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AZ CORP COMMISSION
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Arizona Corporation Commission

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JAN 10 2011

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4 Phoenix, Arizona 85012
5 Telephone: (602) 916-5400
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8 Attorneys for Valley Utilities Water Co., Inc.

9 **BEFORE THE ARIZONA CORPORATION COMMISSION**

10 IN THE MATTER OF VALLEY
11 UTILITIES WATER COMPANY, INC –
12 FILING TO ESTABLISH AN OFF-SITE
13 FACILITIES HOOK-UP FEE TARIFF
14 (ARSENIC IMPACT FEE)

DOCKET NO. W-01412A-04-0848

NOTICE OF COMPLIANCE

15 Pursuant to Decision No. 67669 (March 9, 2005) (“Order”), Valley Utilities Water
16 Company, Inc. (“Valley Utilities” or “Company”) hereby files this Notice of Compliance
17 in the above-referenced docket. This filing complies with Finding of Fact No. 8(f), which
18 requires Valley Utilities to submit by January 31st a calendar year status report containing
19 a list of all customers that have paid the AIF Tariff, the amount each has paid, the amount
20 of money spent from the account, the amount of interest earned on the AIF Tariff account,
21 and a list of all facilities that have been installed with the AIF Tariff funds.

22 Attached as Exhibit 1 is Valley Utilities’ Arsenic Impact Fees Report for 2005–
23 2010. The Company completed construction of the Bethany Home Road Arsenic
24 Treatment Facility, and has commenced commissioning testing. Attached as Exhibit 2 is
25 the Certificate of Approval to Commence Operation with Stipulations, issued by the
26 Maricopa County Environmental Services Water and Waste Management Division on
December 16, 2010.

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RESPECTFULLY SUBMITTED this 10th day of January, 2011.

FENNEMORE CRAIG, P.C.



By: _____
Patrick J. Black
Attorneys for Valley Utilities Water Company, Inc.

ORIGINAL and **13 copies**
of the foregoing **FILED** this
10th day of January, 2011 with:

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

COPY of the foregoing was
HAND-DELIVERED this
10th day of January, 2011 to:

Steven M. Olea, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Carmel Hood, Compliance
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

By: W.M.M. Cracken
2384200.1/24964.001

EXHIBIT

1

Valley Utilities Water Co., Inc.
 Arsenic Impact Fees
 2005 - 2010

Account #	Name	A I F	Ck #	Date
70115	Adobe West Const.	\$2,200.00	9583	6/8/2005
10199	A. Granados	\$1,320.00	MO	12/29/2005
100167	DR Horton	\$4,400.00	303346	11/3/2005
100168	DR Horton	\$4,400.00	303346	11/3/2005
100169	DR Horton	\$7,040.00	303346	11/3/2005
100170	DR Horton	\$4,400.00	303346	11/3/2005
100024	DR Horton	\$1,320.00	900660	11/3/2005
100025	DR Horton	\$1,320.00	900660	11/3/2005
110013	DR Horton	\$2,200.00	900660	11/3/2005
110019	DR Horton	\$2,200.00	900660	11/3/2005
110041	DR Horton	\$2,200.00	900660	11/3/2005
110042	DR Horton	\$2,200.00	900660	11/3/2005
110043	DR Horton	\$2,200.00	900660	11/3/2005
110047	DR Horton	\$2,200.00	900660	11/3/2005
100001	DR Horton	\$1,320.00	900660	11/3/2005
100003	DR Horton	\$1,320.00	900660	11/3/2005
100004	DR Horton	\$1,320.00	900660	11/3/2005
100005	DR Horton	\$1,320.00	900660	11/3/2005
100006	DR Horton	\$1,320.00	900660	11/3/2005
100007	DR Horton	\$1,320.00	900660	11/3/2005
100008	DR Horton	\$1,320.00	900660	11/3/2005
100009	DR Horton	\$1,320.00	900660	11/3/2005
100102	DR Horton	\$1,320.00	900660	11/3/2005
100103	DR Horton	\$1,320.00	900660	11/3/2005
100104	DR Horton	\$1,320.00	900660	11/3/2005
100105	DR Horton	\$1,320.00	900660	11/3/2005
100106	DR Horton	\$1,320.00	900660	11/3/2005
100107	DR Horton	\$1,320.00	900660	11/3/2005
100108	DR Horton	\$1,320.00	900660	11/3/2005
100109	DR Horton	\$1,320.00	900660	11/3/2005
100110	DR Horton	\$1,320.00	900660	11/3/2005
100111	DR Horton	\$1,320.00	900660	11/3/2005
100095	DR Horton	\$1,320.00	900673	11/17/2005
110001	DR Horton	\$2,200.00	900673	11/17/2005
110004	DR Horton	\$2,200.00	900673	11/17/2005
110008	DR Horton	\$2,200.00	900673	11/17/2005
110017	DR Horton	\$2,200.00	900673	11/17/2005
100002	DR Horton	\$1,320.00	900673	11/17/2005
100051	DR Horton	\$1,320.00	900673	11/17/2005
100052	DR Horton	\$1,320.00	900673	11/17/2005
100053	DR Horton	\$1,320.00	900673	11/17/2005

Valley Utilities Water Co., Inc.
 Arsenic Impact Fees
 2005 - 2010

Account #	Name	A I F	Ck #	Date
100054	DR Horton	\$1,320.00	900673	11/17/2005
100055	DR Horton	\$1,320.00	900673	11/17/2005
100056	DR Horton	\$1,320.00	900673	11/17/2005
100086	DR Horton	\$1,320.00	900673	11/17/2005
100087	DR Horton	\$1,320.00	900673	11/17/2005
100088	DR Horton	\$1,320.00	900673	11/17/2005
100089	DR Horton	\$1,320.00	900673	11/17/2005
100090	DR Horton	\$1,320.00	900673	11/17/2005
100091	DR Horton	\$1,320.00	900673	11/17/2005
100092	DR Horton	\$1,320.00	900673	11/17/2005
100093	DR Horton	\$1,320.00	900673	11/17/2005
100094	DR Horton	\$1,320.00	900673	11/17/2005
100098	DR Horton	\$1,320.00	900673	11/17/2005
100099	DR Horton	\$1,320.00	900673	11/17/2005
100100	DR Horton	\$1,320.00	900673	11/17/2005
100101	DR Horton	\$1,320.00	900673	11/17/2005
100076	DR Horton	\$1,320.00	900678	11/28/2005
100077	DR Horton	\$1,320.00	900678	11/28/2005
100078	DR Horton	\$1,320.00	900678	11/28/2005
100079	DR Horton	\$1,320.00	900678	11/28/2005
100080	DR Horton	\$1,320.00	900678	11/28/2005
100081	DR Horton	\$1,320.00	900678	11/28/2005
100082	DR Horton	\$1,320.00	900678	11/28/2005
100083	DR Horton	\$1,320.00	900678	11/28/2005
100084	DR Horton	\$1,320.00	900678	11/28/2005
100085	DR Horton	\$1,320.00	900678	11/28/2005
100096	DR Horton	\$1,320.00	900678	11/28/2005
100097	DR Horton	\$1,320.00	900678	11/28/2005
110002	DR Horton	\$2,200.00	900677	11/2/2005
110003	DR Horton	\$2,200.00	900677	11/28/2005
110006	DR Horton	\$2,200.00	900677	11/28/2005
110007	DR Horton	\$2,200.00	900677	11/28/2005
110009	DR Horton	\$2,200.00	900677	11/28/2005
110011	DR Horton	\$2,200.00	900677	11/28/2005
110014	DR Horton	\$2,200.00	900677	11/28/2005
110015	DR Horton	\$2,200.00	900677	11/28/2005
110020	DR Horton	\$2,200.00	900677	11/28/2005
110030	DR Horton	\$2,200.00	900677	11/28/2005
110031	DR Horton	\$2,200.00	900677	11/28/2005
110032	DR Horton	\$2,200.00	900677	11/28/2005
10549	Desert Garden Mini Stora	\$4,400.00	1043	12/23/2000

Valley Utilities Water Co., Inc.
 Arsenic Impact Fees
 2005 - 2010

Account #	Name	A I F	Ck #	Date
10550	Desert Garden Mini Stora	\$2,200.00	1043	12/29/2005
100060	DR Horton	\$1,320.00	900818	1/23/2006
100062	DR Horton	\$1,320.00	900818	1/23/2006
100064	DR Horton	\$1,320.00	900818	1/23/2006
100066	DR Horton	\$1,320.00	900818	1/23/2006
100073	DR Horton	\$1,320.00	900818	1/23/2006
100075	DR Horton	\$1,320.00	900818	1/23/2006
100147	DR Horton	\$2,200.00	900818	1/23/2006
100010	DR Horton	\$1,320.00	900837	1/24/2006
100012	DR Horton	\$1,320.00	900837	1/24/2006
100057	DR Horton	\$1,320.00	900837	1/24/2006
100058	DR Horton	\$1,320.00	900837	1/24/2006
100061	DR Horton	\$1,320.00	900837	1/24/2006
100063	DR Horton	\$1,320.00	900837	1/24/2006
100065	DR Horton	\$1,320.00	900837	1/24/2006
100068	DR Horton	\$1,320.00	900837	1/24/2006
100069	DR Horton	\$1,320.00	900837	1/24/2006
100070	DR Horton	\$1,320.00	900837	1/24/2006
100072	DR Horton	\$1,320.00	900837	1/24/2006
100074	DR Horton	\$1,320.00	900837	1/24/2006
100119	DR Horton	\$2,200.00	900837	1/24/2006
100011	DR Horton	\$1,320.00	900847	1/30/2006
100059	DR Horton	\$1,320.00	900847	1/30/2006
100067	DR Horton	\$1,320.00	900847	1/30/2006
100043	DR Horton	\$1,320.00	900857	2/17/2006
100044	DR Horton	\$1,320.00	900857	2/17/2006
100045	DR Horton	\$1,320.00	900857	2/17/2006
100046	DR Horton	\$1,320.00	900857	2/17/2006
100047	DR Horton	\$1,320.00	900857	2/17/2006
100048	DR Horton	\$1,320.00	900857	2/17/2006
100049	DR Horton	\$1,320.00	900857	2/17/2006
100050	DR Horton	\$1,320.00	900857	2/17/2006
100013	DR Horton	\$1,320.00	900874	2/27/2006
100014	DR Horton	\$1,320.00	900874	2/27/2006
100015	DR Horton	\$1,320.00	900874	2/27/2006
100016	DR Horton	\$1,320.00	900874	2/27/2006
100017	DR Horton	\$1,320.00	900874	2/27/2006
100018	DR Horton	\$1,320.00	900874	2/27/2006
100020	DR Horton	\$1,320.00	900874	2/27/2006
100036	DR Horton	\$1,320.00	900874	2/27/2006
100037	DR Horton	\$1,320.00	900874	2/27/2006

Valley Utilities Water Co., Inc.
 Arsenic Impact Fees
 2005 - 2010

Account #	Name	A I F	Ck #	Date
100038	DR Horton	\$1,320.00	900874	2/27/2006
100039	DR Horton	\$1,320.00	900874	2/27/2006
100040	DR Horton	\$1,320.00	900874	2/27/2006
100041	DR Horton	\$1,320.00	900874	2/27/2006
100042	DR Horton	\$1,320.00	900874	2/27/2006
100137	DR Horton	\$2,200.00	900884	3/9/2006
100019	DR Horton	\$1,320.00	900883	3/9/2006
100021	DR Horton	\$1,320.00	900883	3/9/2006
100035	DR Horton	\$1,320.00	900883	3/9/2006
100071	DR Horton	\$1,320.00	900083	3/9/2006
60003	Andrus Properties	\$2,200.00	10665	3/23/2006
100032	DR Horton	\$1,320.00	901042	4/19/2006
100033	DR Horton	\$1,320.00	901042	4/19/2006
110022	DR Horton	\$2,200.00	901057	4/26/2006
110025	DR Horton	\$2,200.00	901057	4/26/2006
110027	DR Horton	\$2,200.00	901057	4/26/2006
110028	DR Horton	\$2,200.00	901057	4/26/2006
110035	DR Horton	\$2,200.00	901057	4/26/2006
100022	DR Horton	\$1,320.00	901019	5/12/2006
100023	DR Horton	\$1,320.00	901019	5/12/2006
100026	DR Horton	\$1,320.00	901019	5/12/2006
100027	DR Horton	\$1,320.00	901019	5/12/2006
100028	DR Horton	\$1,320.00	901019	5/12/2006
100029	DR Horton	\$1,320.00	901019	5/12/2006
100030	DR Horton	\$1,320.00	901019	5/12/2006
100031	DR Horton	\$1,320.00	901019	5/12/2006
100034	DR Horton	\$1,320.00	901019	5/12/2006
50036	Gary Fetters	\$2,200.00	452	5/16/2006
110034	DR Horton	\$2,200.00	901084	5/25/2006
110048	DR Horton	\$2,200.00	901084	5/25/2006
110037	DR Horton	\$2,200.00	901090	5/25/2006
50037	Crandell	\$2,200.00	2379	7/11/2006
110016	DR Horton	\$2,200.00	901112	7/11/2006
110029	DR Horton	\$2,200.00	901112	7/11/2006
110044	DR Horton	\$2,200.00	901112	7/11/2006
110046	DR Horton	\$2,200.00	901112	7/11/2006
110050	DR Horton	\$2,200.00	901112	7/11/2006
110051	DR Horton	\$2,200.00	901112	7/11/2006
110010	DR Horton	\$2,200.00	901115	7/14/2006
110012	DR Horton	\$2,200.00	901115	7/14/2006
110018	DR Horton	\$2,200.00	901115	7/14/2006

Valley Utilities Water Co., Inc.
 Arsenic Impact Fees
 2005 - 2010

Account #	Name	A I F	Ck #	Date
110040	DR Horton	\$2,200.00	901115	7/14/2006
110036	DR Horton	\$2,200.00	901121	7/18/2006
110045	DR Horton	\$2,200.00	901121	7/18/2006
110039	DR Horton	\$2,200.00	901156	8/24/2006
80082	Thong Ngo	\$2,200.00	152	8/28/2006
110021	DR Horton	\$2,200.00	901129	9/27/2006
110024	DR Horton	\$2,200.00	901129	9/27/2006
110026	DR Horton	\$2,200.00	901129	9/27/2006
110038	DR Horton	\$2,200.00	901129	9/27/2006
110049	DR Horton	\$2,200.00	901129	9/27/2006
50038	Samuel Nwafor	\$2,200.00	1143	10/25/2006
70515	Greg Valenzuela	\$2,200.00	1601	11/28/2006
50039	Pamela or Philip Sexauer	\$2,200.00	7145	5/2/2007
70234	Adobe West Construction	\$2,200.00	10452	5/14/2007
70236	Adobe West Construction	\$2,200.00	10452	5/14/2007
70238	Adobe West Construction	\$2,200.00	10452	5/14/2007
40130	Lisa Escobedo or Bobby	\$1,320.00	Cash	7/24/2007
120038	Maracay Homes	\$2,200.00	10559	8/23/2007
130039	Luke Ranch	\$1,320.00	1107	12/3/2007
130040	Luke Ranch	\$2,200.00	1106	12/3/2007
80083	Ron or Charlotte Jarrell	\$2,200.00	164	2/11/2008
70520	Heritage Elementary School	\$4,400.00	20104	6/11/2008
70521	Heritage Elementary School	\$7,040.00	20104	6/11/2008
10075	Rogelio Ybarra	\$1,320.00	Cash	4/28/2009
	Interest Income	\$16,362.42		

Total \$349,442.42

EXHIBIT

2



Maricopa County

Environmental Services
Water and Waste Management Division

1001 N. Central Ave., Suite 150
Phoenix, AZ 85004
Phone: (602) 506-6666
Fax: (602) 506-6925
TDD: 602 506 6704
www.maricopa.gov/envsvc

CERTIFICATE OF APPROVAL TO COMMENCE OPERATION WITH STIPULATIONS

PROJECT DESCRIPTION: Valley Utilities Water Company, Bethany Home Road Arsenic Treatment Facility (ATF). The project included construction of a 938-gpm capacity Severn Trent ATF that uses Bayoxide® E33 granular ferric oxide adsorption media. The treatment process includes two 12-ft diameter by 5.50-ft sideshell height vessels that will operate in series to remove arsenic from the well water to comply with the 10 ppb Maximum Contaminant Level (MCL). There is also a self-cleaning filter ahead of the ATF that will remove contaminants down to 50 microns in size; a new sodium hypochlorite disinfection system with a 300-gallon tank and dual metering pumps that will maintain a 2.0 mg/L chlorine residual at maximum flow; a 51,700-gallon backwash equalization tank.

There are three existing wells on the site (Numbers 4, 5, and 6) that have arsenic concentrations as shown below. There is an existing 200,000-gallon reservoir at the site. The site also includes an existing booster station and hydropneumatic tank.

Of the total 1,250-gpm maximum total flow from the three wells, 938 gpm is treated to a maximum of 6.0 ppb and blended with a maximum 312 gpm of untreated water that bypasses treatment. Blending is controlled with a flow control valve on the bypass line to provide treated water with a maximum arsenic level of 8.0 ppb.

The Maricopa County Planning and Development Department has issued a Special Use Permit for the project (Zoning Case Number Z2008128).

LOCATION:

Glendale, Maricopa County
6031 N. 126th Avenue, Litchfield Park
T2N, R1W, Sec 11SE

PROJECT OWNER:

Attn: Bob Prince
Valley Utilities Water Company
6808 N. Dysart Road, Suite 112
Glendale, AZ 85037

Well 4 (not in service)

ADWR #55-639722
Well capacity = 125 gpm
Arsenic concentration = 12 ppb

Well 5:

ADWR #55-503273
Well capacity = 375 gpm
Arsenic concentration = 13 ppb

Well 6:

ADWR #55-580082
Well capacity = 310 gpm
Arsenic concentration = 11 ppb

Pursuant to AAC Title 18, Chapter 4, Article 5, or Chapter 9, Article 8, and Maricopa County Environmental Health Code (MCEHC) Chapters II and V, approval to commence operation of the above-described facilities as represented in the approved plan documents on file with the Maricopa County Environmental Services Department (MCESD) is hereby given subject to the following provisions:

1. This Certificate of Approval to Commence Operation is issued based on submission of: an Application for Approval of Construction dated 12/6/10; an Engineer's Certificate of Completion prepared by Ramesh Narasimhan, P.E. (28112), of Narasimhan Consulting Services, Inc. dated 12/6/10; as-built drawings and a document *Bethany Home Road Arsenic Treatment Facility Operations Manual, November 2010*, prepared by Ramesh Narasimhan, P.E. (#28112) and sealed on 12/6/10; and the results of 3-hours of initial testing performed by Legend Technical Services, Inc., submitted on 12/10/10. The Department inspected the facilities on 12/3/10.
2. This Certificate of Approval to Commence Operation signifies that: construction of the project is complete and the work is approved by the Department; an inspection has been performed by the Department; the facility is approved to operate for final testing as described below; and finished water may be released from the facility to the distribution system.

3. Any change in the approved design that may affect capacity, quality, flow, location or operational performance of the system shall be submitted to this Department for review, and Department approval shall be obtained prior to undertaking the work affected by the change.
4. This approval is void if major modifications occur to this facility without the knowledge and consent of the Department.
5. This approval is based on the following conditions:
 - No other sources shall be connected to the facility or be blended with the treated water without Department approval,
 - Raw water shall be only be allowed to bypass treatment in conformance with the approved blending strategy,
 - Regenerated media shall not be used unless approved by the Department,
 - No other types or formulas of media shall be installed in the vessels without Department approval.
6. Final testing shall be performed to demonstrate the long-term performance of the system. The testing shall be performed under the control of an Arizona Department of Environmental Quality (ADEQ) certified water treatment plant operator. At no time shall water with a constituent exceeding a Maximum Contaminant Level be released to the distribution system. During final testing, take one sample per day of the raw well water from each operating well, treated water from each vessel, and water from the entry point of distribution system (EPDS) for laboratory analysis. This sampling shall continue daily until five (5) consecutive tests are successful.

Next, take one sample per week at the ATF discharge and at the POE for laboratory analysis. This sampling shall continue weekly until five (5) consecutive tests are successful.

When final testing is completed, the operator shall submit the test results to the Department under a signed cover letter stating that the results are accurate to the best of his/her knowledge. Laboratory test results from the POE water samples shall also be submitted by the Owner to ADEQ. The Department will review and approve the submitted material and issue a Certificate of Approval of Construction (AOC).
7. Following receipt of the AOC, the Owner shall send the Department a report whenever there is a media change-out, vessel reconfiguration, or other process change. Provide the reasons for the change and relevant data that support the decision, such as laboratory test results and the number of bed volumes treated. Submit the reports to MCESD on approved forms within 10 days of the process change.
8. No approval shall be issued until all outstanding plan review fees are received by the Department pursuant to Maricopa County Environmental Health Code (MCEHC) Chapter I, Regulation 5, Plan Review Fee Schedule.
9. Failure to comply with all conditions of this certificate may result in forfeiture and cancellation of this permit and may require the treatment facility to be immediately taken out of service.
10. A Grade 2 water treatment plant operator, certified by the Arizona Department of Environmental Quality, shall be in direct responsible charge of this facility. The responsible operator shall make daily visits to the ATF to check the status of operations.
11. The water treatment facility shall meet all applicable sampling and reporting requirements under the Safe Drinking Water Act Rule, Title 18, Chapter 4 of the Arizona Administrative Code, and subsequent amendments.
12. All materials or products that come into contact with drinking water or with water treatment chemicals shall conform to ANSI/NSF 60 and 61 in accordance with AAC R18-4-119.
13. No connection may exist between potable water and non-potable water unless an approved backflow prevention device is installed in accordance with AAC R18-4-115.

14. Provide appropriate signage for all hose bibb connections (both potable and non-potable).
15. Provide hoses and hose racks at all hose bibb locations (both potable and non-potable).
16. Representative(s) of MCESD shall be allowed access to the site to conduct inspections of this facility during reasonable hours.
17. MCESD reserves the right to modify this approval pursuant to future state regulations.

If construction has not commenced within one year of the plan approval date, or if there is a halt in construction of more than one year, or if construction is not completed within three years, this certificate will expire.

WATER AND WASTE MANAGEMENT DIVISION

By *Kenneth R. James, P.E. for*
Dale G. Bodiya, PE
Acting Manager Water / Wastewater Treatment Program

Plan Approval Date: December 16, 2010

cc: ADEQ Drinking Water Section, 1110 West Washington Street, Phoenix, AZ 85007
Kevin Chadwick, PE, Division Manager, MCESD, Water and Waste Management Division
Korissa Entringer, RS, MCESD, Manager Drinking Water Program
Ramesh Narasimhan, P.E., NCS Engineers, 3660 N. 3rd Street, Phoenix, AZ 85012
Utilities Division - Engineering Section, Arizona Corporation Commission, 1200 W. Washington
Phoenix, AZ 85007-2996
MCESD File