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**Via Hand-Delivery**

Brian Bozzo, Compliance Manager  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

**Re: Compliance Filing of Aubrey Water Company – July 2010 Water Loss  
Progress Report; July 2010 Water Loss Monitoring Report  
(Docket No. W-03476A-06-0425)**

Dear Mr. Bozzo:

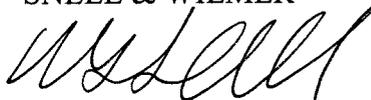
Pursuant to Arizona Corporation Commission's Decision Nos. 69379 (March 22, 2007) and 71284 (October 7, 2009) in the above-referenced docket, Aubrey Water Company hereby submits the following in compliance with the Decision:

- July 2010 Water Loss Progress Report for the period 1/1/10 – 6/30/10
- July 2010 Water Loss Monitoring Report for the period 1/1/10 – 6/30/10

Please do not hesitate to contact me if you have any questions.

Very truly yours,

SNELL & WILMER



Bradley S. Carroll

BSC/dcp  
Enclosure

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AZ CORP COMMISSION  
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ORANGE COUNTY

PHOENIX

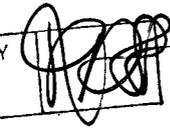
SALT LAKE CITY

TUCSON

July 29, 2010

Arizona Corporation Commission  
**DOCKETED**

JUL 29 2010

DOCKETED BY 

Brian Bozzo  
July 29, 2010  
Page 2

cc: Docket Control (Original plus 13 copies)  
Blaine Bilderback (via e-mail)  
Bonnie O'Connor (via e-mail)  
Elaine Byfield (via e-mail)  
John Kennedy (via e-mail)  
Ray Jones (via e-mail)

# AUBREY WATER COMPANY

P.O. Box 85160  
Tucson, AZ 85754

July 30, 2010

Arizona Corporation Commission  
Utilities Division  
1200 West Washington  
Phoenix, Arizona 85007

**Re: *Aubrey Water Company's July 2010 Water Loss Progress Report and July 2010 Water Loss Monitoring Report Docket No. W-03476A-06-0425***

## **July 2010 Water Loss Progress Report**

In regard to the above-referenced docket number, Aubrey Water Company ("Aubrey") hereby submits this Water Loss Progress Report for the period January 1, 2010 through June 30, 2010.

### **1) DATA INTEGRITY**

#### **a) Install meter at Transfer Pump Station**

Aubrey has determined that elimination of the Transfer Pump Station, rather than replacing the Transfer Pump Station, is the preferred alternative for addressing lost water at the Transfer Pump Station (see item 3.k). Since the Transfer Pump Station and associated water losses have been eliminated from Aubrey's water supply system, all data integrity issues have been eliminated. A meter is no longer necessary or feasible and will not be installed.

#### **b) Verify leakage in transmission line**

Aubrey has initiated a project to replace the Town Tank and Booster Station<sup>1</sup>. The project abandons the existing 250,000 gallon water storage tank and booster station located south of the BNSF Railway. The facilities are replaced with a new 280,000 water storage tank and booster station located north of the BNSF Railway. The project is underway and scheduled to be complete by the end of September 2010.

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<sup>1</sup> PACE Engineering prepared a design report and construction drawings for the project. PACE submitted an Application for Approval to Construct to ADEQ on March 15, 2010. On April 13, 2010 ADEQ issued a Certificate of Approval to Construct for the project.

In order to accommodate relocation of the tank and booster station, several modifications to the transmission main will be made. Aubrey has determined that verification of leakage in the transmission main should be completed after completion of the transmission main modifications. Aubrey expects to complete verification of leakage in the transmission line after the Town Tank and Booster Station Project is completed.

c) **Evaluate and modify the 8" master meter installation (transmission line)**

Aubrey has determined that the 8" master meter is improperly located to meter flows once the Town Tank and Booster Station are relocated. As a part of the Town Tank and Booster Station project, Aubrey has included replacement of the existing 8" master meter with a new 6" magnetic flow meter located at the Town Tank and Booster Station site.

d) **Evaluate billing procedure and equipment**

Aubrey plans to complete this item in the second half of 2010.

e) **Evaluate reporting procedures**

Aubrey plans to complete this item in the second half of 2010.

f) **Verify meter data**

Aubrey is planning to complete this item in 2011. Aubrey is evaluating the best method to proceed with this item. Aubrey is investigating the possibility of obtaining a grant from WIFA to complete the project. WIFA Fiscal Year 2011, Grant Cycle 2 applications are due October 29, 2010 and will be awarded in December of 2010.

2) **APPARENT LOSSES**

g) **Water meter replacement program**

Aubrey has replaced six (6) water meters in during the reporting period.

h) **Perform engineering evaluation and modification of the commercial standpipe meters**

Aubrey has scheduled the evaluation and modifications to coincide with construction of the Town Tank and Booster Station project.

i) **Removal of out-of-service meters**

There were no out of service meters removed during the reporting period. Four (4) out of service meters have been identified for removal with removal pending.

j) **Implement meter relocation (to the property line) program**

During the reporting period, Aubrey identified two meters as candidates for relocation under this program. They are scheduled to be relocated in July, 2010.

### 3) REAL LOSSES

#### k) Replace Transfer Pump Station

Aubrey contracted with PACE Engineering ("PACE") to evaluate the planned replacement of the Transfer Pump Station<sup>2</sup>. PACE determined that eliminating the Transfer Pump Station and associated transfer tank, rather than replacing the Transfer Pump Station, would provide moderate capital cost savings and substantial operating cost savings. Eliminating the Transfer Pump Station has the additional advantage of retiring an existing tank and pump house that are in excess of 50 years old and in need of major refurbishment or replacement. Based on the recommendation from PACE, Aubrey has proceeded with a project to eliminate the Transfer Pump Station rather than replace the Transfer Pump Station.

The project modifies Aubrey's water supply facilities located at the Canyon Mouth Reservoir to make the Transfer Pump Station unnecessary. The project consists of abandonment of the existing transfer tank, transfer pump station and well pipeline, equipping the wells with new pumps capable of directly pumping to the existing transmission main, and installing a new well pipeline from the wells to the existing transmission main.

PACE prepared a design report for the new system and submitted an Application for Approval to Construct (including the design report) to ADEQ on December 23, 2009. On January 11, 2010 ADEQ issued a Certificate of Approval to Construct. Construction was completed in March 2010 with As-Built plans being issued on March 17, 2010. An Application for Approval of Construction was submitted to ADEQ on March 18, 2010. ADEQ issued its Approval of Construction on April 5, 2010.

#### l) Inspection of water distribution system

Aubrey has continued to conduct regular inspection of its water system. The inspections include the use of pipe locating equipment and observation of plant growth. During the reporting period, Aubrey identified the need for several repairs and replacements during the reporting period.

- Two (2) main line leaks were identified and repaired
- One (1) fire hydrant was determined to be leaking and was replaced
- Three (3) main line valves were determined to be leaking and was replaced
- One (1) main line valve was determined to be leaking and blocked and was replaced
- Two (2) inoperable meter valves were replaced
- Valve on coin operated standpipe would not fully shut off and was replaced

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<sup>2</sup> The pump station replacement was planned and designed by Engineering and Environmental Consultants, Inc.

- m) **Replace failing water main (approximately 1,300 feet of 4-inch steel water main)**  
In accordance with Decision No. 69379 as amended by Decision No. 71284, before proceeding with replacement, Aubrey will reevaluate the need to replace the water main after completing items (a) through (l).

### **June 2010 Monitoring Report**

The attached report contains information covering the period January 1, 2010 through June 30, 2010.



**WATER LOSS REPORT  
2010**

**AUBREY WATER COMPANY  
P.O. BOX 85160  
TUCSON, ARIZONA 85754  
(520) 623-5172**

Date	WATER LOSS %
1/3/10-2/1/10	29.86%
2/2/10-3/1/10	22.44%
3/2/10-4/1/10	20.52%
4/2/10-5/2/10	19.47%
5/3/10-6/1/10	16.16%
6/2/10-7/2/10	14.63%