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ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION



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RECEIVED

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

2010 FEB 16 P 1:19

AZ CORP COMMISSION
DOCKET CONTROL

WS

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY
FOR AUTHORITY TO INCUR LONG-TERM
DEBT THROUGH THE WATER
INFRASTRUCTURE FINANCE AUTHORITY OF
ARIZONA.

DOCKET NO. ~~SW~~-01303A-09-0152

DECISION NO. 71168

NOTICE OF COMPLIANCE FILING

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Arizona-American Water Company

In compliance with Decision No. 71168, Arizona-American Water Company hereby files
the attached notice regarding Certificates of Approval of Construction issued by ADEQ.

RESPECTFULLY SUBMITTED on February 16, 2010.

Sandra Murrey
Sandra Murrey
Rates Analyst
Arizona-American Water Company
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027
Sandra.Murrey@amwater.com
623-445-2490

Arizona Corporation Commission
DOCKETED
FEB 18 2010

DOCKETED BY *MM*

1 Original and 13 copies **filed**
2 on February 16, 2010, with:

3
4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007

8
9 Copies of the foregoing **emailed**
10 on February 16, 2010 to:

11
12 Brian K. Bozzo
13 Compliance and Enforcement Manager
14 Utilities Division
15 1200 West Washington Street
16 Phoenix, AZ 85007



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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



Benjamin H. Grumbles
Director

APPROVAL OF CONSTRUCTION

Project Description: Arsenic Water Treatment System and Blending Plan to Service Tubac Well

#5. Well #5 produces 500 gpm of water with 51 ppb arsenic. System will

reduce arsenic to less than 8. Backwash will be utilized in landscaping by

Tuba Golf Resort.

Project Location: Tubac

County: Santa Cruz

Project Owner: Arizona American Water Co., 19820 N. 7th St. #201, Phoenix, AZ 85024

Approval to operate the above-described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:

NONE

This approval is based upon the Engineer's Certificate of Completion signed by your Registered Professional Engineer, Chrisinda D. Ballew, dated December 29, 2009.

Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: January 15, 2010

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

System Number: 12-001
LTF Number: 51764
File No.: 20090129

cc: Engineering Review Desk
County Health Department
File

KRB: mdr

ADEQ/WQD/FO-001 (REV. 09-04)

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



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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



Benjamin H. Grumbles
Director

APPROVAL OF CONSTRUCTION

Project Description: Installation of a 12-inch water main to service the city of Tubac/Santa Cruz

County. Water main is located between well site No. 5 and well site No. 4

Project Location: Tubac County: Santa Cruz

Project Owner: Arizona American Water Co. 19820 N. 7th St. #201, Phoenix, AZ 85024

Approval to operate the above-described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:

NONE

This approval is based upon the Engineer's Certificate of Completion signed by your Registered Professional Engineer, Chrisinda D. Ballew, dated December 29, 2009.

Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: January 15, 2010

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

System Number: 12-001
LTF Number: 51765
File No.: 20090193

cc: Engineering Review Desk
County Health Department
File

KRB: mdr

ADEQ/WQD/FO-001 (REV. 09-04)

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

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

Arizona Corporation Commission

DOCKETED

3 KRISTIN K. MAYES, Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

JUN 16 2009

DOCKETED BY **ne**

8 IN THE MATTER OF THE APPLICATION OF
9 ARIZONA-AMERICAN WATER COMPANY FOR
10 AUTHORITY TO INCUR LONG-TERM DEBT
11 THROUGH THE WATER INFRASTRUCTURE
12 FINANCE AUTHORITY OF ARIZONA.

DOCKET NO. WS-01303A-09-0152

DECISION NO. 71168

ORDER

13 Open Meeting
14 June 11, 2009
15 Phoenix, Arizona

16 **BY THE COMMISSION:**

17 Having considered the entire record herein and being fully advised in the premises, the
18 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

19 * * * * *

20 **FINDINGS OF FACT**

21 1. On March 25, 2009, Arizona-American Water Company ("AAWC" or "Company")
22 filed an application with the Commission for authorization to execute a loan agreement with the
23 Water Infrastructure Finance Authority of Arizona ("WIFA").¹

24 2. AAWC is a for-profit Class "A" Arizona public service corporation that provides
25 water service to approximately 100,000 customers and wastewater service to approximately 50,000
26 customers in parts of Maricopa, Mohave and Santa Cruz Counties, Arizona. The Company's Tubac
27 water district, which is the subject of the application in this case, provides water service to
28 approximately 532 customers in Santa Cruz County.

3. On May 5, 2009, the Company filed an affidavit of publication verifying that it

¹ This application was filed to take advantage of federal "stimulus" funds provided under the American Recovery and Reinvestment Act of 2009 ("ARRA"), the distribution of which is being administered by WIFA for capital projects undertaken by water and wastewater utilities in Arizona.

21

1 IT IS FURTHER ORDERED that Arizona-American Water Company shall use best efforts
2 and act in good faith to comply with all requirements of the American Recovery and Reinvestment
3 Act of 2009 and all requirements of WIFA in order to obtain 50 percent of the principal amount as
4 forgivable principal.

5 IT IS FURTHER ORDERED that if Arizona-American Water Company fails to use best
6 efforts and to act in good faith to comply with the ARRA, resulting in a reduction of the amount of
7 the loan that qualifies as forgivable principal, the Commission shall take the regulatory measures it
8 deems appropriate, including but not limited to disallowing recovery for ratemaking purposes of the
9 amount of the loan that would otherwise have qualified as forgivable principal.

10 IT IS FURTHER ORDERED that the finance authority granted herein is expressly contingent
11 upon Arizona-American Water Company's use of the proceeds for the purposes stated in its
12 application and approved herein.

13 IT IS FURTHER ORDERED that Arizona-American Water Company is authorized to pledge
14 its assets in the state of Arizona pursuant to A.R.S. § 40-285 and A.A.C. R18-15-104 in connection
15 with the loan approved herein.

16 IT IS FURTHER ORDERED that Arizona-American Water Company is authorized to engage
17 in any transactions and to execute any documents necessary to effectuate the authorizations granted.

18 IT IS FURTHER ORDERED that Arizona-American Water Company shall file with Docket
19 Control, as a compliance item in this docket, copies of all executed financing documents related to
20 this authority within 60 days after the date of execution.

21 IT IS FURTHER ORDERED that Arizona-American Water Company shall file with Docket
22 Control, as a compliance item in this docket, by December 31, 2010, copies of the Certificates of
23 Approval of Construction issued by ADEQ for the arsenic treatment plant and transmission mains.

24 IT IS FURTHER ORDERED that that the authorization to incur debt granted by this Decision
25 shall terminate on December 31, 2012.

26 ...

27 ...

28 ...