Not required at time of permit issuance.

#### **2.6.3 Discharge Limit (DL) Violations**

1. If a DL set in Section 4.0, Tables IA, IB and IC has been violated, the permittee shall immediately investigate to determine the cause of the violation. The investigation shall include the following:

- a. Inspection, testing, and assessment of the current condition of all treatment or pollutant discharge control systems that may have contributed to the violation;
- b. Review of recent process logs, reports, and other operational control information to identify any unusual occurrences;
- c. Sampling of individual waste streams composing the wastewater for the parameters in violation.

The permittee also shall submit a report according to Section 2.7.3, which includes a summary of the findings of the investigation, the cause of the violation, and actions taken to resolve the problem. The permittee shall consider and ADEQ may require corrective action that may include control of the source of discharge, cleanup of affected soil, surface water or groundwater, and mitigation of the impact of pollutants on existing uses of the aquifer. Corrective actions shall either be specifically identified in this permit, included in an ADEQ approved contingency plan, or separately approved according to Section 2.6.6.

2. The permittee shall comply with the freeboard requirements as specified in Section 4.0, Table III (Facility Inspections) to prevent the overtopping of an impoundment. If an impoundment is overtopped, the permittee shall follow the requirements in Section 2.6.5.3 and the reporting requirements of Section 2.7.3.
3. Upon review of the submitted report, the Department may amend the permit to require additional monitoring, increased frequency of monitoring, amendments to permit conditions, or other actions.

#### **2.6.4 Aquifer Quality Limit (AQL) Violation**

Not Applicable.

#### **2.6.5 Emergency Response and Contingency Requirements for Unauthorized Discharges pursuant to A.R.S. § 49-201(12) and pursuant to A.R.S. § 49-241**

##### **2.6.5.1 Duty to Respond**

The permittee shall act immediately to correct any condition resulting from a discharge pursuant to A.R.S. § 49-201(12) if that condition could pose an imminent and substantial endangerment to public health or the environment.

##### **2.6.5.2 Discharge of Hazardous Substances or Toxic Pollutants**

In the event of any unauthorized discharge pursuant to A.R.S. § 49-201(12) of suspected hazardous substances (A.R.S. § 49-201(18)) or toxic pollutants (A.R.S. § 49-243(I)) on the facility site, the permittee shall promptly isolate the area and attempt to identify the discharged material. The permittee shall record information, including name, nature of exposure and follow-up medical treatment, if necessary, on persons who may have been exposed during the incident. The permittee shall notify the ADEQ Southern Regional Office at (602) 628-6755 within 24 hours upon discovering the discharge of hazardous material which: a) has the potential to cause an AWQS or AQL exceedance, or; b) could pose an endangerment to public health or the environment.

##### **2.6.5.3 Discharge of Non-hazardous Materials**

In the event of any unauthorized discharge pursuant to A.R.S. § 49-201(12) of non-hazardous materials from the facility, the permittee shall promptly attempt to cease the discharge and isolate the discharged material. Discharged material shall be

removed and the site cleaned up as soon as possible. The permittee shall notify the Southern Regional Office at (602) 628-6755, within 24 hours upon discovering the discharge of non-hazardous material which: a) has the potential to cause an AQL exceedance, or; b) could pose an endangerment to public health or the environment.

#### **2.6.5.4 Reporting Requirements**

The permittee shall submit a written report for any unauthorized discharges reported under Sections 2.6.5.2 and 2.6.5.3 to the Southern Regional Office, 400 W. Congress, Suite 455, Tucson, Arizona 85701, within thirty days of the discharge or as required by subsequent ADEQ action. The report shall summarize the event, including any human exposure, and facility response activities and include all information specified in Section 2.7.3. If a notice is issued by ADEQ subsequent to the discharge notification, any additional information requested in the notice shall also be submitted within the time frame specified in the notice. Upon review of the submitted report, ADEQ may require additional monitoring or corrective actions.

#### **2.6.6 Corrective Actions**

Specific contingency measures identified in Section 2.6 have already been approved by ADEQ and do not require written approval to implement.

With the exception of emergency response actions taken under Section 2.6.5, the permittee shall obtain written approval from the Groundwater Section prior to implementing a corrective action to accomplish any of the following goals in response to exceedance of an AL or violation of an AQL, DL, or other permit condition:

1. Control of the source of an unauthorized discharge;
2. Soil cleanup;
3. Cleanup of affected surface waters;
4. Cleanup of affected parts of the aquifer;
5. Mitigation to limit the impact of pollutants on existing uses of the aquifer.

Within 30 days of completion of any corrective action, the operator shall submit to the ADEQ Water Quality Compliance Section, a written report describing the causes, impacts, and actions taken to resolve the problem.

### **2.7 Reporting and Recordkeeping Requirements [A.R.S. § 49-243(K)(2) and A.A.C. R18-9-A206(B) and R18-9-A207]**

#### **2.7.1 Self Monitoring Report Forms (SMRF)**

1. The permittee shall complete the SMRFs provided by ADEQ, and submit them to the Water Quality Compliance Section, Data Unit.
2. The permittee shall complete the SMRF to the extent that the information reported may be entered on the form. If no information is required during a quarter, the permittee shall enter "not required" on the SMRF and submit the report to ADEQ. The permittee shall use the format devised by ADEQ.
3. The tables contained in Section 4.0 list the parameters to be monitored and the frequency for reporting results for compliance monitoring. Monitoring and analytical methods shall be recorded on the SMRFs. The permittee reserves the right to request a relaxation of the monitoring frequency for metals and volatile organic compounds if the data indicate that water quality standards are being achieved.

4. In addition to the SMRF, the information contained in A.A.C. R18-9-A206(B)(1) shall be included for exceeding an AL or violation of an AQL, DL, or any other permit condition being reported in the current reporting period.

#### **2.7.2 Operation Inspection / Log Book Recordkeeping**

A signed copy of this permit shall be maintained at all times at the location where day-to-day decisions regarding the operation of the facility are made. A log book (paper copies, forms, or electronic data) of the inspections and measurements required by this permit shall be maintained at the location where day-to-day decisions are made regarding the operation of the facility. The log book shall be retained for ten years from the date of each inspection, and upon request, the permit and the log book shall be made immediately available for review by ADEQ personnel. The information in the log book shall include, but not be limited to, the following information as applicable:

1. Name of inspector;
2. Date and shift inspection was conducted;
3. Condition of applicable facility components;
4. Any damage or malfunction, and the date and time any repairs were performed;
5. Documentation of sampling date and time;
6. Any other information required by this permit to be entered in the log book.

Monitoring records for each measurement shall comply with R18-9-A206(B)(2).

#### **2.7.3 Permit Violation and Alert Level Status Reporting**

1. The permittee shall notify the Water Quality Compliance Section, Enforcement Unit in writing within five (5) days (except as provided in Section 2.6.5) of becoming aware of a violation of any permit condition, discharge limitation, or of an AL exceedance.
2. The permittee shall submit a written report to the Water Quality Compliance Section, Enforcement Unit within 30 days of becoming aware of the violation of any permit condition or discharge limitation. The report shall document all of the following:
  - a. Identification and description of the permit condition for which there has been a violation and a description of the cause;
  - b. The period of violation including exact date(s) and time(s), if known, and the anticipated time period during which the violation is expected to continue;
  - c. Any corrective action taken or planned to mitigate the effects of the violation, or to eliminate or prevent a recurrence of the violation;
  - d. Any monitoring activity or other information which indicates that any pollutants would be reasonably expected to cause a violation of an Aquifer Water Quality Standard;
  - e. Proposed changes to the monitoring which include changes in constituents or increased frequency of monitoring; and
  - f. Description of any malfunction or failure of pollution control devices or other equipment or processes.

#### **2.7.4 Operational, Other or Miscellaneous Reporting**

The permittee shall complete the Self-Monitoring Report Form provided by the Department to reflect facility inspection requirements designated in Section 4.0, Table III and submit to the

ADEQ, Water Quality Compliance quarterly along with other reports required by this permit. Facility inspection reports shall be submitted no less frequently than quarterly, regardless of operational status.

If the treatment facility is classified for reclaimed water under this permit, the permittee shall submit the reclaimed water monitoring results as required in Table IA and flow volumes to any of the following in accordance with A.A.C. R18-9-703(C)(2)(c):

1. any reclaimed water agent who has contracted for delivery of reclaimed water from the permittee;
2. any end user who has not waived interest in receiving this information.

#### 2.7.5 Reporting Location

All SMRFs shall be submitted to:

Arizona Department of Environmental Quality  
Water Quality Compliance Section, Data Unit  
Mail Code: 5415B-1  
1110 W. Washington Street  
Phoenix, Arizona 85007  
Phone (602) 771-4681

All documents required by this permit to be submitted to the Water Quality Compliance Section shall be directed to the following address, and the applicable regional office:

Arizona Department of Environmental Quality  
Water Quality Compliance Section, Enforcement Unit  
Mail Code: 5415B-1  
1110 W. Washington Street  
Phoenix, Arizona 85007  
Phone (602) 771-4614

Arizona Department of Environmental Quality  
Southern Regional Office  
400 W. Congress, Suite 455  
Tucson, Arizona 85701  
Phone: (520) 628-6755  
Toll free: (888) 271-9302

All documents required by this permit to be submitted to the Groundwater Section shall be directed to:

Arizona Department of Environmental Quality  
Groundwater Section  
Mail Code: 5415B-3  
1110 W. Washington Street  
Phoenix, Arizona 85007  
Phone (602) 771-4428

#### 2.7.6 Reporting Deadline

The following table lists the quarterly report due dates:

Monitoring conducted during quarter:	Quarterly Report due by:
January-March	April 30
April-June	July 30
July-September	October 30
October-December	January 30

**2.7.7 Changes to Facility Information in Section 1.0**

The Groundwater Section and Water Quality Compliance Section shall be notified within 10 days of any change of facility information including Facility Name, Permittee Name, Mailing or Street Address, Facility Contact Person, or Emergency Telephone Number.

**2.8 Temporary Cessation [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A209(A)]**

The permittee shall give written notice to the Water Quality Compliance Section and the Southern Regional Office before ceasing operation of the facility for a period of 60 days or greater. The permittee shall take the following measures upon temporary cessation:

1. If applicable, direct the wastewater flows from the facility to another state-approved wastewater treatment facility.
2. Correct the problem that caused the temporary cessation of the facility.
3. Notify ADEQ with a monthly facility status report describing the activities conducted on the treatment facility to correct the problem.

At the time of notification the permittee shall submit for ADEQ approval a plan for maintenance of discharge control systems and for monitoring during the period of temporary cessation. Immediately following ADEQ approval, the permittee shall implement the approved plan. If necessary, ADEQ shall amend permit conditions to incorporate conditions to address temporary cessation. During the period of temporary cessation, the permittee shall provide written notice to the Water Quality Compliance Section of the operational status of the facility every three (3) years. If the permittee intends to permanently cease operation of any facility, the permittee shall submit closure notification, as set forth in Section 2.9 below.

**2.9 Closure [A.R.S. §§ 49-243(K)(6), 49-252 and A.A.C. R18-9-A209(B)]**

For a facility addressed under this permit, the permittee shall give written notice of closure to the Water Quality Compliance Section and the Southern Regional Office of the intent to cease operation without resuming activity for which the facility was designed or operated.

**2.9.1 Closure Plan**

Within 90 days following notification of closure, the permittee shall submit for approval to the Groundwater Section, a Closure Plan which meets the requirements of A.R.S. § 49-252 and A.A.C. R18-9-A209(B)(1)(a).

If the closure plan achieves clean closure immediately, ADEQ shall issue a letter of approval to the permittee. If the closure plan contains a schedule for bringing the facility to a clean closure configuration at a future date, ADEQ may incorporate any part of the schedule as an amendment to this permit.

**2.9.2 Closure Completion**

Upon completion of closure activities, the permittee shall give written notice to the Groundwater Section indicating that the approved Closure Plan has been implemented fully and providing supporting documentation to demonstrate that clean closure has been achieved (soil sample results, verification sampling results, groundwater data, as applicable). If clean closure has been achieved, ADEQ shall issue a letter of approval to the permittee at that time. If any of the following conditions apply, the permittee shall follow the terms of Post Closure stated in this permit:

1. Clean closure cannot be achieved at the time of closure notification or within one year thereafter under a diligent schedule of closure actions;
2. Further action is necessary to keep the facility in compliance with Aquifer Water Quality Standards at the applicable point of compliance;
3. Continued action is required to verify that the closure design has eliminated discharge to the extent intended;
4. Remedial or mitigative measures are necessary to achieve compliance with Title 49, Ch. 2;
5. Further action is necessary to meet property use restrictions.

**2.10 Post-Closure [A.R.S. §§ 49-243(K)(6), 49-252 and A.A.C. R18-9 A209(C)]**

Post-closure requirements shall be established based on a review of facility closure actions and will be subject to review and approval by the Groundwater Section.

In the event clean closure cannot be achieved pursuant to A.R.S. § 49-252, the permittee shall submit for approval to the Groundwater Section a Post-Closure Plan that addresses post-closure maintenance and monitoring actions at the facility. The Post-Closure Plan shall meet all requirements of A.R.S. §§ 49- 201(29) and 49-252 and A.A.C. R18-9-A209(C). Upon approval of the Post-Closure Plan, this permit shall be amended or a new permit shall be issued to incorporate all post-closure controls and monitoring activities of the Post-Closure Plan.

**2.10.1 Post-Closure Plan**

A specific post-closure plan may be required upon the review of the closure plan.

**2.10.2 Post-Closure Completion**

Not required at the time of permit issuance.

**3.0 COMPLIANCE SCHEDULE [A.R.S. § 49-243(K)(5) and A.A.C. R18-9-A208]**

For each compliance schedule item listed below, the permittee shall submit the required information, including a cover letter that lists the compliance schedule items, to the Groundwater Section. A copy of the cover letter must also be submitted to the Water Quality Compliance Section, Enforcement Unit.

<b>Compliance Item</b>	<b>Schedule</b>
Total Nitrogen data	Begin sampling once there is flow from the wetlands. Notify ADEQ within 15 days of flow leaving wetlands that sampling has commenced.
Total Nitrogen data	Sample monthly for 18 months. Submit data within 30 days of collecting the last sample to ADEQ, along with a request to set the Discharge and Alert Limit in the permit, based on the results of monitoring. This must be submitted along with a request for an "other" amendment.
When the facility has planted additional 7.4 acres of turf, submit a letter from a Professional Engineer verifying this along with an updated water balance. ADEQ will review the information, and if approved ADEQ will send a letter of approval to increase flows to 25,000 gpd.	The facility may increase the flow from 15,000 gallons per day (gpd) (phase I) to 25,000 gpd, (phase II) and monitor as per Table IB, after receiving ADEQ approval to do so. The facility may discontinue monitoring as per Table IA. Flows beyond 25,000 gpd may only be increased upon submitting additional reuse information, and documenting regarding adequate storage under an "other" amendment.

## 4.0 TABLES OF MONITORING REQUIREMENTS

TABLE IA  
ROUTINE DISCHARGE MONITORING  
PHASE I

Sampling Point Number	Sampling Point Identification			Latitude	Longitude
1	Discharge from Effluent Pump Station # 1			31° 36' 24" N	111° 02' 22" W
Parameter	AL <sup>2</sup>	DL <sup>3</sup>	Units	Sampling Frequency	Reporting Frequency
Total Flow: Daily <sup>4</sup>	Not Established <sup>5</sup>	Not Established	MGD <sup>6</sup>	Daily <sup>7</sup>	Quarterly
Total Flow: Average Monthly	0.014	0.015	MGD	Monthly <sup>8</sup>	Quarterly
<i>E-coli</i> : Single sample maximum	Not established	15	CFU or MPN <sup>9</sup>	Daily <sup>10</sup>	Quarterly
<i>E-coli</i> : four (4) of seven (7) samples in a week <sup>11</sup>	Not established	Non-detect <sup>12</sup>	CFU or MPN	Daily	Quarterly
Total Nitrogen <sup>13</sup> : 5-sampling rolling geometric mean.	Reserved	Reserved <sup>14</sup>	mg/l	Monthly <sup>15</sup>	Quarterly

<sup>2</sup>AL = Alert Level<sup>3</sup>DL = Discharge Limit<sup>4</sup>Total flow is measured in million gallons per day (MGD)<sup>5</sup>Not established = Monitoring required but no limits have been specified at time of permit issuance.<sup>6</sup>MGD = Million Gallons per Day<sup>7</sup>Flow shall be measured using a continuous recording flow meter which totals the flow daily.<sup>8</sup>Monthly = Calculated value = Average of daily flows in a month.<sup>9</sup>CFU = Colony Forming Units / 100 ml sample. MPN = Most Probable Number / 100 ml sample. For CFU, a value of <1 shall be considered to be non-detect. For MPN, a value of <2.2 shall be considered to be non-detect.<sup>10</sup>Daily means at least four (4) samples per week.<sup>11</sup>Week means a seven-day period starting on Sunday and ending on the following Saturday.<sup>12</sup>If at least four (4) of the daily samples are non-detect CFU or MPN report "yes" in the appropriate space on the SMRF (indicating that the standard has been met). If at least four (4) of the daily samples are greater than non-detect CFU or MPN report "no" in the appropriate space on the SMRF (indicating that the standard has not been met).<sup>13</sup>Total Nitrogen = Nitrate as N + Nitrite as N + Total Kjeldahl Nitrogen.<sup>14</sup>Reserved means no limits have been established at this time. Limits will be established, after collecting 18 months of nitrogen data, from the date there is adequate flow to leave the wetlands.<sup>15</sup>A 5-Month Geometric Mean of the results of the 5 most recent samples

## 4.0 TABLES OF MONITORING REQUIREMENTS

**TABLE IA**  
**ROUTINE DISCHARGE MONITORING (continued)**

Parameter	AL	DL	Units	Sampling Frequency	Reporting Frequency
<b>Metals (Total):</b>					
Antimony	0.0048	0.006	mg/l	Quarterly	Quarterly
Arsenic	0.04	0.05	mg/l	Quarterly	Quarterly
Barium	1.60	2.00	mg/l	Quarterly	Quarterly
Beryllium	0.0032	0.004	mg/l	Quarterly	Quarterly
Cadmium	0.004	0.005	mg/l	Quarterly	Quarterly
Chromium	0.08	0.1	mg/l	Quarterly	Quarterly
Cyanide (as free cyanide)	0.16	0.2	mg/l	Quarterly	Quarterly
Fluoride	3.2	4.0	mg/l	Quarterly	Quarterly
Lead	0.04	0.05	mg/l	Quarterly	Quarterly
Mercury	0.0016	0.002	mg/l	Quarterly	Quarterly
Nickel	0.08	0.1	mg/l	Quarterly	Quarterly
Selenium	0.04	0.05	mg/l	Quarterly	Quarterly
Thallium	0.0016	0.002	mg/l	Quarterly	Quarterly

4.0 TABLES OF MONITORING REQUIREMENTS

TABLE 1A  
ROUTINE DISCHARGE MONITORING (continued)

Parameter	AL	DL	Units	Sampling Frequency	Reporting Frequency
<b>Volatile Organic Compounds (VOCs):</b>					
Benzene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Carbon tetrachloride	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
o-Dichlorobenzene	0.48	0.6	mg/l	Semi-Annually	Semi-Annually
para-Dichlorobenzene	0.06	0.075	mg/l	Semi-Annually	Semi-Annually
1,2-Dichloroethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
1,1-Dichloroethylene	0.0056	0.007	mg/l	Semi-Annually	Semi-Annually
cis-1,2-Dichloroethylene	0.05	0.07	mg/l	Semi-Annually	Semi-Annually
trans-1,2-Dichloroethylene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Dichloromethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
1,2-Dichloropropane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Ethylbenzene	0.56	0.7	mg/l	Semi-Annually	Semi-Annually
Hexachlorobenzene	0.0008	0.001	mg/l	Semi-Annually	Semi-Annually
Hexachlorocyclopentadiene	0.04	0.05	mg/l	Semi-Annually	Semi-Annually
Monochlorobenzene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Styrene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Tetrachloroethylene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Toluene	0.8	1.0	mg/l	Semi-Annually	Semi-Annually
Trihalomethanes (total) <sup>16</sup>	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
1,1,1-Trichloroethane	0.16	0.2	mg/l	Semi-Annually	Semi-Annually
1,2,4 - Trichlorobenzene	0.056	0.07	mg/l	Semi-Annually	Semi-Annually
1,1,2 - Trichloroethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Trichloroethylene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Vinyl Chloride	0.0016	0.002	mg/l	Semi-Annually	Semi-Annually
Xylenes (Total)	8.0	10.0	mg/l	Semi-Annually	Semi-Annually

<sup>16</sup>Total Trihalomethanes are comprised of Bromoform, Bromodichloromethane, Chloroform, and Dibromochloromethane.

**TABLE IB**  
**ROUTINE DISCHARGE MONITORING**  
**PHASE II**

Sampling Point Number	Sampling Point Identification			Latitude	Longitude
1	Discharge from Effluent Pump Station # 1			31° 36' 24" N	111° 02' 22" W
Parameter	AL <sup>17</sup>	DL <sup>18</sup>	Units	Sampling Frequency	Reporting Frequency
Total Flow: Daily <sup>19</sup>	Not Established <sup>20</sup>	Not Established	MGD <sup>21</sup>	Daily <sup>22</sup>	Quarterly
Total Flow: Average Monthly	0.024	0.025	MGD	Monthly <sup>23</sup>	Quarterly
<i>E-coli</i> : Single sample maximum	Not established	15	CFU or MPN <sup>24</sup>	Daily <sup>25</sup>	Quarterly
<i>E-coli</i> : four (4) of seven (7) samples in a week <sup>26</sup>	Not established	Non-detect <sup>27</sup>	CFU or MPN	Daily	Quarterly
Total Nitrogen <sup>28</sup> : 5-sampling rolling geometric mean.	Reserved	Reserved <sup>29</sup>	mg/l	Monthly <sup>30</sup>	Quarterly

<sup>17</sup>AL = Alert Level

<sup>18</sup>DL = Discharge Limit

<sup>19</sup>Total flow is measured in million gallons per day (MGD)

<sup>20</sup>Not established = Monitoring required but no limits have been specified at time of permit issuance.

<sup>21</sup>MGD = Million Gallons per Day

<sup>22</sup>Flow shall be measured using a continuous recording flow meter which totals the flow daily.

<sup>23</sup>Monthly = Calculated value = Average of daily flows in a month.

<sup>24</sup>CFU = Colony Forming Units / 100 ml sample. MPN = Most Probable Number / 100 ml sample. For CFU, a value of <1 shall be considered to be non-detect. For MPN, a value of <2.2 shall be considered to be non-detect.

<sup>25</sup>Daily means at least four (4) samples per week.

<sup>26</sup>Week means a seven-day period starting on Sunday and ending on the following Saturday.

<sup>27</sup>If at least four (4) of the daily samples are non-detect CFU or MPN report "yes" in the appropriate space on the SMRF (indicating that the standard has been met). If at least four (4) of the daily samples are greater than non-detect CFU or MPN report "no" in the appropriate space on the SMRF (indicating that the standard has not been met).

<sup>28</sup>Total Nitrogen = Nitrate as N + Nitrite as N + Total Kjeldahl Nitrogen.

<sup>29</sup>Reserved means no limits have been established at this time. Limits will be established, after collecting 18 months of nitrogen data, from the date there is adequate flow to leave the wetlands.

<sup>30</sup>A 5-Month Geometric Mean of the results of the 5 most recent samples

## 4.0 TABLES OF MONITORING REQUIREMENTS

**TABLE IB**  
**ROUTINE DISCHARGE MONITORING (continued)**

Parameter	AL	DL	Units	Sampling Frequency	Reporting Frequency
<b>Metals (Total):</b>					
Antimony	0.0048	0.006	mg/l	Quarterly	Quarterly
Arsenic	0.04	0.05	mg/l	Quarterly	Quarterly
Barium	1.60	2.00	mg/l	Quarterly	Quarterly
Beryllium	0.0032	0.004	mg/l	Quarterly	Quarterly
Cadmium	0.004	0.005	mg/l	Quarterly	Quarterly
Chromium	0.08	0.1	mg/l	Quarterly	Quarterly
Cyanide (as free cyanide)	0.16	0.2	mg/l	Quarterly	Quarterly
Fluoride	3.2	4.0	mg/l	Quarterly	Quarterly
Lead	0.04	0.05	mg/l	Quarterly	Quarterly
Mercury	0.0016	0.002	mg/l	Quarterly	Quarterly
Nickel	0.08	0.1	mg/l	Quarterly	Quarterly
Selenium	0.04	0.05	mg/l	Quarterly	Quarterly
Thallium	0.0016	0.002	mg/l	Quarterly	Quarterly

## 4.0 TABLES OF MONITORING REQUIREMENTS

**TABLE 1B**  
**ROUTINE DISCHARGE MONITORING** (continued)

Parameter	AL	DL	Units	Sampling Frequency	Reporting Frequency
<b>Volatile Organic Compounds (VOCs):</b>					
Benzene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Carbon tetrachloride	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
o-Dichlorobenzene	0.48	0.6	mg/l	Semi-Annually	Semi-Annually
para-Dichlorobenzene	0.06	0.075	mg/l	Semi-Annually	Semi-Annually
1,2-Dichloroethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
1,1-Dichloroethylene	0.0056	0.007	mg/l	Semi-Annually	Semi-Annually
cis-1,2-Dichloroethylene	0.05	0.07	mg/l	Semi-Annually	Semi-Annually
trans-1,2-Dichloroethylene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Dichloromethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
1,2-Dichloropropane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Ethylbenzene	0.56	0.7	mg/l	Semi-Annually	Semi-Annually
Hexachlorobenzene	0.0008	0.001	mg/l	Semi-Annually	Semi-Annually
Hexachlorocyclopentadiene	0.04	0.05	mg/l	Semi-Annually	Semi-Annually
Monochlorobenzene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Styrene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Tetrachloroethylene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Toluene	0.8	1.0	mg/l	Semi-Annually	Semi-Annually
Trihalomethanes (total) <sup>31</sup>	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
1,1,1-Trichloroethane	0.16	0.2	mg/l	Semi-Annually	Semi-Annually
1,2,4 - Trichlorobenzene	0.056	0.07	mg/l	Semi-Annually	Semi-Annually
1,1,2 - Trichloroethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Trichloroethylene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Vinyl Chloride	0.0016	0.002	mg/l	Semi-Annually	Semi-Annually
Xylenes (Total)	8.0	10.0	mg/l	Semi-Annually	Semi-Annually

<sup>31</sup>Total Trihalomethanes are comprised of Bromoform, Bromodichloromethane, Chloroform, and Dibromochloromethane.

## 4.0 TABLES OF MONITORING REQUIREMENTS

TABLE IC  
RECLAIMED WATER MONITORING TABLE - CLASS A

Sampling Point Number	Sampling Point Identification	Latitude	Longitude
1	Discharge from Effluent Pump Station # 1	31° 36' 24" N	111° 02' 32" W

Parameter	DL	Units	Sampling Frequency	Reporting Frequency
<i>E. coli</i> <sup>32</sup> : Single-sample maximum	15	CFU or MPN <sup>33</sup>	Daily <sup>34</sup>	Quarterly
<i>E. coli</i> : Four (4) of last seven (7) samples	Non-detect <sup>35</sup>	CFU or MPN	Daily	Quarterly
Turbidity <sup>36</sup> : Single reading	5.0	NTU <sup>37</sup>	Everyday <sup>38</sup>	Quarterly
Turbidity: 24-hour average	2.0	NTU	Everyday	Quarterly
Enteric Virus <sup>39</sup> : Four (4) of last seven (7) samples	Non-detect	PFU <sup>40</sup>	Monthly / Suspended <sup>41</sup>	Quarterly

<sup>32</sup> *E. coli* monitoring results that meet the specified discharge limits are considered to demonstrate compliance with A.A.C. R18-11-303.

<sup>33</sup> CFU = Colony Forming Units per 100 ml: MPN = Most Probable Number per 100 ml. For CFU, a value of <1 shall be considered to be non-detect. For MPN, a value of <2.2 shall be considered to be non-detect.

<sup>34</sup> For *E. coli*, "daily" sampling means every day in which a sample can practicably be obtained and delivered in sufficient time for proper analysis, provided that no less than four (4) samples in each calendar week are obtained and analyzed.

<sup>35</sup> If at least four (4) of the last seven (7) samples are non-detect, report "yes" in the appropriate space on the SMRF (indicating that the standard has been met). If at least four (4) of the last seven (7) samples have detections of *E. coli*, report "no" in the appropriate space on the SMRF (indicating that the standard has not been met).

<sup>36</sup> Turbidimeter shall have a signal averaging time not exceeding 120 seconds. Occasional spikes due to back-flushing or instrument malfunction shall not be considered an exceedance. All exceedances must be explained and submitted to the Department with the corresponding quarterly SMRF.

<sup>37</sup> Nephelometric Turbidity Units

<sup>38</sup> For the single turbidity reading, "everyday" means the maximum reading during the 24-hour period.

<sup>39</sup> Initial monthly enteric virus sampling shall be performed to indicate four (4) out of seven (7) sample results of non-detect.

<sup>40</sup> Plaque Forming Units per 40 Liters. A value of <1.1 PFU/40 L shall be considered to be non-detect.

<sup>41</sup> Enteric virus sampling shall resume only if two (2) consecutive turbidity limits are exceeded. Monthly enteric virus monitoring shall continue until four (4) out of seven (7) consecutive sample results show no detection. During times when enteric virus sampling is suspended, enter "suspended" in the appropriate space on the SMRF.

## 4.0 TABLES OF MONITORING REQUIREMENTS

TABLE II  
GROUNDWATER MONITORING

NOT REQUIRED IN THIS PERMIT

TABLE III  
FACILITY INSPECTION (Operational Monitoring)

Pollution Control Structures/Parameter	Performance Levels	Inspection Frequency
Freeboard in Ponds	Minimum of three feet	Monthly
Treatment Plant Components	Good working condition	Monthly
Berm Integrity of Ponds	No visible structural damage, breach, or erosion of embankments	Monthly
Liner Integrity of Ponds	No cracks or leaks that would exceed a leakage rate of 550 gpd/acre	Monthly

**5.0 REFERENCES AND PERTINENT INFORMATION**

The terms and conditions set forth in this permit have been developed based upon the information contained in the following, which are on file with the Department:

1. APP Application dated: April 8, 2005
2. Contingency Plan, dated: April 8, 2005
3. Final Hydrologist Report dated: Not Required
4. Final Engineering Report dated: Not Required
5. Public Notice dated: August 18, 2006
6. Public Hearing, dated: Not applicable.
7. Responsiveness Summary, dated: Not applicable.

## 6.0 NOTIFICATION PROVISIONS

### 6.1 Annual Registration Fees

The permittee is notified of the obligation to pay an Annual Registration Fee to ADEQ. The Annual Registration Fee is based upon the amount of daily influent or discharge of pollutants in gallons per day as established by A.R.S. § 49-242(D).

### 6.2 Duty to Comply [A.R.S. §§ 49-221 through 263]

The permittee is notified of the obligation to comply with all conditions of this permit and all applicable provisions of Title 49, Chapter 2, Articles 1, 2 and 3 of the Arizona Revised Statutes, Title 18, Chapter 9, Articles 1 through 4, and Title 18, Chapter 11, Article 4 of the Arizona Administrative Code. Any permit non-compliance constitutes a violation and is grounds for an enforcement action pursuant to Title 49, Chapter 2, Article 4 or permit amendment, suspension, or revocation.

### 6.3 Duty to Provide Information [A.R.S. §§ 49-243(K)(2) and 49-243(K)(8)]

The permittee shall furnish to the Director, or an authorized representative, within a time specified, any information which the Director may request to determine whether cause exists for amending or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

### 6.4 Compliance with Aquifer Water Quality Standards [A.R.S. §§ 49-243(B)(2) and 49-243(B)(3)]

The permittee shall not cause or contribute to a violation of an Aquifer Water Quality Standard at the applicable point of compliance for the facility. Where, at the time of issuance of the permit, an aquifer already exceeds an Aquifer Water Quality Standard for a pollutant, the permittee shall not discharge that pollutant so as to further degrade, at the applicable point of compliance for the facility, the water quality of any aquifer for that pollutant.

### 6.5 Technical and Financial Capability [A.R.S. §§ 49-243(K)(8) and 49-243(N) and A.A.C. R18-9-A202(B) and R18-9-A203(E) and (F)]

The permittee shall have and maintain the technical and financial capability necessary to fully carry out the terms and conditions of this permit. Any bond, insurance policy, trust fund, or other financial assurance mechanism provided as a demonstration of financial capability in the permit application, pursuant to A.A.C. R18-9-A203(D), shall be in effect prior to any discharge authorized by this permit and shall remain in effect for the duration of the permit.

### 6.6 Reporting of Bankruptcy or Environmental Enforcement [A.A.C. R18-9-A207(C)]

The permittee shall notify the Director within five days after the occurrence of any one of the following:

1. the filing of bankruptcy by the permittee;
2. the entry of any order or judgment not issued by the Director against the permittee for the enforcement of any environmental protection statute or rule.

### 6.7 Monitoring and Records [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A206]

The permittee shall conduct any monitoring activity necessary to assure compliance with this permit, with the applicable water quality standards established pursuant to A.R.S. §§ 49-221 and 49-223 and §§ 49-241 through 49-252.

**6.8 Inspection and Entry [A.R.S. §§ 41-1009, 49-203(B), and 49-243(K)(8)]**

In accordance with A.R.S. §§ 41-1009 and 49-203(B), the permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to enter and inspect the facility as reasonably necessary to ensure compliance with Title 49, Chapter 2, Article 3 of the Arizona Revised Statutes, and Title 18, Chapter 9, Articles 1 through 4 of the Arizona Administrative Code and the terms and conditions of this permit.

**6.9 Duty to Modify [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A211]**

The permittee shall apply for and receive a written amendment before deviating from any of the designs or operational practices authorized by this permit.

**6.10 Permit Action: Amendment, Transfer, Suspension, and Revocation  
[A.R.S. §§ 49-201, 49-241 through 251, A.A.C. R18-9-A211, R18-9-A212 and R18-9-A213]**

This permit may be amended, transferred, suspended, or revoked for cause, under the rules of the Department. The permittee shall notify the Groundwater Section in writing within 15 days after any change in the owner or operator of the facility. The notification shall state the permit number, the name of the facility, the date of property transfer, and the name, address, and phone number where the new owner or operator can be reached. The operator shall advise the new owner or operators of the terms of this permit and the need for permit transfer in accordance with the rules.

**7.0 ADDITIONAL PERMIT CONDITIONS****7.1 Other Information [A.R.S. § 49-243(K)(8)]**

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, the permittee shall promptly submit the correct facts or information.

**7.2 Severability  
[A.R.S. §§ 49-201, 49-241 through 251, A.A.C. R18-9-A211, R18-9-A212 and R18-9-A213]**

The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby. The filing of a request by the permittee for a permit action does not stay or suspend the effectiveness of any existing permit condition.

**7.3 Permit Transfer**

This permit may not be transferred to any other person except after notice to and approval of the transfer by the Department. No transfer shall be approved until the applicant complies with all transfer requirements as specified in A.A.C. R18-9-A212(B) and (C).



1           3. All data requests or other requests for information should be directed to Mr. Brasher  
2 and Baca Float's attorneys. The contact information for the Company's attorneys is as follows:

3                   Jeffrey W. Crockett  
4                   Marcie A. Shuman  
5                   SNELL & WILMER L.L.P.  
6                   One Arizona Center  
7                   400 East Van Buren Street  
8                   Phoenix, Arizona 85004-2202  
9                   Phone: (602) 382-6000  
10                  Facsimile: (602) 382-6070  
11                  E-mail: jcrockett@swlaw.com  
12                  E-mail: mshuman@swlaw.com

13           4. Tubac 40, LLC ("Tubac 40") has requested that Baca Float extend sewer utility  
14 service to its property located within Section 6, Township 21 South, Range 13 East. A copy of  
15 Tubac 40's letter of request for service to Baca Float is attached at Exhibit 1. Baca Float only  
16 requests an extension of its CC&N where it has a request for service. As such, the legal  
17 description for the area covered by this Application and the Tubac 40 property are the same and is  
18 attached at Exhibit 2 (the "Extension Area").

19           5. The Extension Area includes approximately 40 acres and is close in proximity to Baca  
20 Float's existing CC&N. A map showing the boundaries of the Company's existing CC&N is  
21 attached at Exhibit 3. The map of the tentative plat for the Extension Area is attached at Exhibit

22 4.

23           6. The Extension Area is not within the limits of any city or town, and is within Santa  
24 Cruz County. The Development is located within the boundaries of Baca Float's present Santa  
25 Cruz County franchise, so no extension of the county franchise is necessary.

26           7. A Certificate of Good Standing for Baca Float is attached at Exhibit 5.

27           8. A copy of Baca Float's Corporate Resolution authorizing the extension is attached at  
28 Exhibit 6.

          9. Baca Float's unaudited balance sheet and profit and loss statement for the 12-month  
period ending December 31, 2006 for both water and sewer service is attached at Exhibit 7.

          10. A copy of Baca Float's most recent Annual Report (2006) is attached at Exhibit 8.

          11. Baca Float is current on its property taxes.

12. The estimated number of new customers to be served in each of the first five years of sewer service to the Extension Area is:

Year	New Units (Connections)	Residential Customers (at an estimated 2.5 per unit/connection)
1	10	25
2	20	50
3	25	62.5
4	25	62.5
5	6	15
Total	86	215

13. Baca Float's estimated annual operating revenues and operating expenses for the first five years of operation in the Extension Area are:

Year	Total Revenue	Total Expenses	Net Profit
1	\$4,200	\$12,200	\$(8,000)
2	\$12,600	\$15,144	\$(2,544)
3	\$23,100	\$21,543	\$1,557
4	\$33,600	\$27,943	\$5,657
5	\$36,120	\$34,343	\$1,777

14. The expenses for new plant in the Extension Area by year for each of the next five years are:

Year	Plant Cost Projection
1	\$100,000
2	\$240,000
3	\$240,000
4	\$0
5	\$0
Total	\$580,000

The plant cost projection above includes design and permitting costs in year one and sewer treatment system construction costs in years two and three.

15. The proposed sewer treatment system for the Extension Area comprises of a constructed sub-surface wetland treatment system with sub-surface trench disposal. The wetland treatment facility will be designed with a treatment capacity of approximately 19,000 gallons per day. Primary treatment is provided by a multi-compartment solids settling tank with a liquid capacity of about 30,000 gallons. The solids settling tank allows for the anaerobic digestion of the solids. About twice per year, sludge would be removed and hauled to an off-site wastewater treatment facility by a certified septic hauler. The solids-settling tank is planned to be constructed in the ground with approximately four feet exposed above ground. The solids-settling tank is sealed from the atmosphere and a seven foot block screening wall is planned. The sewer treatment system will meet permit requirements established by ADEQ.

The sub-surface wetland treatment system will consist of two shallow, lined, level basins filled with about two feet of gravel and covered with about three inches of clean mulch or straw. Wetland plants such as cattail and bulrush are planted in the gravel layer. The wastewater flows within the gravel layer and is design not to reach the surface of the gravel. The mulch layer acts as a biofilter to remove odors and provides carbon to the wetland for denitrification. The wetland and the solids-settling tank will require approximately one acre, not including the required 25-

1 foot setback.

2 16. The treated effluent from the wetland would be disposed of through a system of  
3 disposal trenches (leach field). The size of the leach field depends on the properties of the native  
4 soils. Preliminary design estimates that the primary leach field area would require about 0.5  
5 acres. A leach field reserve area equal in size to the primary leach field must also be set aside for  
6 future use if needed.

7 17. The construction of the sewer treatment system needed to serve the Extension Area  
8 will be financed through main extension agreements between Baca Float and developers.

9 18. The estimated starting date for construction of facilities is June 1, 2008, and  
10 completion is anticipated by March 1, 2009.

11 19. Baca Float is currently in compliance with all regulatory requirements applicable to its  
12 provision of sewer service in Arizona, including all applicable orders, rules and regulations of the  
13 Commission and ADEQ.

14 20. All appropriate permits for the development within the Extension Area will be  
15 obtained from ADEQ. ADEQ will issue various approvals to construct concerning facilities to  
16 serve the Extension Area, which will be provided to the Commission as soon as they are issued.

17 21. An application for a Type 4 General Permit (i.e., less than 24,000 gallons per day) will  
18 be filed with ADEQ in lieu of seeking an amendment to the Areawide Water Quality  
19 Management Plan, or 208 Plan. A 208 Consistency Review Form will be included as part of the  
20 Type 4 General Permit application. The Southeastern Arizona Governments Organization  
21 ("SEAGO") and Santa Cruz County has agreed to provide letters that will be submitted with the  
22 208 Consistency Review Form stating that the Tubac 40 sewer treatment system is consistent  
23 with the SEAGO regional water quality management goals established in its 208 Plan.

24 22. Notice of this Application will be published in a newspaper of general circulation as  
25 required by the Commission. Proof of publication will be filed with the Commission.

26 23. This Application is in the public interest and should be granted. There is a present  
27 need for sewer service in the Extension Area. Baca Float is in the best position to extend and  
28 provide sewer service to the area covered under this Application, because there is no other sewer

1 provider in proximity to the Tubac 40 property, and expansion of service will benefit existing  
2 customers by allowing the cost of providing sewer service to be spread over a larger customer  
3 base, as well as achieving greater economies of scale.

4 WHEREFORE, Baca Float Water Company respectfully requests the following:

5 A. That the Commission schedule a hearing, if necessary, for this Application;

6 B. That the Commission enter an order approving the extension of Baca Float Water  
7 Company's sewer CC&N to include the Extension Area requested in the Application as legally  
8 described in Exhibit 2; and

9 C. That the Commission grant such other and further relief as may be appropriate  
10 under the circumstances.

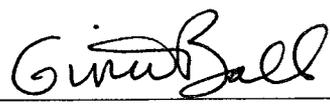
11 DATED this 2nd day of August, 2007.

12 SNELL & WILMER L.L.P.

13  
14 By   
15 \_\_\_\_\_  
16 Jeffrey W. Crockett  
17 Marcie A. Shuman  
18 One Arizona Center  
19 400 E. Van Buren  
20 Phoenix, AZ 85004-2202  
21 Attorneys for Baca Float Water Company

18 ORIGINAL and thirteen (13) copies filed  
19 this 2nd day of August, 2007 with

20 Docket Control Division  
21 Arizona Corporation Commission  
22 1200 West Washington Street  
23 Phoenix, AZ 85007

24   
25 \_\_\_\_\_  
26 1968268.5

## LIST OF EXHIBITS

- Exhibit 1:** Tubac 40 LLC's letter of request for service to Baca Float
- Exhibit 2:** Extension area legal description
- Exhibit 3:** Map of Baca Float's existing sewer CC&N
- Exhibit 4:** Map of tentative plat for the extension area
- Exhibit 5:** Baca Float's certificate of good standing
- Exhibit 6:** Baca Float's corporate resolution
- Exhibit 7:** Baca Float's unaudited balance sheet and P&L statement for 12-month period ending December 31, 2006
- Exhibit 8:** Baca Float's 2006 annual report

# **EXHIBIT 1**

RECEIVED

MAR 28 2007

SNELL & WILMER

*Tubac 40, LLC*  
*3950 S. Camino Del Heroe*  
*Green Valley, AZ. 85614*

*Gary Brasher*  
*BacaFloat*  
*P.O. Box 1536*  
*Tubac, AZ. 85646*

*To Whom It May Concern:*

*Tubac 40, LLC formally requests sewer service from Baca Float.*

*Sincerely,*



*David W. Grounds*  
*Tubac 40, LLC*

# **EXHIBIT 2**

2006-15176  
Page 1 of 4  
Requested By: LAWYERS TITLE-HOGALES  
SUZANNE SAINZ, RECORDER  
SANTA CRUZ COUNTY, ARIZONA  
09-20-2006 03:05 PM Recording Fee \$14.00

**RECORDING REQUESTED BY**  
Lawyers Title of Insurance Corporation

When recorded mail to:  
Tubac 40 LLC  
3950 S. Camino del Heroe  
Green Valley, AZ 85614

Escrow No. 01416517- A14

**SPECIAL WARRANTY DEED**

For the consideration of Ten Dollars, and other valuable considerations, I or we,

**L&G International Investments, Inc., an Arizona corporation, Jorge Yanez y Asociados and Marimand, L.L.C., an Arizona limited liability company, Partners of Three Flags Joint Venture, an Arizona Joint Venture,**

do hereby convey to

**Tubac 40, LLC, an Arizona limited liability company,**

the following real property situated in Santa Cruz County, Arizona:

See Exhibit "A" attached hereto and made a part hereof.

**SUBJECT TO:** Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens covenants, conditions, restrictions, obligations and liabilities as may appear of record.

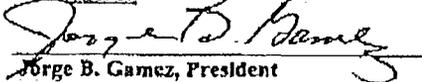
And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and other, subject to the matters set forth.

Dated: September 20, 2006.

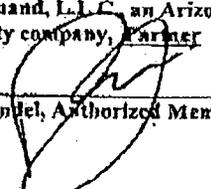
**GRANTORS:**

**Three Flags Joint Venture, an Arizona Joint Venture**

by: **L&G International Investments, Inc.,  
Partner**

  
Jorge B. Gamez, President

by: **Marimand, L.L.C. an Arizona limited  
liability company, Partner**

  
Daniel Mandel, Authorized Member

Special Warranty  
September 20, 2006  
Page 2

Jorge Yanez y Asociados, Partner

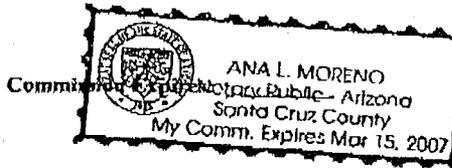
Cecilia R. de Yanez  
Cecilia R. de Yanez, individually and as  
Personal Representative of the Estate of  
Jorge Yanez Franco, deceased, Associate  
Jorge B. Gamez  
by Jorge B. Gamez, her Attorney in Fact

Maria Eugenia Davalos Contreras  
Maria Eugenia Davalos Contreras,  
Jorge B. Gamez  
by Jorge B. Gamez, her Attorney in Fact

State of Arizona ) ss:  
County of Santa Cruz

On 9/20, 2006, before me personally appeared Jorge B. Gamez, President of L&G International Investments, Inc., Partner of Three Flags Joint Venture Arizona Joint Venture, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above/attached document in his or her authorized capacity (ies)

(Seal)

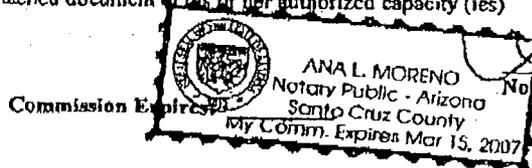


Ana L. Moreno  
Notary Public

State of Arizona ) ss:  
County of Santa Cruz

On 9/20, 2006, before me personally appeared Jorge B. Gamez, Attorney in Fact for Cecilia R. de Yanez, individually and as Personal Representative of the Estate of Jorge Yanez Franco, deceased, Associates of Jorge Yanez y Asociados, Partner of Three Flags Joint Venture Arizona Joint Venture, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above/attached document in his or her authorized capacity (ies)

(Seal)



Ana L. Moreno  
Notary Public

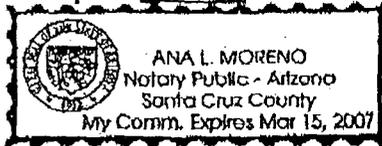
State of Arizona ) ss:  
County of Santa Cruz

On 9/20, 2006, before me personally appeared Jorge B. Gomez, as Attorney in Fact for Maria Eugenia Davalos Contreras, Associate of Jorge Yanez y Asociados, Partner of Three Flags Joint Venture an Arizona Joint Venture, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above/attached document in his or her authorized capacity (ies)

(Seal)

Ana L Moreno  
Notary Public

Commission Expires:



State of Arizona ) ss:  
County of Santa Cruz

On 9/20, 2006, before me personally appeared Daniel Mandel, Authorized Member of Marimand, L.L.C., an Arizona limited liability company, Partner of Three Flags Joint Venture, an Arizona Joint Venture, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above/attached document in his or her authorized capacity (ies)

(Seal)

Ana L Moreno  
Notary Public

Commission Expires:

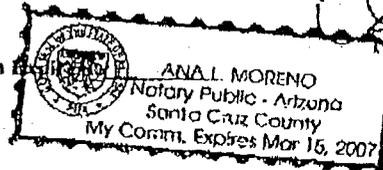


Exhibit A

All that part of the Southwest quarter of Section 6, Township 21 South, Range 13 East, Gila and Salt River Base and Meridian, Santa Cruz County, Arizona, described as follows:

Beginning at the West quarter corner of said Section 6,

Thence South 00 degrees 36 minutes 03 seconds East, along the West line of said Section, 1389.43 feet;

Thence North 88 degrees 49 minutes 08 seconds East parallel with the North line of said Southwest quarter, 1669.09 feet to a point in the West right-of-way line of the Tucson Nogales Highway;

Thence North 08 degrees 55 minutes 18 seconds West, along right-of-way North line, 1402.08 feet to a point in the North line of said Southwest quarter;

Thence South 88 degrees 48 minutes 08 seconds West, along said North line, 1466.18 feet to the POINT OF BEGINNING.

EXCEPT all coal and other minerals as reserved in the Patent from the United States of America.

AND EXCEPT the following described property:

Those portions of Lot 6 and of the East Half of the Southwest quarter (E1/2 SW1/4) of Section 6, Township 21 South, Range 13 East, Gila and Salt River Base and Meridian, Santa Cruz County, Arizona, as described in that Deed dated November 14, 1972, and recorded December 1, 1972, in Docket 151 at Page 272, records of said County, which lies Easterly of the following described line:

Commencing at the Southwest corner of said Section 6;

Thence North 89 degrees 11 minutes 50 seconds East, along the South line thereof, a distance of 1842.15 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 1100.88 feet;

Thence South 81 degrees 32 minutes 10 seconds West, 185.00 feet to THE POINT OF BEGINNING;

Thence North 08 degrees 27 minutes 50 seconds West, 565.00 feet;

Thence South 81 degrees 32 minutes 10 seconds West, 150.00 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 175.00 feet;

Thence South 81 degrees 32 minutes 10 seconds West, 150.00 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 350.00 feet;

Thence North 81 degrees 32 minutes 10 seconds East, 300.00 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 1000.00 feet to THE POINT OF ENDING.

A.P.N 112-09-058

A handwritten signature in black ink, appearing to be 'Dorn Homes', followed by the initials 'DS'.

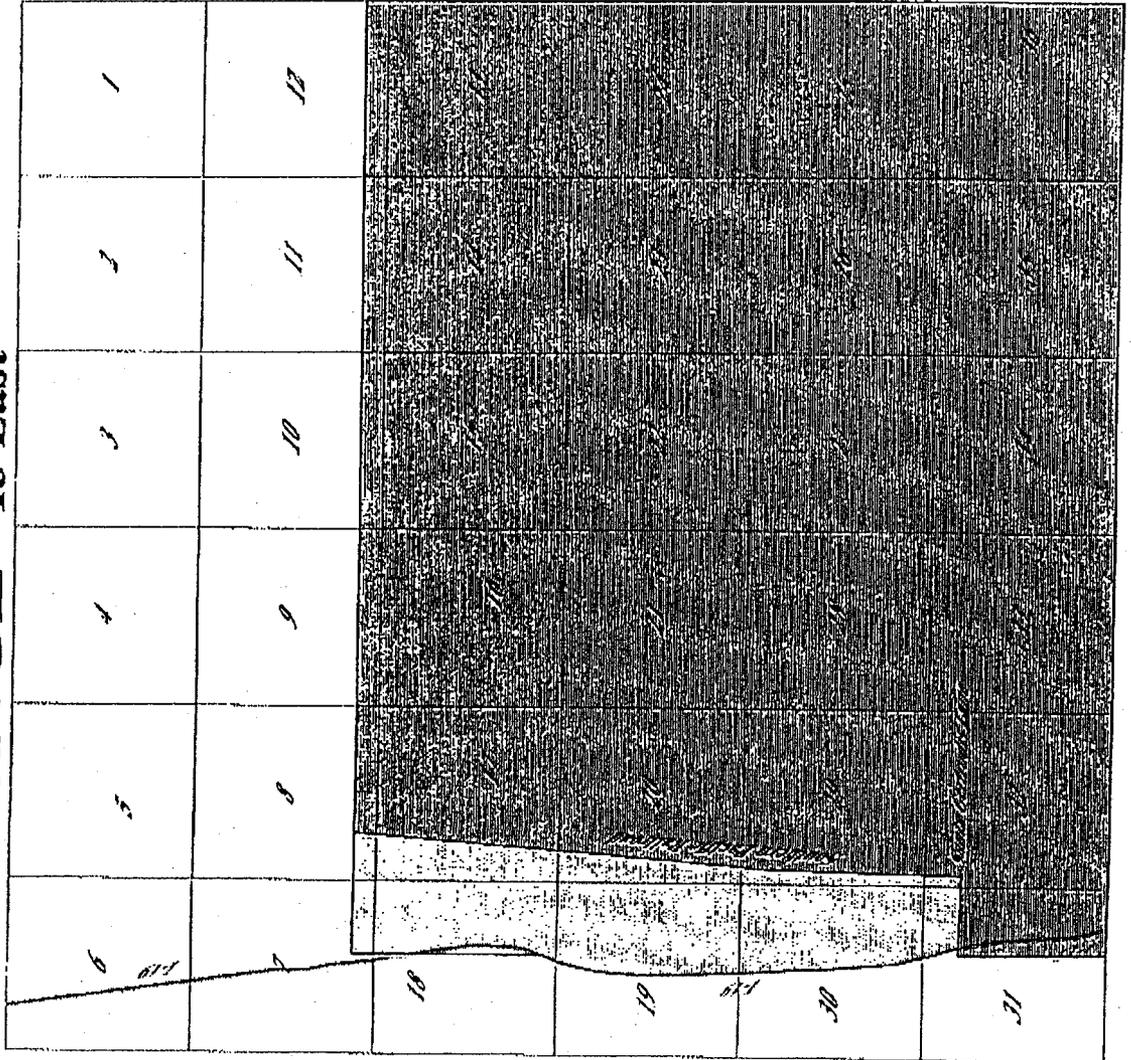
# **EXHIBIT 3**

Map No. 5

**COUNTY** Santa Cruz

**RANGE 13 East**

**TOWNSHIP 21 South**



WS-1678 (1)  
Baca Float Water Company, Inc.

WS-2676 (6)  
Rio Rico Utilities, Inc.

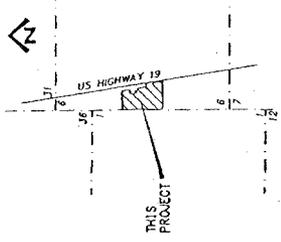
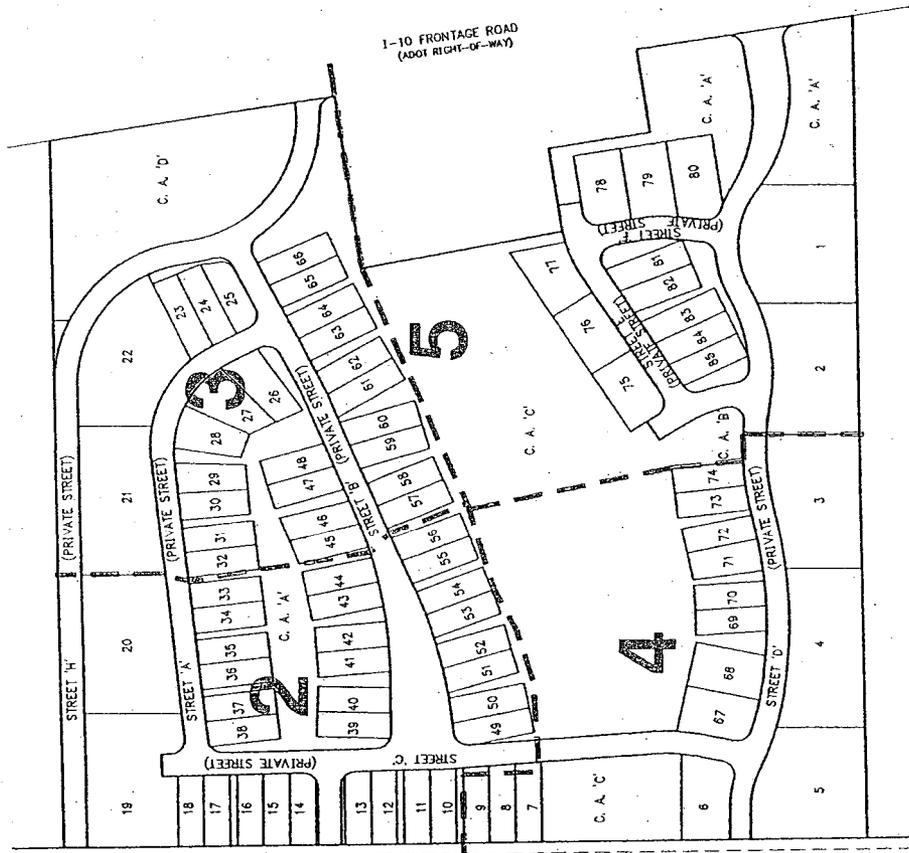
# **EXHIBIT 4**

**GENERAL NOTES**

1. THE GROSS AREA OF THIS SUBDIVISION IS 40.7 ACRES.
2. THE PROPOSED USE OF THIS PLAT IS RESIDENTIAL AS IS PERMITTED IN ACCORDANCE WITH ARTICLE 9 OF THE SANTA CRUZ COUNTY ZONING AND DEVELOPMENT CODE.
3. EXISTING ZONING IS OR.
4. THE TOTAL NUMBER OF NEW RESIDENTIAL UNITS IS 88.
5. TOTAL MILES OF NEW PUBLIC STREETS IS 0.
6. TOTAL MILES OF PRIVATE STREETS IS 1.43.
7. ALL WEATHER ACCESS WILL BE PROVIDED TO ALL LOTS WITHIN THIS SUBDIVISION.
8. THE PROJECT WILL BE A DRY LOT SUBDIVISION.
9. THE 1-10 FRONTAGE ROAD IS THE NEAREST PAVED ACCESS MAINTAINED BY THE COUNTY AND THIS SUBDIVISION SHALL BE DESIGNED TO ACCOMMODATE THE 18-40 DESIGN VEHICLE AT 20 MPH.
10. THIS PROJECT WILL BE SERVED BY AN ON-SITE TREATMENT FACILITY PRIOR TO THE ISSUANCE OF ANY BUILDING PERMITS. AN APPROVED FINAL PLAT SHALL BE REQUIRED FOR THIS PROJECT.
11. CONSTRUCTION EASEMENTS FOR ROADWAY SLOPES WILL BE PROVIDED WHERE NECESSARY.
12. RIGHTS OF WAY OR EASEMENTS BEING DEDICATED BY THE FINAL PLAT WILL BE NOTED AS SUCH.
13. PRIVATE STREETS SERVING AS COLLECTORS WILL BE DESIGNED TO ACCOMMODATE THE 18-40 DESIGN VEHICLE AT 20 MPH.
14. THE OWNER COVENANTS THAT THERE WILL BE NO FURTHER SUBDIVIDING, LOT SPLITTING OR LOT LINE ADJUSTMENT WITHOUT THE WRITTEN APPROVAL OF THE BOARD OF SUPERVISORS.
15. ALL DRAINAGEWAYS SHOWN AND LABELED AS SUCH ON THIS PLAT, WHICH ARE TO BE CONSTRUCTED IN CONJUNCTION WITH THIS PROJECT, SHALL BE DESIGNED TO ACCOMMODATE RESPECTIVE 100 YEAR FLOOD LIMITS UPON COMPLETION OF CONSTRUCTION.
16. ALL PUBLIC AND PRIVATE ROADS AND DRAINAGE EASEMENTS ON OR OFF THIS PLAT SHALL BE CONSTRUCTED TO MINIMUM SANTA CRUZ COUNTY STANDARDS.
17. ALL REQUIRED PARKING WILL BE OFF STREET, ON-SITE.
18. LANDSCAPING FOR EACH LOT WILL BE DONE IN ACCORDANCE WITH THE MINIMUM SANTA CRUZ COUNTY REQUIREMENTS. LANDSCAPE ELEMENTS WILL BE SHOWN ON THE FINAL PLAT AND EACH LOT SUBMITTED TO SANTA CRUZ COUNTY FOR BUILDING PERMITS.
19. BASIS OF BEARING: BEARING FROM THE SE CORNER OF SECTION 11, T13S, R12E TO THE EAST 1/4 CORNER SAID BEARING BEING N 00°30' E.
20. ALL NOTES AND THEIR ATTACHMENTS SHALL HAVE A RESIDENTIAL SYSTEM INSTALLED. SYSTEMS SHALL BE REVIEWED BY THE FIRE DISTRICT.
21. A HOMEOWNERS ASSOCIATION WILL BE FORMED TO ACCEPT RESPONSIBILITY FOR THE MAINTENANCE OF PRIVATE DRAINAGE, STRUCTURES, DRAINAGE EASEMENTS AND COMMON AREA A (PRIVATE STREETS).

TENTATIVE PLAT  
FOR  
**TUBAC 40**

LOTS 1 THROUGH 85 AND C.A. A, B, C, D, & E



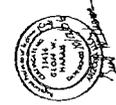
LOCATION MAP  
SECTION 6, T-21-S, R-13-E,  
C.A.S.R.M., SANTA CRUZ COUNTY, ARIZONA  
SCALE 1" = 1 MILE

**LEGEND**

- 29 LOT NUMBER
- TOPO CONTOUR
- TOPO INDEX & CONTOUR
- SUBDIVISION BOUNDARY LINE
- LOT LINE / RIGHT-OF-WAY LINE
- EASEMENT LINE
- FLOODPLAIN LINE
- BRASS CAP SURVEY MONUMENT TO BE SET BY AN A.L.S. (BY FINAL PLAT)

3

SHEET INDEX NUMBER



TENTATIVE PLAT  
FOR  
**TUBAC 40**

LOTS 1 THROUGH 85 AND  
C.A. A (OPEN SPACE), B (COMMUNITY  
CENTER), C (DRAINAGE), D  
(TREATMENT FACILITY), AND E  
(PRIVATE STREETS)  
A PORTION OF THE SOUTHWEST QUARTERS OF  
SECTION 6, T-21-S, R-13-E, C.A.S.R.M.,  
SANTA CRUZ COUNTY, ARIZONA.

**SHEET INDEX**

1	COVER
2-5	PLAN/DETAILS

**OWNER**  
TUBAC 40, LLC  
3966 S. CAMINO DEL HERODE  
GREEN VALLEY, AZ 85814  
(520) 843-2222  
ATTN: DAVID GRONDS

PROJECT OVERVIEW  
SCALE: 1" = 100'

**PSOMAS**

800 E. Williams Road, Suite 110  
Tucson, AZ 85719  
(520) 297-2100 (520) 291-1290 (FAX)  
OR: 480-997-0374

# **EXHIBIT 5**

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*BACA FLOAT WATER CO., INC.\*\*\***

a domestic corporation organized under the laws of the State of Arizona, did incorporate on December 1, 1959.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 20th Day of March, 2007, A. D.



Executive Director

By

# **EXHIBIT 6**

1  
ACTION BY UNANIMOUS WRITTEN CONSENT  
OF THE BOARD OF DIRECTORS  
OF BACA FLOAT WATER CO., INC.  
IN LIEU OF SPECIAL MEETING

June 1, 2007

Pursuant to Section 10-821 of the Arizona Revised Statutes, the undersigned, being all of the directors of Baca Float Water Co., Inc., an Arizona corporation (the "Corporation), do hereby unanimously consent to the adoption of the following resolutions without the formality of convening a special meeting of the Board of Directors, for and as the actions of the Corporation, as of the date set forth above:

WHEREAS, the Board of Directors, after careful consideration, has determined that is in the best interest of the Corporation to submit to the Arizona Corporation Commission, an Application for Extension of Certificate of Convenience and Necessity ("CC&N), in substantially the form attached to this Unanimous Consent as **Exhibit A** (the "Application"), pursuant to which the Corporation will provide sewer service to the additional service area;

WHEREAS, each member of the Board has received and reviewed a draft of the Application;

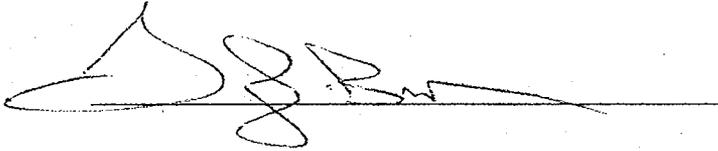
NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Corporation approves the terms and conditions of the Application, as set forth in substantially the form attached as **Exhibit A** hereto, and authorizes, empowers and directs Gary Brasher (the "Designated Officer"), to execute and deliver the Application on behalf of the Corporation;

RESOLVED FURTHER, that the Designated Officer is authorized, in the name and on behalf of this Corporation, to execute and deliver such other and further applications, documents, agreements, or instruments, and to do or cause to be done all such other and further acts and things, as they may deem necessary or appropriate to accomplish the purpose of receiving an Order from the Arizona Corporation Commission granting such Extension of the CC&N;

RESOLVED FURTHER, that any actions taken by the Designated Officer or any of them prior to the adoption of these resolutions which are within the authority conferred be, and they hereby are, ratified, confirmed, and approved.

RESOLVED FURTHER, that this consent may be executed by facsimile and, upon such execution, shall have the same force and affect as an original.

IN WITNESS WHEREOF, this Action by Written Consent has been executed effective as of the date set forth above.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

---

# **EXHIBIT 7**

Baca Float Water Company, Inc.  
**Balance Sheet**  
As of December 31, 2006

	<u>Dec 31, 06</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
0300 - Bank of the West 368010930	125.62
Total Checking/Savings	<u>125.62</u>
Accounts Receivable	
1000 - Accounts Receivable	682.50
Total Accounts Receivable	<u>682.50</u>
Other Current Assets	
Deposit for Plaza Lease	1,906.72
Total Other Current Assets	<u>1,906.72</u>
<b>Total Current Assets</b>	<b>2,714.84</b>
Fixed Assets	
3010 - Software	2,642.50
3375 - Office FF&E	3,827.13
3400 - Land	2,167.00
3600 - WATER ASSETS	
3000 - AdEdge Treatment System	136,896.86
3100 - Physical Plant	22,419.15
3200 - Equipment	280,237.01
3250 - Accumulated Depreciation	-8,300.00
3300 - Meters	31,901.85
3610 - Transmission Lines	180,559.34
3620 - Wells	116,345.17
3625 - Well Yard Building	10,553.71
3630 - Storage	70,000.00
3600 - WATER ASSETS - Other	<u>7,912.77</u>
Total 3600 - WATER ASSETS	<u>848,525.86</u>
3700 - WASTEWATER ASSETS	
3710 - Septic Tanks, Lines, Etc	399,916.17
3720 - Treatment Plant	<u>298,702.62</u>
Total 3700 - WASTEWATER ASSETS	<u>698,618.79</u>
<b>Total Fixed Assets</b>	<b>1,555,781.28</b>
<b>TOTAL ASSETS</b>	<b><u>1,558,496.12</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 - Sales Tax Payable	2,563.72
Total Other Current Liabilities	<u>2,563.72</u>
Total Current Liabilities	2,563.72
Long Term Liabilities	
4700 - Advance Aid in Constr - BFLD	726,831.61
4701 - Un-Depreciable Assets	<u>1,054,620.40</u>
Total Long Term Liabilities	<u>1,781,452.01</u>
<b>Total Liabilities</b>	<b>1,784,015.73</b>
Equity	
1110 - Retained Earnings	-463,426.09
3500 - Paid in Capital	247,202.38
3550 - Common Stock	15,120.00
Net Income	-24,415.90
Total Equity	<u>-225,519.61</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>1,558,496.12</u></b>

0

Baca Float Water Company, Inc.  
**Profit & Loss**  
January through December 2006

	<u>Jan - Dec 06</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
5700 · Sewer Income	63,159.78
5800 · Water Income	85,744.50
5940 · Hookup Fees	56,296.66
6000 · Misc. Income	62,577.09
<b>Total Income</b>	<u>267,778.03</u>
 <b>Gross Profit</b>	 267,778.03
<b>Expense</b>	
Back Flow Inspections	1,022.80
6010 · Salaries and Wages	169,721.05
6110 · Automobile & Vehicle Expenses	122.78
6120 · Bank Service Charges	51.51
6135 · Cleaning	266.10
6138 · Contract Services	629.90
6140 · Contributions	810.00
6150 · Purchased Power	11,240.81
6155 · Depreciation Expense	1,756.00
6165 · Education - Seminars, etc.	1,511.98
6168 · Engineering	13,150.00
6170 · Equipment Rental	48.75
6175 · Fees, Dues & Subscriptions	285.65
6180 · Chemicals	2,384.28
6200 · Repairs and Maintenance	23,543.99
6228 · Landscaping	129.77
6240 · Miscellaneous	106.97
6241 · Office Supplies & Expense	2,574.29
6245 · Permits & Fees	4,111.58
6250 · Postage and Delivery	236.28
6260 · Printing and Reproduction	54.91
6300 · Outside Services	22,468.25
6336 · Taxes	2,484.57
6340 · Telephone	2,480.90
6350 · Water Testing	622.00
6410 · Rents	23,827.10
6500 · Transportation Expenses	326.95
6570 · Insurance - General Liability	4,334.47
6590 · Insurance - Health / Dental	1,685.30
<b>Total Expense</b>	<u>291,988.94</u>
 <b>Net Ordinary Income</b>	 -24,210.91
 <b>Other Income/Expense</b>	
<b>Other Income</b>	
7005 · Other Income	-204.99
<b>Total Other Income</b>	<u>-204.99</u>
 <b>Net Other Income</b>	 <u>-204.99</u>
 <b>Net Income</b>	 <u><u>-24,415.90</u></u>

# **EXHIBIT 8**

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

**WS-01678A**

**Baca Float Water Company – Water Division**  
**P.O. Box 1536**  
**Tubac, AZ 85646**

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2006
----	----	------

FOR COMMISSION USE

ANN 04	06
--------	----

PROCESSED BY:

SCANNED

**COMPANY INFORMATION**

**Company Name (Business Name)** Baca Float Water Co., Inc - Water Division

**Mailing Address** P.O. Box 1536  
(Street)

Tubac  
(City)

AZ  
(State)

85646  
(Zip)

520-398-3177  
Telephone No. (Include Area Code)

520-398-2407  
Fax No. (Include Area Code)

n/a  
Pager/Cell No. (Include Area Code)

**Email Address** n/a

**Local Office Mailing Address** same as above  
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** n/a

**MANAGEMENT INFORMATION**

**Management Contact:** Richard Lockwood **Manager**  
(Name) (Title)

P.O. Box 1536  
(Street)

Tubac  
(City)

AZ  
(State)

85646  
(Zip)

520-398-3177  
Telephone No. (Include Area Code)

520-398-9770  
Fax No. (Include Area Code)

n/a  
Pager/Cell No. (Include Area Code)

**Email Address** n/a

**On Site Manager:** Lino Vega  
(Name)

P.O. Box 1536  
(Street)

Tubac  
(City)

AZ  
(State)

85646  
(Zip)

520-398-3177  
Telephone No. (Include Area Code)

520-398-9770  
Fax No. (Include Area Code)

n/a  
Pager/Cell No. (Include Area Code)

**Email Address** n/a

Please mark this box if the above address(es) have changed or are updated since the last filing.

<b>Statutory Agent:</b> <u>Jacqueline Brasher</u>			
(Name)			
<u>Two Tubac Road</u>	<u>Tubac</u>	<u>AZ</u>	<u>85646</u>
(Street)	(City)	(State)	(Zip)
<u>520-398-2506</u>	<u>520-398-2407</u>	<u>n/a</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Attorney:</b> <u>Michael Milroy – Snell &amp; Wilmer</u>			
(Name)			
<u>One Church Road</u>	<u>Tucson</u>	<u>AZ</u>	<u>85701</u>
(Street)	(City)	(State)	(Zip)
<u>520-882-1200</u>	<u>520-884-1294</u>	<u>n/a</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

Please mark this box if the above address(es) have changed or are updated since the last filing.

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input checked="" type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

**COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division**

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,167.00		2,167.00
304	Structures and Improvements	10,554.00	1,344.00	9,210.00
307	Wells and Springs	116,345.00		116,345.00
311	Pumping Equipment	22,419.00		22,419.00
320	Water Treatment Equipment	835,516.00		835,516.00
330	Distribution Reservoirs and Standpipes	70,000.00		70,000.00
331	Transmission and Distribution Mains	180,559.00		180,559.00
333	Services			
334	Meters and Meter Installations	31,902.00	2,490.00	29,412.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	288,150.00	3,902.00	284,248.00
340	Office Furniture and Equipment	3,827.00	564.00	3,263.00
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment (software)	2,643.00		2,643.00
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,564,082.00</b>	<b>8,300.00</b>	<b>1,555,782.00</b>

This amount goes on the Balance Sheet Acct. No. 108 

**COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,167.00		
304	Structures and Improvements	10,554.00	Various	283.00
307	Wells and Springs	116,345.00		
311	Pumping Equipment	22,419.00		
320	Water Treatment Equipment	835,516.00		
330	Distribution Reservoirs and Standpipes	70,000.00		
331	Transmission and Distribution Mains	180,559.00		
333	Services			
334	Meters and Meter Installations	31,902.00	Various	395.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	288,150.00	Various	514.00
340	Office Furniture and Equipment	3,827.00	Various	564.00
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	2,643.00		
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,564,082.00</b>		<b>1,756.00</b>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

**COMPANY NAME:** Baca Float Water Company, Inc. Water & Sewer Division

**BALANCE SHEET**

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 99,090.00	\$ 126.00
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	901.00	683.00
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		1,907.00
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 99,991.00</b>	<b>\$ 2,716.00</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 1,250,306.00	\$ 1,557,612.00
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(6,544.00)	(8,300.00)
121	Non-Utility Property	6,470.00	6,470.00
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 1,250,232.00</b>	<b>\$1,555,782.00</b>
	<b>TOTAL ASSETS</b>	<b>\$ 1,350,223.00</b>	<b>\$ 1,558,498.00</b>

**NOTE:** The Assets on this page should be equal to Total Liabilities and Capital on the following page.

**COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division**

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 1,875.00	\$ 2,564.00
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 1,875.00	\$ 2,564.00
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	494,832.00	726,833.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	1,054,620.00	1,054,620.00
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 1,549,452.00	\$ 1,781,452.00
	<b>TOTAL LIABILITIES</b>	\$ 1,551,327.00	\$ 1,784,017.00
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 15,120.00	\$ 15,120.00
211	Paid in Capital in Excess of Par Value	247,202.00	247,202.00
215	Retained Earnings	(463,426.00)	(487,841.00)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ (201,104.00)	\$ (225,519.00)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 1,350,223.00	\$ 1,558,498

**COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division**

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$79,313.00	\$ 85,745.00
460	Unmetered Water Revenue		
474	Other Water Revenues	21,747.00	87,585.00
	<b>TOTAL REVENUES</b>	<b>\$ 101,060.00</b>	<b>\$ 173,330.00</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 69,569.00	\$ 85,379.00
610	Purchased Water		
615	Purchased Power	5,928.00	5685.00
618	Chemicals	1,369.00	1795.00
620	Repairs and Maintenance	11,430.00	10,786.00
621	Office Supplies and Expense	862.00	1,808.00
630	Outside Services	47,060.00	24,212.00
635	Water Testing	2,318.00	622.00
641	Rents		11,880.00
650	Transportation Expenses	291.00	149.00
657	Insurance - General Liability	6,438.00	2167.00
659	Insurance - Health and Life	829.00	843.00
666	Regulatory Commission Expense - Rate Case	1,863.00	1,000.00
675	Miscellaneous Expense	4,083.00	3,004.00
403	Depreciation Expense	1,513.00	1,756.00
408	Taxes Other Than Income	112.00	
408.11	Property Taxes	2,022.00	1,208.00
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 155,677.00</b>	<b>\$ 152,294.00</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (54,617.00)</b>	<b>\$ 21,036.00</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$</b>	<b>\$</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (54,617.00)</b>	<b>\$ 21,036.00</b>

**COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division**

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

NA

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

<b>COMPANY NAME: Baca Float Water Co. Inc. Water Division</b>	
<b>Name of System</b>	<b>ADEQ Public Water System Number (if applicable)</b>

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-558318	10	150	600	6	2	1997
55-558319	50	650	700	10	8	1997

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		1	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
		7,000	1

*Note: If you are filling for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME: Baca Float Water Co. Inc. Water Division</b>	
<b>Name of System</b>	<b>ADEQ Public Water System Number (if applicable)</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	207
3/4	46
1	2
1 1/2	
2	16
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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**OTHER:**

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*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME:</b> Baca Float Water Co. Inc. Water Division	
<b>Name of System</b>	<b>ADEQ Public Water System Number (if applicable)</b>

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	145	1195	1252	
FEBRUARY	153	1029	1088	
MARCH	165	1054	1125	
APRIL	171	1358	1502	
MAY	185	1367	1483	
JUNE	200	1621	1891	
JULY	208	1659	1838	
AUGUST	217	1589	1839	
SEPTEMBER	220	1488	1538	
OCTOBER	235	1215	1288	
NOVEMBER	253	1599	1692	
DECEMBER	271	2030	1885	
<b>TOTALS →</b>			18,421	

What is the level of arsenic for each well on your system? \_\_\_\_\_ mg/l

(If more than one well, please list each separately.)

55-558318: .014

55-558319: .018

If system has fire hydrants, what is the fire flow requirement? 1,125 GPM for 4 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes       No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME: Baca Float Water Co. Inc. Water Division YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 1,208.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

**VERIFICATION**

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	Santa Cruz
NAME (OWNER OR OFFICIAL) TITLE	Gary P. Brasher
COMPANY NAME	Baca Float Water Co. Water Division

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

SIGNATURE OF OWNER OR OFFICIAL

520-398-2506

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS  DAY OF

COUNTY NAME	
MONTH	.20

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES \_\_\_\_\_

**COMPANY NAME:** Baca Float Water Company, Inc. Water & Sewer Division **YEAR ENDING**  
**12/31/2006**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_ \$ 21,036.00  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_ \$ 21,036.00  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

Gary P. Brasher  
**PRINTED NAME**

President  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Santa Cruz
NAME (OWNER OR OFFICIAL) TITLE	Cary P. Brasher
COMPANY NAME	Esca Float Water Co. Water Division

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>178,989.00</u>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 5,659.00  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL
520-398-2506
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS  DAY OF

COUNTY NAME	
MONTH	,20__

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES \_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) <u>Santa Cruz</u>	
NAME (OWNER OR OFFICIAL) <u>Gary P. Brasher</u>	TITLE <u>President</u>
COMPANY NAME <u>Back Floor Water Co. Water Division</u>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>178,989.00</u>

**THE AMOUNT IN BOX AT LEFT INCLUDES \$ 5,659.00 IN SALES TAXES BILLED, OR COLLECTED)**

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**

\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

520-398-2506  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**  **DAY OF**

**(SEAL)**

**MY COMMISSION EXPIRES**

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	<u>.20</u>

**X** \_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**2006 PROPERTY TAX NOTICE**

**ARIZONA**

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	PRIMARY PROPERTY TAX			
902-23-501 6	3501	8.3254	4.9114		795.58			
	VALUE IN DOLLARS	ASSTMT %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	NET ASSESSED	LESS STATE AID TO EDUCATION	0.00
PRIMARY LAND, BLDGS, ETC	1,181	24.5	286	0	8.3254	23.73		
PRIMARY PERSONAL PROPERTY	37,839	24.5	9,271	0	8.3254	771.85		795.58
PRIMARY TOTALS	39,000		9,558	0		795.58		
SECONDARY LAND	300	24.5	74	0	4.9114	3.62		412.62
SECONDARY BLDGS, ETC	861	24.5	211	0	4.9114	10.38		
SEC. PERSONAL PROPERTY	37,839	24.5	9,271	0	4.2999	398.64		0.00
SECONDARY TOTALS	39,000		9,558	0		412.62		1,208.20

JURISDICTION	2006 TAXES	2005 TAXES
02000 SANTA CRUZ COUNTY	315.83	192.55
07035 SANTA CRUZ SD #35	628.81	381.73
11201 TUBAC FD	252.27	151.88
11900 FIRE DISTRICT ASSIST	9.55	5.75
15001 SANTA CRUZ COUNTY FC	1.74	1.03
02001 STATE SCHOOL TAX EQU	0.00	25.06

**TOTALS** 1,208.20 758.00

902-23-501 6  
 0007590 01 AV 0.283 \*\*AUTO T3 0 0794 85846-424141  
 BACA FLOAT WATER CO INC  
 GARY P BRASHER/PRESIDENT  
 P O BOX 4241  
 TUBAC AZ 85846-4241

**PAYMENT INSTRUCTIONS**

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2006. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2007. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2006. Delinquent interest will be waived.

Make your check payable to and mail to:

Caesar Ramirez  
 Santa Cruz County Treasurer  
 2150 N Congress Dr  
 Nogales AZ 85621-1091

PLEASE INCLUDE YOUR  
 PARCEL NUMBER  
 ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK  
 AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

**BACA FLOAT WATER COMPANY INC**

PO Box 1538  
Tubac, AZ 85646  
520-398-3177

BARRIOCONTROLLER@AOL.COM WWW.BARRIODETUBAC.COM

BANK OF THE WEST  
180 West Continental Road #170  
Green Valley, AZ 85614  
91-564/1221

11833

10/1/2006

\$\*\*1,208.20

PAY TO THE ORDER OF Caesar Ramirez Santa Cruz County Treasure

One Thousand Two Hundred Eight and 20/100\*\*\*\*\* DOLLARS

Caesar Ramirez Santa Cruz County Treasure  
2150 N. Congress Dr  
Nogales AZ 85621-1091

*Water*

*Richard Lopez*

MEMO

902-23-501 6

⑈011833⑈

**BACA FLOAT WATER COMPANY INC**

PO Box 1538  
Tubac, AZ 85646  
520-398-3177

BARRIOCONTROLLER@AOL.COM WWW.BARRIODETUBAC.COM

BANK OF THE WEST  
180 West Continental Road #170  
Green Valley, AZ 85614  
91-564/1221

11832

10/1/2006

\$\*\*1,014.10

PAY TO THE ORDER OF Caesar Ramirez Santa Cruz County Treasure

One Thousand Fourteen and 10/100\*\*\*\*\* DOLLARS

Caesar Ramirez Santa Cruz County Treasure  
2150 N. Congress Dr  
Nogales AZ 85621-1091

*Summer*

*Richard Lopez*

MEMO

951-33-501 3

⑈011832⑈

284829752 9182 9182 01 18-12-06

10112006 2150 CREDITED TO PAYEE AEG  
32081 0084 >111901331< PHX ULBX  
90142669 JPMORGAN CHASE BANK NA  
FT WORTH, TX

284829752 9182 9182 01 18-12-06

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR FINANCIAL INSTITUTION USE

X  
ENCLOSURE

X  
ENCLOSURE

284829753 9182 9182 01 18-12-06

10112006 2150 CREDITED TO PAYEE AEG  
32081 0085 >111901331< PHX ULBX  
90142669 JPMORGAN CHASE BANK NA  
FT WORTH, TX

284829753 9182 9182 01 18-12-06

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**FILE COPY**

MEMORANDUM

**LEGAL  
RECEIVED**

TO: Docket Control

FROM: Ernest G. Johnson  
Director  
Utilities Division

**RECEIVED**

JAN 28 2008

LEGAL DIV.  
ARIZ CORPORATION COMMISSION

2008 JAN 28 A 9 12

AZ CORP COMMISSION  
DOCKET CONTROL

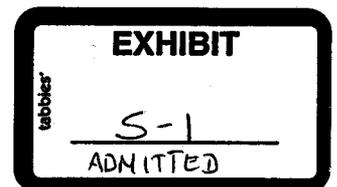
Date: January 28, 2008

RE: STAFF REPORT FOR BACA FLOAT WATER COMPANY, INC. -  
APPLICATION FOR EXTENSION OF CERTIFICATE OF CONVENIENCE  
AND NECESSITY FOR WASTEWATER SERVICE (DOCKET NO. WS-  
01678A-07-0459)

Attached is the Staff Report for Baca Float Water Company, Inc.'s application for extension of its existing Certificate of Convenience and Necessity for wastewater services. Staff is recommending approval with conditions.

EGJ:BNC:tdp

Originator: Blessing Chukwu



Service List for: Baca Float Water Company, Inc.  
Docket No. WS-01678A-07-0459

Mr. Jeffrey W. Crockett  
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Chief, Legal Division  
Arizona Corporation Commission  
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Mr. Ernest G. Johnson  
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Arizona Corporation Commission  
1200 West Washington Street  
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Ms. Lyn Farmer  
Chief, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

BACA FLOAT WATER COMPANY, INC.

DOCKET NO. WS-01678A-07-0459

APPLICATION FOR EXTENSION  
OF EXISTING CERTIFICATE OF  
CONVENIENCE AND NECESSITY

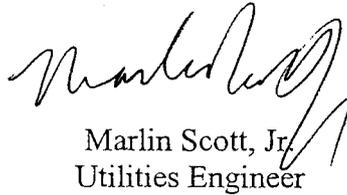
JANUARY 28, 2008

## STAFF ACKNOWLEDGMENT

The Staff Report for Baca Float Water Company, Inc. (Docket No. WS-01678A-07-0459) was the responsibility of the Staff members signed below. Blessing Chukwu was responsible for the review and analysis of the Company's application. Marlin Scott, Jr. was responsible for the engineering and technical analysis.

A handwritten signature in black ink, appearing to be 'Blessing Chukwu', written over a horizontal line.

Blessing Chukwu  
Executive Consultant

A handwritten signature in black ink, appearing to be 'Marlin Scott, Jr.', written over a horizontal line.

Marlin Scott, Jr.  
Utilities Engineer

**EXECUTIVE SUMMARY**  
**BACA FLOAT UTILITYCOMPANY, INC.**  
**DOCKET NO. WS-01678A-07-0459**

On August 2, 2007, Baca Float Water Company, Inc. ("Baca Float" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide wastewater service in Santa Cruz County, Arizona. On November 30, 2007, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the Arizona Administrative Code.

Baca Float Water Company, Inc. is an Arizona Corporation, in good standing with the Commission's Corporation Division, authorized to provide water and wastewater utility services within portions of Santa Cruz County, Arizona pursuant to authority granted by the Commission in Decision Nos. 32233 (May 31, 1960) and 60721 (March 23, 1998). Baca Float was incorporated on December 1, 1959. The Company provides water and wastewater utility services to approximately 271 and 350 customers, respectively, in the vicinity of Tubac, Arizona.

By this application, Baca Float is seeking Commission authority to add approximately 40 acres (1/16 square-mile) to the Company's existing certificated area of approximately 2 square-miles. The requested area consists of 82 lots. Arizona-American Water Company is the water provider for the requested extension area.

Based on Staff's review and analysis of the application, Staff believes that the Company's proposed sewer system will have adequate sewer treatment capacity to serve the proposed CC&N extension area. Staff also believes that the Company's proposed plant facilities and cost appear to be reasonable. However, no "used and useful" determination of the proposed sewer plant facilities was made and no particular treatment should be inferred for rate making or rate base purposes.

Staff recommends the Commission approve Baca Float's application for an extension of its CC&N within portions of Santa Cruz County, Arizona, to provide wastewater services, subject to compliance with the following conditions:

1. To require Baca Float to charge its authorized rates and charges in the extension area.
2. To require Baca Float to file with Docket Control, as a compliance item in this docket, a copy of the franchise agreement from Santa Cruz County for the requested area, within 365 days of the decision in this matter.
3. To require Baca Float to file with Docket Control, as a compliance item in this docket, within two years of the effective date of an order in this proceeding, copies of the General Permits for, (a) the wetland treatment facility and (b) the collection system for the development in the requested area.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to Baca Float be considered null and void, after due process, should Baca Float fail to meet Conditions No. 2 and 3 listed above within the time specified.

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## **Introduction**

On August 2, 2007, Baca Float Water Company, Inc. ("Baca Float" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide wastewater service in Santa Cruz County, Arizona.

On August 31, 2007, the ACC Utilities Division ("Staff") filed an Insufficiency Letter, indicating that the Company's application did not meet the sufficiency requirements of Arizona Administrative Code ("A.A.C."). A copy of the Insufficiency Letter was sent to the Company via U.S mail. In the Letter, Staff listed the deficiencies that needed to be cured for administrative purposes.

On October 30, 2007, the Company provided additional documentation to support the relief requested.

On November 30, 2007, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of A.A.C. R14-2-610 (C).

## **Background**

Baca Float Water Company, Inc. is an Arizona Corporation, in good standing with the Commission's Corporation Division, authorized to provide water and wastewater utility services within portions of Santa Cruz County, Arizona pursuant to authority granted by the Commission in Decision Nos. 32233 (May 31, 1960) and 60721 (March 23, 1998). Baca Float was incorporated on December 1, 1959. The Company provides water and wastewater utility services to approximately 271 and 350 customers, respectively, in the vicinity of Tubac, Arizona.

Baca Float is owned by Baca Float Land Development Limited Partnership. Baca Float's Officers are Mr. Gary P. Brasher (the President) and Mr. Richard Lockwood (the Secretary). Mr. Brasher is a Co-General Partner of Baca Float Land Development Limited Partnership.

By this application, Baca Float is seeking Commission authority to add approximately 40 acres (1/16 square-mile) to the Company's existing certificated area of approximately 2 square-miles. The requested area consists of 82 lots. Tubac 40, LLC ("Tubac 40") owns the 40 acres and has requested sewer service from Baca Float. Mr. Brasher, the President of Baca Float, is a member of Tubac 40, LLC. Baca Float Land Development Limited Partnership has no interest in Tubac 40. Arizona-American Water Company is the water provider for the requested extension area.

## **The Wastewater System**

Baca Float's existing sewer system has a 100,000 gallon per day ("GPD") subsurface constructed wetland treatment plant and a collection system serving approximately 350 service

laterals. This existing sewer system is approximately 1-1/2 miles south of the requested extension area.

The Company is proposing to construct a new independent sewer system in the requested extension area through the use of advances in aid of construction and the use of main extension agreements. This new proposed sewer system will consist of a 19,000 GPD subsurface constructed wetland treatment system with sub-surface trench disposal that will serve 82 lots. The Company is projecting to serve 10 customers in the first year and 82 customers by the fifth year. Staff concludes that the Company's proposed sewer system will have adequate sewer treatment capacity to serve the proposed CC&N extension area.

Baca Float intends to finance the construction of the plant facilities needed to serve the extension area through advances in aid of construction. The estimated cost of the sewer plant facilities needed to serve the proposed CC&N extension area is as follows:

Off-Site Plant Facilities – Construction of Wetland & Disposal System	\$722,525
On-Site Plant Facilities – Construction of Collection System	\$320,500
	-----
TOTAL	\$1,043,025

Staff has reviewed the proposed sewer plant facilities for the proposed development and its cost estimate totaling \$1,043,025, and concludes that the plant facilities and cost appear to be reasonable. However, no "used and useful" determination of the proposed sewer plant facilities was made and no particular treatment should be inferred for rate making or rate base purposes.

According to the Company, an application for a Type 4 General Permit (i.e., less than 24,000 GPD) will be filed with Arizona Department of Environmental Quality ("ADEQ") in lieu of seeking an amendment to the Areawide Water Quality Management Plan, or 208 Plan. A 208 Consistency Review Form will be included as part of the Type 4 General Permit application.

The General Permits for constructing the plant facilities needed to serve the requested area have not been submitted by the Company. Staff recommends that the Company file with Docket Control, as a compliance item in this docket, within two years of the effective date of an order in this proceeding, copies of the General Permits for, (a) the wetland treatment facility and (b) the collection system for the development in the requested area.

#### **Arizona Department of Environmental Quality Compliance**

ADEQ regulates the Company's existing sewer system under ADEQ Permit No. 36054 and the system is in compliance with ADEQ requirements.

### **ACC Compliance**

According to the Utilities Division Compliance Section, Baca Float has no outstanding ACC compliance issues.

### **Proposed Rates**

Baca Float will provide wastewater service to the extension area under its authorized rates and charges.

Baca Float's current rates have been in effect for at least ten years. In Docket No. W-01678A-07-0116, Staff's review of Baca Float's 2006 Annual Report revealed some anomalies which caused Staff to suspect that the Company is combining revenues and expenses for its water and sewer operations, but not plant, in the same annual report. Because Staff is concerned about the Company's accounting methods, the reliability of its financial statements, and the suitability of its rates, the Commission Ordered Baca Float to file a rate case by May 31, 2009, using a 2008 Test Year. (See Decision No. 69949, issued October 30, 2007).

### **Franchise**

Every applicant for a CC&N and/or CC&N extension is required to submit to the Commission evidence showing that the applicant has received the required consent, franchise or permit from the proper authority. If the applicant operates in an unincorporated area, the company has to obtain the franchise from the County. If the applicant operates in an incorporated area of the County, the applicant has to obtain the franchise from the City/Town.

According to the Application, the extension area "is located within the boundaries of Baca Float's present Santa Cruz County franchise." However, no evidence of the franchise was filed in this docket. Therefore, Staff recommends that Baca Float be required to file with Docket Control, as a compliance item in this docket, a copy of the franchise agreement from Santa Cruz County for the requested area, within 365 days of the decision in this matter.

### **Recommendations**

Staff recommends the Commission approve Baca Float's application for an extension of its CC&N within portions of Santa Cruz County, Arizona, to provide wastewater services, subject to compliance with the following conditions:

1. To require Baca Float to charge its authorized rates and charges in the extension area.
2. To require Baca Float to file with Docket Control, as a compliance item in this docket, a copy of the franchise agreement from Santa Cruz County for the requested area, within 365 days of the decision in this matter.

3. To require Baca Float to file with Docket Control, as a compliance item in this docket, within two years of the effective date of an order in this proceeding, copies of the General Permits for, (a) the wetland treatment facility and (b) the collection system for the development in the requested area.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to Baca Float be considered null and void, after due process, should Baca Float fail to meet Conditions No. 2 and 3 listed above within the time specified.

**MEMORANDUM**

DATE: January 3, 2008

TO: Blessing N. Chukwu  
Executive Consultant III

FROM: Marlin Scott, Jr. *msj*  
Utilities Engineer

RE: Baca Float Water Company  
Docket No. WS-01678A-07-0459 (Sewer CC&N Extension)

---

**Introduction**

Baca Float Water Company ("Company") has applied to extend its Certificate of Convenience and Necessity ("CC&N") for its sewer division. The requested area will add approximately 1/16 square-mile or 40 acres to the Company's existing approximate 2 square-miles of certificated area. The Company serves the community of Tubac in Santa Cruz County.

**Capacity**

Existing Sewer System

The Company's existing sewer system has a 100,000 gallon per day ("GPD") subsurface constructed wetland treatment plant and a collection system serving approximately 350 service laterals. This existing sewer system is approximately 1-1/2 miles south of the requested extension area.

Proposed New Sewer System

The Company is proposing to construct a new independent sewer system in the requested extension area through the use of advances in aid of construction and the use of main extension agreements. This new proposed sewer system will consist of a 19,000 GPD subsurface constructed wetland treatment system with sub-surface trench disposal that will serve 82 lots. The Company is projecting to serve 10 customers in the first year and 82 customers by the fifth year with estimated plant facilities as follows:

I. Off-Site Plant Facilities – Construction of Wetland & Disposal System

<u>Item</u>	<u>Quantity</u>	<u>Units</u>	<u>Unit Cost</u>	<u>Cost</u>
Earthwork	6,000	cy	10	\$ 60,000
30-mil Liner	80,000	sf	1	\$ 80,000
Geotextile	80,000	sf	0.2	\$ 16,000
3-inch Mulch	600	cy	22	\$ 13,200
Rock	5,000	cy	30	\$150,000
Drain pipe	2,600	lf	0.2	\$ 520
Plants	4,000	ea	2	\$ 8,000
Control Structures/Yard Pipe	4	ea	2,000	\$ 8,000
Influent lift station	1	ls	80,000	\$ 80,000
Settling tank concrete	110	cy	550	\$ 60,500
Settling tank excavation	360	cy	50	\$ 18,000
Back-up generator	1	ls	10,000	\$ 10,000
Chlorination/storage	1	ls	20,000	\$ 20,000
Yard piping	1	ls	25,000	\$ 25,000
6' chain link fence	440	lf	20	\$ 8,800
Split rail fence	2,000	lf	10	\$ 20,000
Subtotal				\$578,020
25% Engineering/Contingency				\$144,505
Total				\$722,525

II. On-Site Plant Facilities – Construction of Collection System

<u>Item</u>	<u>Unit</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Cost</u>
Phase 1 – 8-inch PVC sewer	lf	2,620	\$35	\$ 91,700
Manholes	ea	18	\$3,000	\$ 54,000
Services	ea	54	\$400	\$ 21,600
Phase 2 – 8-inch PVC sewer	lf	1,920	\$35	\$ 67,200
Manholes	ea	11	\$3,000	\$ 33,000
Services	ea	28	\$400	\$ 11,200
Subtotal				\$278,700
15% Contingency				\$ 41,800
Total				\$320,500

III. TOTAL = \$1,043,025

### Capacity Conclusions

Staff concludes that the Company's proposed sewer system will have adequate sewer treatment capacity to serve the proposed CC&N extension area.

Staff concludes that the proposed sewer plant facilities for the proposed development and its cost estimate totaling \$1,043,025 appear reasonable. However, no "used and useful" determination of the proposed sewer plant facilities was made and no particular treatment should be inferred for rate making or rate base purposes.

### **Arizona Department of Environmental Quality ("ADEQ") Compliance**

#### Compliance Status

ADEQ regulates the Company's existing sewer system under ADEQ Permit No. 36054 and the system is in compliance with ADEQ requirements.

#### General Permits

According to the Company, an application for a Type 4 General Permit (i.e., less than 24,000 GPD) will be filed with ADEQ in lieu of seeking an amendment to the Areawide Water Quality Management Plan, or 208 Plan. A 208 Consistency Review Form will be included as part of the Type 4 General Permit application.

The General Permits for constructing the plant facilities needed to serve the requested area have not been submitted by the Company. Staff recommends that the Company file with Docket Control, as a compliance item in this docket, within two years of the effective date of an order in this proceeding, copies of the General Permits for, a) the wetland treatment facility and b) the collection system for the development in the requested area.

### **Arizona Corporation Commission Compliance**

A check with the Utilities Division Compliance Section showed no delinquent compliance items for the Company.

### **Summary**

#### Conclusions

- A. Staff concludes that the Company's proposed sewer system will have adequate sewer treatment capacity to serve the proposed CC&N extension area.
- B. Staff concludes that the proposed sewer plant facilities for the proposed development and its cost estimate totaling \$1,043,025 appear reasonable.

However, no "used and useful" determination of the proposed sewer plant facilities was made and no particular treatment should be inferred for rate making or rate base purposes.

- C. ADEQ regulates the Company's existing sewer system under ADEQ Permit No. 36054 and the system is in compliance with ADEQ requirements.
- D. A check with the Utilities Division Compliance Section showed no delinquent compliance items for the Company.

Recommendation

1. Staff recommends that the Company file with Docket Control, as a compliance item in this docket, within two years of the effective date of an order in this proceeding, copies of the General Permits for, a) the wetland treatment facility and b) the collection system for the development in the requested area.

MEMORANDUM

TO: Blessing Chukwu  
Executive Consultant III  
Utilities Division

FROM: Barb Wells *bw*  
Information Technology Specialist  
Utilities Division

THRU: Del Smith *DS*  
Engineering Supervisor  
Utilities Division

DATE: August 22, 2007

RE: **BACA FLOAT WATER COMPANY (DOCKET NO. WS-01678A-07-0459)**

The area requested by Baca Float for an extension for sewer service has been plotted with no complications using the legal description provided with the application (a copy of which is attached).

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

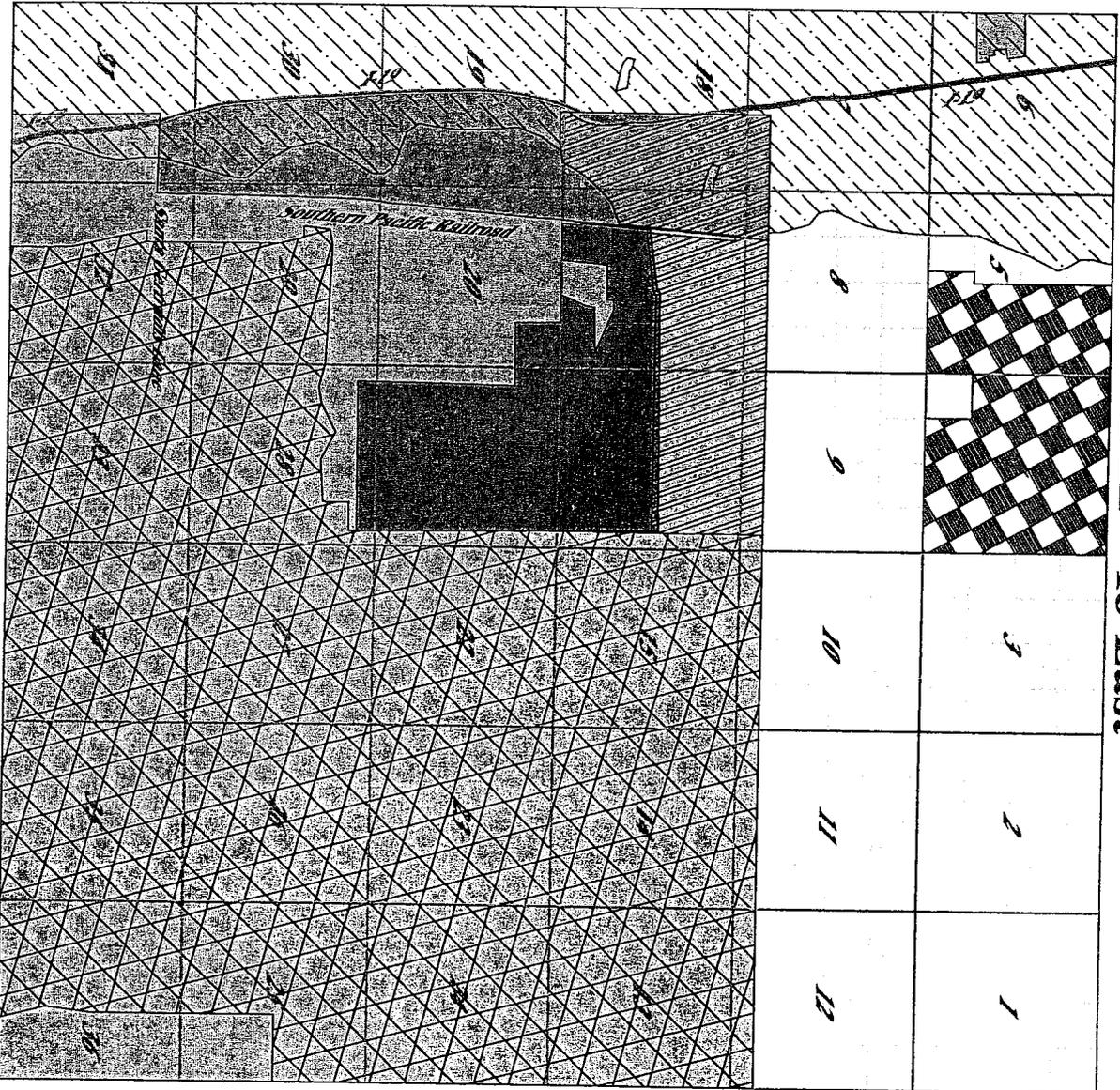
:bsw

## Attachments

cc: Mr. Jeffrey Crockett  
Ms. Deb Person (Hand Carried)  
File

# COUNTY OF Santa Cruz

## RANGE 13 East



## TOWNSHIP 21 South

-  WS-1303 (3)  
Arizona-American Water Company
-  WS-1678 (1)  
Baca Float Water Company, Inc.
-  WS-2676 (6)  
Rio Rico Utilities, Inc.
-  W-2419 (2)  
Tubac Water Company, Inc.
-  (1)  
Baca Float Water Company, Inc.  
Docket No. WS-01678A-07-0116  
Application for Extension for Water
-  (1)  
Baca Float Water Company, Inc.  
Docket No. WS-01678A-07-0459  
Application for Extension for Sewer
-  Sewer
-  Sewer

Exhibit A

All that part of the Southwest quarter of Section 6, Township 21 South, Range 13 East, Gila and Salt River Base and Meridian, Santa Cruz County, Arizona, described as follows:

Beginning at the West quarter corner of said Section 6,

Thence South 00 degrees 36 minutes 03 seconds East, along the West line of said Section, 1389.43 feet;

Thence North 88 degrees 48 minutes 08 seconds East parallel with the North line of said Southwest quarter, 1669.09 feet to a point in the West right-of-way line of the Tucson Nogales Highway;

Thence North 08 degrees 55 minutes 18 seconds West, along right-of-way North line, 1402.08 feet to a point in the North line of said Southwest quarter;

Thence South 88 degrees 48 minutes 08 seconds West, along said North line, 1466.18 feet to the POINT OF BEGINNING.

EXCEPT all coal and other minerals as reserved in the Patent from the United States of America.

AND EXCEPT the following described property:

Those portions of Lot 6 and of the East Half of the Southwest quarter (E1/2 SW1/4) of Section 6, Township 21 South, Range 13 East, Gila and Salt River Base and Meridian, Santa Cruz County, Arizona, as described in that Deed dated November 14, 1972, and recorded December 1, 1972, in Docket 151 at Page 272, records of said County, which lies Easterly of the following described line:

Commencing at the Southwest corner of said Section 6;

Thence North 89 degrees 11 minutes 50 seconds East, along the South line thereof, a distance of 1842.15 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 1100.88 feet;

Thence South 81 degrees 32 minutes 10 seconds West, 185.00 feet to THE POINT OF BEGINNING;

Thence North 08 degrees 27 minutes 50 seconds West, 565.00 feet;

Thence South 81 degrees 32 minutes 10 seconds West, 150.00 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 175.00 feet;

Thence South 81 degrees 32 minutes 10 Seconds West, 150.00 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 350.00 feet;

Thence North 81 degrees 32 minutes 10 seconds East, 300.00 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 1000.00 feet to THE POINT OF ENDING.

A.P.N 112-09-058

A handwritten signature in black ink, appearing to be 'D. G.', is written over the text 'A.P.N 112-09-058'. The signature is stylized and somewhat illegible.