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MEMORANDUM
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2010 DEC 23 A 8:35

FROM: Steven M. Olea
Director
Utilities Division

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY

DATE: December 23, 2010

RE: **STAFF'S 2010 COMPLIANCE REPORT FOR GOLD CANYON SEWER COMPANY, DOCKET NO. SW-02519A-06-0015 (RATES) AND DECISION NO. 69664**

Introduction

On June 28, 2007, the Commission issued Decision No. 69664 granting a rate increase to Gold Canyon Sewer Company ("Company"). Pursuant to that Decision, Staff was ordered to "conduct annual odor detection site visits and provide a report in this docket by December 31 of each year, as a compliance measure, with the first report to be filed by no later than December 31, 2007." This memorandum is Staff's 2010 compliance report.

Compliance Reports

Staff's Report

Staff conducted five unannounced site visits on the following dates; March 5, 2010, May 20, 2010, July 2, 2010, October 7, 2010, and December 7, 2010. All the site visits were conducted by Marlin Scott, Jr., Staff Engineer. During all the visits, Staff toured the wastewater treatment plant ("WWTP"), the MountainBrook Village Subdivision east of the WWTP, and the commercial area west of the WWTP; i.e., Bashas area. During all these site visits, Staff did not detect any odors.

ADEQ's Report

Annual Compliance Inspection

According to the Arizona Department of Environmental Quality ("ADEQ"), ADEQ did not conduct its annual compliance inspection for the year 2010. However, in ADEQ's last inspection report, dated April 7, 2009, which was attached to Staff's 2009 Compliance Report, ADEQ noted there were no offensive odors detected during that inspection period.

Notice of Violation

As stated in the prior 2009 ADEQ Annual Compliance Inspection report, ADEQ issued a Notice of Violation ("NOV") on May 16, 2008 for the exceedance of the aquifer quality levels ("AQLs") for total nitrogen in the point of compliance ("POC") well. The exceedances ranged from 13 – 18 mg/L, with the maximum AQL set at 10 mg/L. As a result of the NOV, on November 6, 2008, the Company has submitted an amendment to its Aquifer Protection Permit ("APP") to adjust the AQLs for possible upgradient influence of high nitrates. This amendment is still in the review phase and will remain open until review of the APP amendment has been completed.

SMO:MSJ:red

Originator: Marlin Scott, Jr.

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Docket No. SW-02519A-06-0015

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