

**ORIGINAL**

**NEW APPLICATION**



0000123743

**Arizona Corporation Commission  
Financing Application  
Orange Grove Water Company  
Docket No. W-02237A**

- 1. The applicant's exact name and the address of its principal business office.**

Kathleen Day, President  
Orange Grove Water Company  
PO Box 889  
Yuma, AZ 85366

W-02237A-11-0084

- 2. Name and address of the person authorized, on behalf of applicant, to receive notices and communications regarding the application.**

Fred Warren, Project Manager  
Environmental Technology Assistance Co., LLC  
7460 S. Sorrel Lane  
Tucson, AZ 85746  
(520) 822-4785  
[fwarrenetac@aol.com](mailto:fwarrenetac@aol.com)

Arizona Corporation Commission

**DOCKETED**

FEB 22 2011

DOCKETED BY	<i>nr</i>
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AZ CORP COMMISSION  
DOCKET CONTROL

- 3. A full description of the financings proposed to be issued showing the kind, nature and amount, the interest rate if any and its frequency, date of maturity, call features, voting privileges, and other detailed information regarding the financing itself. If the financing is debt, then provide a schedule of interest and principle payments. If the financing is a line of credit, then provide a schedule of expected draw downs.**

The Orange Grove Water Company is seeking Disadvantaged Community (Colonias) Financial Assistance from the Water Infrastructure Finance Authority (WIFA) in the amount of \$200,000 with a 20-year term through the Drinking Water Revolving Fund (DWRf). WIFA loan officers will not undertake financial analysis until after the Commission approves a Financing Case (Debt Authorization); however WIFA's Rules and Policies were used to prepare and estimate of financing impacts.

Three scenarios were run to cover uncertainties between ACC and WIFA. First, the standard WIFA rate setting for non-governmental systems dictates "Prime rate plus 2%" today that would be 5.25%. The three scenarios were: 1) with no subsidy index, 2) with an interest rate of 4.2% (assuming an 80% subsidy index) and 3) a Disadvantaged Community (Colonias) policy rate which would allow rate to be set below 4% with adjustments after year five of the loan. See Exhibit A for WIFA's Disadvantaged Community Policy See Exhibit B for Yuma County Colonias Documentation

**SCENARIO 1 – No Subsidy Index**

**Terms and Conditions**

Loan Amount.....	<b>\$200,000.00</b>
Term.....	<b>20</b>
Combined Interest & Fee Rate	
Interest Rate Index.....	5.25%
Subsidy Rate Index.....	100.00%
Combined Interest & Fee Rate.....	<b>5.25%</b>
Coverage Requirement.....	<b>20.00%</b>
Debt Service Reserve Requirement.....	<b>\$16,172.26</b>
# of Years Debt Service Reserve Funded.....	<b>5</b>

**Monthly Fixed Payment to WIFA**

*Prior to Debt Service Reserve Requirement*

Monthly Fixed Payment to WIFA.....	1,347.69
Monthly Debt Service Reserve Deposit.....	269.54
Total Monthly Fixed Payment.....	<b>\$1,617.23</b>

*After Debt Service Reserve Requirement*

Monthly Fixed Payment to WIFA.....	1,347.69
Monthly Debt Service Reserve Deposit.....	0.00
Total Monthly Fixed Payment.....	<b>\$1,347.69</b>

**Monthly Replacement Fund Deposit -- Held Locally**

Prior to Debt Service Reserve Requirement.....	<b>\$0.00</b>
After Debt Service Reserve Requirement.....	<b>\$269.54</b>

**Annual Fiscal Impact**

Year	Annual Debt Service	Reserve Fund Deposit	Replacement Fund Deposit	Total Annual Fiscal Impact
1	16,172.26	3,234.45	0.00	19,406.71
2	16,172.26	3,234.45	0.00	19,406.71
3	16,172.26	3,234.45	0.00	19,406.71
4	16,172.26	3,234.45	0.00	19,406.71
5	16,172.26	3,234.45	0.00	19,406.71
6	16,172.26	0.00	3,234.45	19,406.71
7	16,172.26	0.00	3,234.45	19,406.71
8	16,172.26	0.00	3,234.45	19,406.71
9	16,172.26	0.00	3,234.45	19,406.71
10	16,172.26	0.00	3,234.45	19,406.71
11	16,172.26	0.00	3,234.45	19,406.71
12	16,172.26	0.00	3,234.45	19,406.71
13	16,172.26	0.00	3,234.45	19,406.71
14	16,172.26	0.00	3,234.45	19,406.71
15	16,172.26	0.00	3,234.45	19,406.71
16	16,172.26	0.00	3,234.45	19,406.71
17	16,172.26	0.00	3,234.45	19,406.71
18	16,172.26	0.00	3,234.45	19,406.71
19	16,172.26	0.00	3,234.45	19,406.71
20	16,172.26	0.00	3,234.45	19,406.71
	<b>\$323,445.20</b>	<b>\$16,172.26</b>	<b>\$48,516.78</b>	<b>\$388,134.24</b>

**SCENARIO 2 – Interest Rate of 4.2%**

**Terms and Conditions**

Loan Amount.....	<b>\$200,000.00</b>
Term.....	<b>20</b>
<b>Combined Interest &amp; Fee Rate</b>	
Interest Rate Index.....	5.25%
Subsidy Rate Index.....	80.00%
Combined Interest & Fee Rate.....	<b>4.20%</b>
Coverage Requirement.....	<b>20.00%</b>
Debt Service Reserve Requirement.....	<b>\$14,797.70</b>
# of Years Debt Service Reserve Funded.....	<b>5</b>

**Monthly Fixed Payment to WIFA**

*Prior to Debt Service Reserve Requirement*

Monthly Fixed Payment to WIFA.....	1,233.14
Monthly Debt Service Reserve Deposit.....	246.63
Total Monthly Fixed Payment.....	<b>\$1,479.77</b>

*After Debt Service Reserve Requirement*

Monthly Fixed Payment to WIFA.....	1,233.14
Monthly Debt Service Reserve Deposit.....	0.00
Total Monthly Fixed Payment.....	<b>\$1,233.14</b>

**Monthly Replacement Fund Deposit -- Held Locally**

Prior to Debt Service Reserve Requirement.....	<b>\$0.00</b>
After Debt Service Reserve Requirement.....	<b>\$246.63</b>

**Annual Fiscal Impact**

Year	Annual Debt Service	Reserve Fund Deposit	Replacement Fund Deposit	Total Annual Fiscal Impact
1	14,797.70	2,959.54	0.00	17,757.24
2	14,797.70	2,959.54	0.00	17,757.24
3	14,797.70	2,959.54	0.00	17,757.24
4	14,797.70	2,959.54	0.00	17,757.24
5	14,797.70	2,959.54	0.00	17,757.24
6	14,797.70	0.00	2,959.54	17,757.24
7	14,797.70	0.00	2,959.54	17,757.24
8	14,797.70	0.00	2,959.54	17,757.24
9	14,797.70	0.00	2,959.54	17,757.24
10	14,797.70	0.00	2,959.54	17,757.24
11	14,797.70	0.00	2,959.54	17,757.24
12	14,797.70	0.00	2,959.54	17,757.24
13	14,797.70	0.00	2,959.54	17,757.24
14	14,797.70	0.00	2,959.54	17,757.24
15	14,797.70	0.00	2,959.54	17,757.24
16	14,797.70	0.00	2,959.54	17,757.24
17	14,797.70	0.00	2,959.54	17,757.24
18	14,797.70	0.00	2,959.54	17,757.24
19	14,797.70	0.00	2,959.54	17,757.24
20	14,797.70	0.00	2,959.54	17,757.24
	<b>\$295,953.95</b>	<b>\$14,797.70</b>	<b>\$44,393.09</b>	<b>\$355,144.74</b>

**SCENARIO 3 – Disadvantaged (Colonias) Community Policy – as low as 2.00% to obtain the required debt service coverage.**

**Terms and Conditions**

Loan Amount.....	<b>\$200,000.00</b>
Term.....	<b>20</b>
Combined Interest & Fee Rate	
Interest Rate Index.....	5.25%
Subsidy Rate Index.....	80.00%
Combined Interest & Fee Rate.....	<b>2.00%</b>
Coverage Requirement.....	<b>20.00%</b>
Debt Service Reserve Requirement.....	<b>\$12,141.20</b>
# of Years Debt Service Reserve Funded.....	<b>5</b>

**Monthly Fixed Payment to WIFA**

*Prior to Debt Service Reserve Requirement*

Monthly Fixed Payment to WIFA.....	1,011.77
Monthly Debt Service Reserve Deposit.....	202.35
Total Monthly Fixed Payment.....	<b>\$1,214.12</b>

*After Debt Service Reserve Requirement*

Monthly Fixed Payment to WIFA.....	1,011.77
Monthly Debt Service Reserve Deposit.....	0.00
Total Monthly Fixed Payment.....	<b>\$1,011.77</b>

**Monthly Replacement Fund Deposit -- Held Locally**

Prior to Debt Service Reserve Requirement.....	<b>\$0.00</b>
After Debt Service Reserve Requirement.....	<b>\$202.35</b>

**Annual Fiscal Impact**

Year	Annual Debt Service	Reserve Fund Deposit	Replacement Fund Deposit	Total Annual Fiscal Impact
1	12,141.20	2,428.24	0.00	14,569.44
2	12,141.20	2,428.24	0.00	14,569.44
3	12,141.20	2,428.24	0.00	14,569.44
4	12,141.20	2,428.24	0.00	14,569.44
5	12,141.20	2,428.24	0.00	14,569.44
6	12,141.20	0.00	2,428.24	14,569.44
7	12,141.20	0.00	2,428.24	14,569.44
8	12,141.20	0.00	2,428.24	14,569.44
9	12,141.20	0.00	2,428.24	14,569.44
10	12,141.20	0.00	2,428.24	14,569.44
11	12,141.20	0.00	2,428.24	14,569.44
12	12,141.20	0.00	2,428.24	14,569.44
13	12,141.20	0.00	2,428.24	14,569.44
14	12,141.20	0.00	2,428.24	14,569.44
15	12,141.20	0.00	2,428.24	14,569.44
16	12,141.20	0.00	2,428.24	14,569.44
17	12,141.20	0.00	2,428.24	14,569.44
18	12,141.20	0.00	2,428.24	14,569.44
19	12,141.20	0.00	2,428.24	14,569.44
20	12,141.20	0.00	2,428.24	14,569.44
	<b>\$242,824.00</b>	<b>\$12,141.20</b>	<b>\$36,423.60</b>	<b>\$291,388.80</b>

**4. A statement showing the expected gross proceeds, issuance expenses, and net proceeds from the issuance and sale.**

Gross proceeds will be \$200,000. WIFA uses a Combined Interest and Fee Rate (CIFR), so there are no extra fees such as closing costs. The funds are distributed by WIFA as the agreed upon work is completed, similar to a line of credit.

**5. A complete description of the uses of the net proceeds, including descriptions of plant, property, or other assets to be acquired. Provide any capital expenditure budget that supports the proposed use of proceeds.**

The Company needs to install a new 100,000-gallon storage tank, chlorine disinfection system and a booster pump station on-site at their water supply facility where the production wells are located. In addition a new site security fence will be installed around the entire water supply facility. The existing facility has ample available unused space that can be utilized for the upgrades. The upgrades will require subsequent electrical upgrades to support the new booster pumps. Electrical Engineering may be required under a separate scope.

Using funds from the WIFA Technical Assistance Program, the Company engaged Tres Rios Consulting Engineers to prepare a Preliminary Engineering Report (PER) and Approval to Construct (ATC).

**See Exhibit C for Tres Rios PER**

**See Exhibit D for ADEQ ATC.**

It must be noted that any project that received financing through WIFA must include Davis-Bacon Act requirements in the Bids. This has caused an increase in the Inspection/Construction Management budget. **See Exhibit E for Contract Package for Non-Governmental Borrowers.** Prevailing wages for Yuma County must be paid and verified for each category of worker. An initial estimate for construction is roughly broken out into 3 areas:

- Site Construction - \$50,000
- Mechanical Work - \$90,000
- Electrical Site Work - \$30,000

The overall budget for the project would need to cover the following areas:

- Design and Engineering - \$15,000
- Legal/Debt Authorization - \$5,000
- Construction/Installation/Improvement - \$170,000
- Inspection/Construction Management - \$10,000

- 6. A statement that demonstrates why the financing is:**
- a. Within the corporate powers of the applicant;**
  - b. Compatible with the public interest;**
  - c. Compatible with sound financial practices; and,**

- d. Compatible with the proper performance by the applicant of service as a public service corporation and will not impair its ability to perform that service.**

Orange Grove Water Company believes the proposed financing is (a) within the corporate powers of Orange Grove Water, as it is the only way to comply with the 2009 rate case order; (b) compatible with the public interest, as it will provide a more sustainable water system, as described below; (c) compatible with sound financial practices, as WIFA has the ability to provide the best possible interest rate; (d) compatible with the proper performance by Orange Grove Water of service as a public service corporation; and will not impair its ability to perform that service because, as it is, the Well operates every fifteen minutes and stays on for about 8 minutes total. Running the pumps this often raises the cost for operating in the form of high electric bills. Once the additional storage is installed, the Wells will come on about six times a day, running only for a total of about three hours each day. This will cut the operational cost by about 30%.

Another aspect which addresses proper performance (increased efficiency) is the addition of the booster pumps (one large and one small pump) for keeping the system at a stable pressure with a good flow. The smaller pump will only use about 1/8 of the power being used by the wells currently.

Lastly, the Electrical system is old, and when electrical equipment gets used as much as this one, the efficiency goes down. The warn-down contacts and other 20 year old electrical components use three times more current to operate than the newer equipment being developed today.

- 7. The name and address of any person receiving, or entitle to, a fee for service in connection with the issuance or sale of the financing and a demonstration that such fees do not exceed customary fees for such service in an arms-length transaction and are reasonable.**

WIFA does not charge service fee. Under WIFA's CIFR policy, the interest and fee components are indistinguishable until the loan is closed.

- 8. Provide a copy of any documents to be executed in the matter.**

There are no documents to be executed in this matter at this time.

- 9. Provide the most recent balance sheet and income statement showing booked amounts and pro forma adjustments to record and show the effect of the transaction. Provide any other statements (such as pro forma statements from prior periods) that would demonstrate that the security issuance and sale is consistent with sound financial practices.**

Prior to receiving the 2010 Financials, a financial analysis was done similar to that of WIFA's (debt service minimum requirement of 1.2) using five year's Annual Reports (2005-2009). It was found that despite the rate increase of 2009, another rate increase may be needed depending on how WIFA chooses to treat the company serving a Colonias community. On February 14, 2011 the 2010 Financial data was complete.

ACC Staff believed that the 2009 rate increase would provide revenues of \$120,016 and adjusted operating expenses of \$104,479. Based on the 2009 Annual Report, the Metered Water Sales were \$96,670. And data for 2010, through December 31, 2010 show sales of \$107,211.

**Benchmarking of Annual Report data:**

Operating Efficiency & Profitability – below average, weak

Short-Term Liquidity – below lower quartile, weak

Median Household Income (MHI) – below state average (using 2000 census data)

Current Assets/Total Assets – below average, weak

Current Liabilities/Total Liabilities & Equity – below average, weak

**See Exhibit F for Company balance sheet and income statement data**

- 10. The Commission requires the Company to notice customers of the financing application. Attached is a copy of the notice to be used.**

The proposed notice, **attached as Exhibit G**, will be inserted in the customers' next bill. The Company will file with the Commission a copy of the actual notice sent and an affidavit stating when it was sent to the customers.

- 11. Submit an original and thirteen (13) copies of the application and three (3) copies of the supporting documents to the following:**

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

**Exhibit A**  
**WIFA's Disadvantaged Community Policy**

## Disadvantaged Community Designation

WIFA Policy #: III.6

### Purpose:

*Outline the criteria to designate a drinking water system or wastewater system as a Disadvantaged Community and define the additional benefits available to Disadvantaged Communities.*

### Policy:

#### Section 1: Disadvantaged Community Designations

The Board may designate an applicant as a Disadvantaged Community if the applicant satisfies one of the following:

1. The community is a designated "colonia" community through the federal government, or
2. The applicant meets the following criteria:
  - a. The applicant's project is above the 50th percentile on the DWRP or CWRP Project Priority List; and
  - b. WIFA awarded the applicant 50 or more Local Fiscal Capacity points on the DWRP or CWRP Project Priority List.

#### Section 2: Disadvantaged Community Financing Options

After the Board designates a drinking water or wastewater system as a Disadvantaged Community, and the applicant fails to meet the applicable WIFA financial capability requirements as defined by WIFA Policies III.7 and III.8, WIFA may reduce the Combined Interest and Fee Rate (CIFR), and extend the term beyond the standard financial assistance term in accordance with the financing options listed below. WIFA may reduce the CIFR calculated in accordance with Procedure III.3.1 at the time of loan closing. "Standard Financial Assistance Term" is defined by Policies III.7 and III.8 as follows:

**Standard Financial Assistance Term:** The standard loan term for design loans shall be three years. The standard loan term for long-term loans shall not exceed 20 years or the useful life of the facilities financed if the useful life is less than 20 years. In accordance with WIFA Policy III.6, the Board may designate an applicant as disadvantaged and extend the term for long-term loans beyond 20 years up to a maximum of 30 years.

Note: Extended loan terms for Clean Water financing must have appropriate debt authority which may include voter authorization.

The Disadvantaged Community financing options include:

Option 1: WIFA may either (a) reduce the CIFR on a standard financial assistance term to a rate lower than would otherwise apply, but not below the minimum rate of 2.0% or (b) extend the term to longer than 20 years, but not beyond the maximum of 30 years, whichever

permits the Disadvantaged Community to obtain the required debt service coverage, and in each case, only to the extent necessary to obtain the required debt service coverage.

Option 2: If the Disadvantaged Community cannot obtain the required debt service coverage under Option 1, WIFA may both (a) reduce the CIFR to a rate lower than would otherwise apply, but not below the minimum of 2.0% and (b) extend the term beyond the standard financial assistance term, but not beyond the maximum of 30 years, to the extent necessary to obtain the required debt service coverage requirement.

Note: On May 27, 2009, the Board approved the dedication of \$2 million for loans to very small drinking water systems, defined as serving less than 3,300 customers with less than 1,000 connections. Loans provided to these systems will be at a rate of 1.0% interest.

**Section 3: Security Levels**

WIFA may require Disadvantaged Community applicants to execute additional levels of security as follows:

<u>Applicant Type</u>	<u>Security Type</u>
<b>Governmental</b>	
City or Town	General Obligation
Community Facility District	General Obligation
Domestic Water Improvement District	Special Assessments
Municipal Improvement District	Not Applicable
 <b>Non-Governmental</b>	
Association/Cooperative/Non-Profit	Liens on Personal Property
Privately/Investor Owned	Personal Guarantee

The Board may, if requested and justified by the Disadvantaged Community applicant, waive the additional security levels.

**Section 4: CIFR Adjustments**

Unless justified by the Disadvantaged Community applicant and waived by the Board, WIFA will adjust the CIFR as follows:

**Standard Term**

<u>Year of Term</u>	<u>Amount Added to CIFR</u>
Start of Year 6	25% of the difference between the Standard and Reduced CIFR
Start of Year 11	50% of the difference between the Standard and Reduced CIFR
Start of Year 16	75% of the difference between the Standard and Reduced CIFR

**Beyond 20 Year Term, up to 30 Year Term**

<u>Year of Term</u>	<u>Amount Added to CIFR</u>
Start of Year 6	17% of the difference between the Standard and Reduced CIFR
Start of Year 11	33% of the difference between the Standard and Reduced CIFR
Start of Year 16	50% of the difference between the Standard and Reduced CIFR
Start of Year 21	67% of the difference between the Standard and Reduced CIFR
Start of Year 26	83% of the difference between the Standard and Reduced CIFR

**Responsibility:** Chief Financial Officer

**Statutory Reference:** A.R.S. Title 49, Chapter 8

**Rule Reference:** A.A.C. R18-15-104

**Original Issue Date:** January 11, 2000

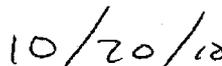
**Previous Amendment Date(s):** February 15, 2006, April 18, 2007

**Most Recent Amendment Date:** October 20, 2010 (*Replaces All Previous Versions*)

**Approval:**



\_\_\_\_\_  
**Interim Executive Director**



\_\_\_\_\_  
**Date**

**Exhibit B**  
**Yuma County Colonias Documentation**



UNITED STATES  
DEPARTMENT OF  
AGRICULTURE

RURAL  
DEVELOPMENT

2450 S. 4th Avenue, Suite 401  
Yuma, AZ 85364  
(520) 726-4707 TDD (602) 280-8705  
(520) 341-1499 FAX

September 14, 1999

Yuma County Board of Supervisors  
198 Main Street  
Yuma, Arizona 85364

Dear Supervisors,

I have been in contact with one of your constituents about the Colonia designation (Resolution No. 99-48) that includes the communities of Wall Lane Drysdale, Tacna and Avenue B-C/1st-8th Street. We have been advised that the above mentioned designation does not meet the definition of a Colonia under the Rural Development programs. In order to meet the Rural Development definition, the Colonia must have been in existence prior to October 1, 1989. Resolution No. 99-48 indicates that the Colonia existed Before December 28, 1989. My State Office has indicated that if the Colonia Designation is amended to change the date to October 1, 1989, the residents of these areas may be eligible to obtain financial assistance under the specially funded Colonia Programs.

Our Colonia Specialist has also indicated that the following designations need to amended in the same manner:

- Resolution 96-87 Colonia Designation for Padre Ranchitos Subdivision
- Resolution 95-74 Colonia Designation for Antelope Acres and Antelope Heights
- Resolution 94-51 Colonia Designation for Dateland
- Resolution 96-59 Colonia Designation for Del Sur Subdivision
- Resolution 95-12 Colonia Designation for Donovan Estates
- Resolution 98-30 Colonia Designation for El Prado Estates
- Resolution 97-34 Colonia Designation for Orange Grove Mobile Manor, Rancho Mesa Verde Unit #1, #2, & #3, and Gadsden
- Resolution 97-35 Colonia Designation for City of San Luis
- Resolution 436 Colonia Designation for City of Somerton
- Resolution 96-85 Colonia Designation for Wellton
- Resolution 95-49 Colonia Designation for Avenue B to C and 1st to 8th Street, Wall Lane, Drysdale, and Speese Addition

Although we believed the original designations to be correct, due to the new information, no resident in these areas would be eligible under the special Colonia funding. Once these have been amended, please provide my office with a copy.

Rural Development is an Equal Opportunity Lender.  
Complaints of Discrimination should be sent to:  
Secretary of Agriculture, Washington, DC 20250

Yuma County  
Yuma, Arizona  
OFFICE OF  
THE BOARD OF SUPERVISORS



BOB MCCLENDON, DISTRICT 1  
LUCY SHIPP, DISTRICT 2  
KATHRYN "CASEY" PROCHASKA, DISTRICT 3  
CLYDE CUMING, DISTRICT 4  
JIM BUSTER, DISTRICT 5  
WALLY HILL, COUNTY ADMINISTRATOR

Resolution No. 97-34  
**COLONIA DESIGNATION**

WHEREAS, a "Colonia" development as defined by the United States Department of Agriculture has occurred in Yuma County, and

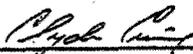
WHEREAS, unincorporated communities within the County which lack potable water supplies, adequate sewage systems, and/or decent, safe and sanitary housing are eligible for designation as a Colonia, and

WHEREAS, designation as a Colonia is necessary before certain state and federal funds can be made available to improve infrastructure systems and housing within those communities, and

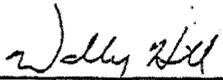
WHEREAS, the unincorporated communities of Orange Grove Mobile Manor, Rancho Mesa Verde Unit #1, #2, & #3, and Gadsden existed as Colonias before December 28, 1989.

NOW THEREFORE, BE IT RESOLVED THAT Orange Grove Mobile Manor, Rancho Mesa Verde Unit #1, #2, & #3, and Gadsden, unincorporated communities within Yuma County, is hereby designated as Colonias because of the lack of adequate sewage system, and/or decent, safe and sanitary housing.

PASSED, ADOPTED, AND APPROVED by Yuma County Board of Supervisors this 19th day of May, 1997.

  
Clyde Cuming  
Chairman, Board of Supervisors

ATTEST:

  
Wally Hill  
Clerk/County Administrator

APPROVED AS TO FORM:

  
David S. Ellsworth  
County Attorney

198 Main Street  
(520) 329-2104

Fax: (520) 329-2001

Yuma, Arizona 85364  
TTD: (520) 329-2104

RESOLUTION 436

DESIGNATING THE CITY OF SOMERTON, ARIZONA AS A COLONIA

WHEREAS, a "Colonia" development as defined by the United States of Agriculture has occurred in the City of Somerton Arizona, and

WHEREAS, communities which lack potable water supplies, adequate sewage systems, and/or decent, and sanitary housing are eligible for designation as a Colonia, and

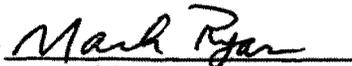
WHEREAS, designation as a Colonia is necessary before certain state and federal funds can be made available to improve infrastructure systems and housing within those communities, and

WHEREAS, a portion or all of the City of Somerton, Arizona existed as a Colonia before December 28, 1989,

NOW THEREFORE, BE IT RESOLVED THAT City of Somerton, Arizona is hereby designated as a Colonia because of the lack of adequate potable water supply, adequate sewer system, and/or decent, safe and sanitary housing:

PASSED, APPROVED AND ADOPTED this 3rd day of January 1995.

ATTEST:

  
\_\_\_\_\_  
Mark Ryan  
City Clerk

APPROVED:

  
\_\_\_\_\_  
Vivian Robinson  
Mayor

  
\_\_\_\_\_  
Enrique Castillo  
City Manager

**Exhibit C**  
**Tres Rios Preliminary Engineering Report**

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**EXHIBITS**

1. Application for Approval To Construct ("ATC")
2. Water Quality Laboratory Report 2008, Consumer Confidence Reports, and ADEQ Compliance Inspection Report 2009.
3. Engineering Analysis

## **1.0 INTRODUCTION (EXECUTIVE SUMMARY)**

The Orange Grove Water Company, Inc. ("Orange Grove") located near Somerton, Arizona provides public water supplies for two private mobile home communities from on-site groundwater production wells. The wells produce approximately 108,000-gallons per day ("gpd") during the summer peaks and 76,000-gpd during the winter months.

Orange Grove intends on upgrading their existing water supply system. They would like to install a new 100,000-gallon storage tank, chlorine disinfection system and a booster pump station on-site at their water supply facility where the production wells are located. In addition a new site security fence will be installed around the entire water supply facility. The existing facility has ample available unused space that can be utilized for the upgrades. The upgrades will require subsequent electrical upgrades to support the new booster pumps. Electrical Engineering may be required under a separate scope. Orange Grove is in the process of applying for funding from Water Infrastructure and Finance Authority of Arizona (WIFA) to assist with the costs associated with the upgrades.

The 100,000-gallon storage tank will provide Orange Grove with a significant increase in the daily stored water supply and for fire protection.

This report was provided as supporting information required for the State's Application to Construct ("ATC") for water system upgrades at Orange Grove. A copy of the permit application is attached as Exhibit 1.

## **2.0 BACKGROUND**

The Orange Grove Water Company supplies water to two residential communities Orange Grove Mobile Manor and Rancho Mesa Verde Mobile Manor totaling 305 residential units. The Orange Grove water supply facility is located in Yuma County, near the City of Somerton, AZ off of County 16<sup>th</sup> Street – just south of State Highway 95. A project vicinity map is shown in Figure 1 on the next page.

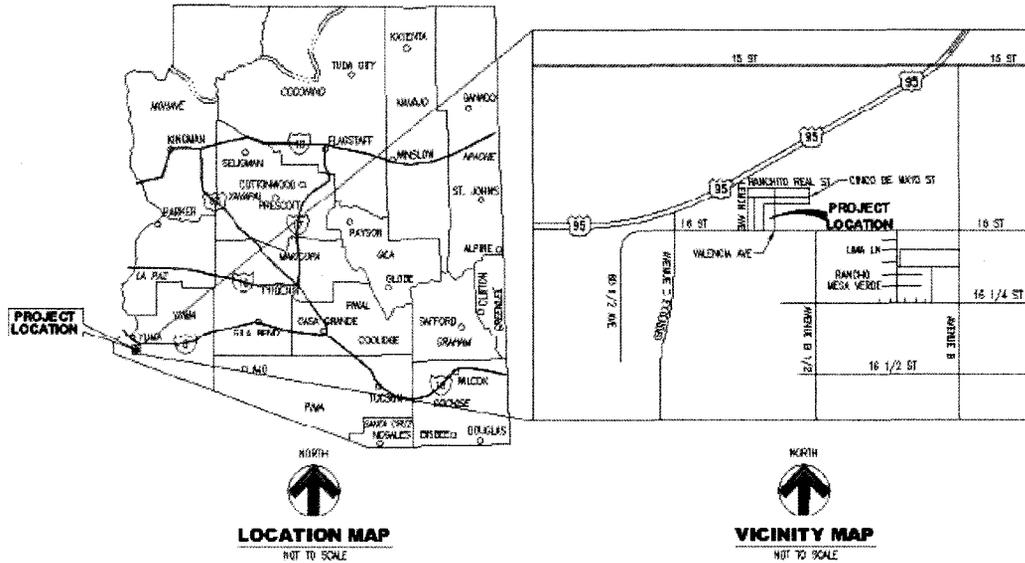
The location of the Orange Grove service area is in Section 31 of Township 9 S, Range 23 W. And the location of the water supply facility is located at the southwest quarter of the southwest quarter of the southwest quarter of Township 9 S, Range 23 W, Section 31. The physical address for the Water Supply Facility is 15856 Valencia Avenue, Somerton, AZ 85350.

Orange Grove maintains a water supply facility for the community that consists of two groundwater supply wells and a hydro-pneumatic tank. Based on monthly meter readings from 2009, the water supply facility provides approximately 76,000 gpd at it's lowest use month (December) to 108,000 gpd at it's highest use month (June) under normal daily demands.

Both well pumps and column pipes appeared to be in need of complete replacement.

In February of 2010, Well No. 3 received a new pump, motor, pump column pipe and cable and is now the only well providing water to the service area. Well No. 2 remains out of service as of this report.

**Figure 1. Project vicinity map.**



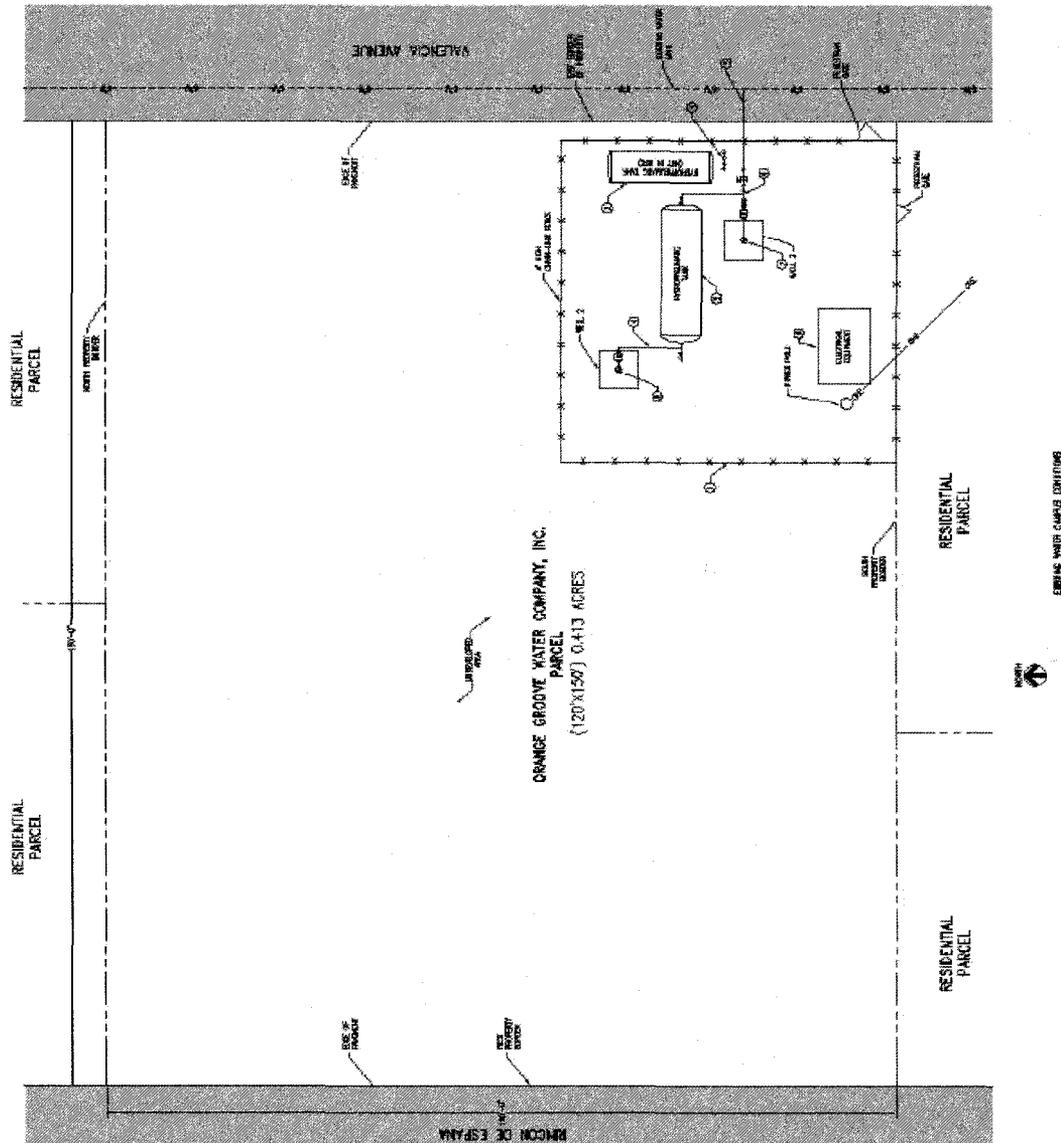
## 2.1 EXISTING WATER SYSTEM

Orange Grove is a permitted public water supplier -- PWS registration no. 14-366. Orange Grove provides drinking water from a groundwater source, Well No. 2 - Well 55-809347 (ADWR Registration No.) and Well No. 3 - Well 55-84965. The well pumps are submersible type and pump directly to the distribution system with a hydropneumatic tank providing 5,000 gallon storage and maintaining the system distribution pressure at 38-pounds per square inch (psi). A site plan indicating the existing conditions is shown in **Figure 2**.

The water distribution system pressures vary from 35-psi to 38-psi in accordance with the hydropneumatic tank set points. The owner reports that if the water delivery pressure was to exceed 38 psi, then numerous customers call to report leaks. The water delivery system is capable of higher pressures, however many of the private residences have problematic services within the homes. Orange Grove accommodates the deficient services by maintaining the 38 psi max pressure set point.

The submersible well pumps operate based on pressure in the distribution system. When the hydropneumatic tank requires additional water to maintain pressure the well pumps turn on and supply water raising the pressure in the system and hydropneumatic tank until a set-point pressure is reached and then shut-off.

**Figure 2. Existing Site Plan.**



## **2.2 FIRE PROTECTION**

The two mobile home communities includes 10 fire hydrants on the water distribution system. The new system will include a booster pump station that when operating for fire protection will be capable of providing up to 1,000-gpm for up 1 hour 40 minutes with maximum storage capacity, and even longer while the groundwater well is operating.

In the event of a fire Orange Grove is serviced by Rural/Metro.

## **2.3 WATER QUALITY**

The Orange Grove water wells are routinely sampled and tested through Monitoring Assistance Program (MAP). A 2008 Water Quality report is included as **Exhibit 2**. The report indicates that the Orange Grove water quality is excellent and does not exceed any of the primary or secondary maximum contaminant levels set by the EPA's Safe Drinking Water Act.

Orange Grove participates in ADEQ's MAP and develops an annual Consumers Confidence Report per the Arizona Administrative Code (A. A. C.) Title 18 Chapter 4 Article 1 (R18-4-117). This report from 2007 is also included in **Exhibit 2**. An ADEQ Compliance Inspection was performed on the Orange Grove Water Supply system in 2009 and was in compliance in all areas. This Compliance Inspection Report is provided in **Exhibit 2**.

The community is located in a predominantly agrarian area with many farms for several miles in all directions. As such, Orange Grove should continue to monitor for nitrates and nitrites which often appear in groundwater due to prolonged farming or horticultural activity.

## **3.0 PROPOSED WATER SUPPLY FACILITY UPGRADES**

Orange Grove Water primarily wishes to install a new water storage tank. However to accomplish this goal, the wells will need to pump directly to the tank, therefore booster pumps will be required for distribution delivery. Under this project Orange Grove will make the following upgrades:

- 100,000 gallon storage tank
- Booster pump station
- New groundwater well (Well No. 4) - Future
- Sodium hypochlorite disinfection
- Site improvements

The proposed site plan is shown on the next page as **Figure 3** and description of these proposed improvements are stated on the following pages.



### 3.1 WELL WATER SUPPLY

Water will be pumped from two production wells (Well No. 2 and Well No. 3) in an alternating operational mode. Well No. 3 was equipped in February of 2010 with a new 20 hp pump. Field notes from the Owner indicate the following;

- Removed pump and motor, well casing and well pump/piping inspected.
- Replaced with new 20 hp Franklin pump and motor
- Installed new 10 gauge #4 wire for the new motor.
- Installed new 3-inch PVC pump column pipe.
- Well pump set at 210-feet below ground surface (bgs).
- Bailed the well prior to installing the new well pump.

Well No. 2 will have the equipment removed and replaced with the same in kind. A new 7.5 hp, 55-gpm well pump and motor with 2-inch PVC pump column pipe and motor cable will be installed. When funding becomes available, Well No. 2 is proposed to be abandoned and replaced with Well No. 4. Orange Grove is proposing to install the new Well No. 4 approximately 10-feet away from Well No. 2. Typically well drillers prefer to install a new well at least 60-feet away from a new well, but they may be installed closer depending on the driller's experience and judgment. Well No. 4 will provide a production well that is more similar to Well No. 3 to allow for redundancy for the water supply.

When the new well is cased, blank casing should be extended down into the aquifer to the extent that during pumping the drawdown of the aquifer will not reach the slotted casing (this is called "cascading"). After well development, a proper well pump should be selected based on actual pump tests. The pump tests should include a 24-hour constant rate discharge aquifer test and step rate discharge aquifer test. The maximum proposed flowrate should be determined at a drawdown of approximately 80-feet or as recommended by a Professional Geologist. The well's specific capacity at this rate will provide the basis for selecting a suitable submersible well pump.

The proposed new well pump should be installed within the blank casing, just above the slotted area. This ensures that all of the pumped water flows upward into the pump and not directly through the slotted casing. Doing this helps mitigate against sanding of the well pump.

It is anticipated that the Well No. 4 pump will provide approximately 300-gpm with a 20-hp pump. This is an educated guess based on limited available data from the existing wells and pumps.

Each well will receive new discharge piping aboveground and belowground to the water storage tank. Discharge piping will be 3-inch steel and 4-inch steel with AWWA coating aboveground, for wells 2 and 3 respectively, and all belowground piping will be 4-inch AWWA C900 pipe with restrained joints and fittings. All belowground piping will be pressure tested to 150-psig for two hours or until the engineer approves, whichever is greater.

Wells 2 and 3 will receive "calls for water" and "stop" signals from the new storage tank. Level contract probes in the tank will be hard-wired to the well pump control cabinet, and include alternating start-ups. All pipe on the well should be chlorinated to approximately 50-ppm for 24 hours and BAC-T passed prior to filling the tank.

### 3.2 DISINFECTION

The well water will be disinfected prior to reaching the storage tank. Orange Grove will use a 12.5% liquid sodium hypochlorite solution to disinfect the water. A chlorine demand of 0.5-parts per million (ppm) was assumed and a target chlorine residual of 1.0-ppm was used for selecting and sizing the equipment. Calculations are attached as **Exhibit 3**. A 100-gallon double walled storage tank will be used to house the chlorine and will provide an average of a 90 day supply. A simplex metering pump system will be used to supply the solution to the well supply piping. All of the disinfection system equipment will be housed in a ventilated enclosure to prevent the sodium hypochlorite from degrading quickly and to keep the metering pump out of the harsh desert environmental conditions.

### 3.3 STORAGE TANK

A new 100,000-gallon bolted steel aboveground storage tank will be installed providing a significant upgrade in water storage. The new tank will be approximately 32-feet in diameter by 16-feet high and will include manway access on two sides near the bottom of the tank and on the top. A visual level indicator will be supplied and level probes used to start and stop the well pumps per level of water inside the tank.

The foundation for the storage tank will be of concrete ringwall construction per the AWWA standards for a seismic 4 zone and for the soils of that specific location. The tank manufacturer and supplier must prepare and submit structural calculations and drawings for the tank panels, supports, floor and foundation prior to manufacturing the tank. All calculations must be sealed by a professional structural engineer from the state of Arizona. The tank will be coated per the engineering plans using AWWA D102-97 System #1 on the interior and exterior of the tank.

### 3.4 BOOSTER PUMP STATION

Tres Rios' Engineers have evaluated monthly water use data from 2008 provided by Orange Grove Water Company and estimated the community's design demand of 130,000 gpd, with daily average flow rate of 181-gpm. The design peak hour flow rate was estimated 650-gpm @ 38-psi based on a peak hour factor of 3.5. Fire flow requirements plus the max day flowrate requires a booster pump station capable of providing 1,300-gpm. However, Orange Grove should have fire hydrant testing done to evaluate if the system has this capacity. Design Calculations are provided in the Engineering Analysis as **Exhibit 3**.

The booster pump configuration will consist of a single 1-hp maintenance pump for low flow conditions up to 20-gpm, two (2) 5-hp pump capable of providing up to 150-gpm each during normal operating conditions and peak hour demands, and three (3) 10-hp fire suppression pumps, capable of providing 350-gpm each when fire suppression is required.

A variable frequency drive (VFD) starter will be required for each pump to assist in reducing the overall power consumption.

Typically Tres Rios would want the distribution system pressure to be 65 to 70-psig and design the booster pump station accordingly. However, it is Tres Rios' understanding that when pressures exceed 38-psig in the distribution system that some services at the residences begin to leak. To accommodate the leaky services the owner has recommended a ceiling pressure of 38-psig not to be exceeded for the design. The peak hour flow rate and max day demand only reflect the 38-psi maximum design pressure.

In the future, when the services are repaired, the equipment proposed in this upgrade can be adjusted to provide higher pressures.

The VFD units will receive direct feedback from the system via (1) a pressure transducer and (2) a flow switch. The VFD will modulate the booster pump to maintain a steady system pressure as measured by the transducer. The booster pump flowrate will adjust to meet the system demands at the set-point pressure. The flow switch triggers pump starts when the maintenance pump capacity is exceeded and protects the pumps from a dead head situation by turning off if the pump is running and no flow is being produced.

In addition, the existing hydropneumatic tank will be rerouted to be connected to the booster pump discharge. The tank provides valuable surge and water hammer protection to the system.

### **3.5 ELECTRICAL & CONTROLS ENGINEERING**

Tres Rios has prepared the proposed site plan and details required to install the upgrades to the water supply facility. In addition, Tres Rios has developed the preliminary site logic control, and this logic is stated in the Scope of Work shown on Sheet G-2 of the drawings. However, the electrical and controls engineering will be coordinated by the contractor at the time of construction.

The electrical engineer will prepare design drawings prior to construction and as-built record drawings as part of their engineering certification.

### **4.0 ENGINEERING ANALYSIS**

Equipment design and sizing calculations are provided in **Exhibit 3** of this report. The analysis includes;

1. Estimation of Daily Water Demands.
2. Booster Pump Station Design Parameters.
3. Booster Station Suction and Discharge Pipe Sizing.
4. Disinfection Calculations.



Janice K. Brewer  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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



Benjamin H. Crumbles  
Director

August 13, 2009

Orange Grove Water Company  
Kathleen Day  
P.O. Box 889  
Yuma, AZ 85364

---

Re: Compliance Inspection of Orange Grove Water Company System No. 14-366.

Dear Mrs. Day:

Enclosed is a copy of an Inspection Report prepared by Steve Devereaux of our staff concerning the referenced facility. The inspection was performed on August 5, 2009, in accordance with Arizona Revised Statutes (A.R.S.) §49-351 *et seq.* and with the Arizona Administrative Code (A.A.C.) R18-4-208.

No deficiencies were found in the operation, maintenance, or certified operator status of this system and any previous deficiencies had been corrected. The system was also found to be in compliance with respect to public notice, monitoring, and reporting requirements at the time of inspection. No further action will result from this inspection.

If you have any questions, please direct them to Steve Devereaux at 520-628-6718 or 1-888-271-9302.

Sincerely,

---

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

MDM:SBD

cc: Cynthia Campbell, Manager, WQCS, ADEQ  
Pima County Department of Environmental Quality

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

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**Water Quality Division - Southern Regional Office**  
**400 W. Congress, Suite 433, Tucson, AZ 85701**

**INSPECTION REPORT - WATER**

Facility: Orange Grove Water Company		System No.: 14-366		
Place ID No.: 16991	Inspection Date: 8/5/09	Report Date: 8/13/09		
Inspected By: Stephen Devereaux		ADEQ No.: N/A		
Accompanied By:		County: Yuma		
INV No.: N/A	Insp. No.: 145198	Case No.: N/A		
Number of Plants / Wells 1 / 1		Distribution Grade: 2		
Population: 800 Service Connections: 305		Treatment Grade: N/A		
		YES	NO	N/A
The water system is in compliance with the following ADEQ requirements:				
1. The operator of the system holds the required level of certification as required by Arizona Department of Environmental Quality rules..... ..... Ralph Smith Sr. / 2		X		
2. This facility met the Arizona Department of Environmental Quality standards for physical facilities, at the time of the inspection.....		X		
3. This facility met the Arizona Department of Environmental Quality standards for monitoring, reporting, and public notice at the time of the inspection.....		X		

**SYSTEM DESCRIPTION**

This is a community water system and consists of one well, one hydro-pneumatic pressure tank, and a distribution system.

**SUMMARY**

The results of the sanitary survey indicate that your water system does not appear to have any deficiencies at this time according to the Arizona Department of Environmental Quality rules and regulations.

Arizona Department of Environmental Quality  
**Drinking Water Inorganic Chemical Analysis Reporting Form**  
 \*\*\*Entry Point to the Distribution System (EPDS) Only\*\*\*

**MAP 2009**  
**END**  
**JUN 8 2009**

PWS ID#: AZ0414366

PWS Name: ORANGE GROVE WATER CO INC

6/2/2009 12:57 (24 hr clock)  
 Sample Date Sample time

RALPH E SMITH SR  
 Owner/Contact Person Name

520-429-0135

Owner/Contact Fax Number

Owner/Contact Person Phone Number

Sample Type  
 Compliance Monitoring

**For MCL or Composite Level Exceedance**

\_\_\_\_ Original Violation Specimen Number

Sample Collection Point  
 EPDS # 001

Sample Type  
 Confirmation  
 Confirmation Composite

EPDS 001

Sampling Site ID

**\*\*\*INORGANIC CHEMICAL ANALYSIS\*\*\***

>>> To be filled out by laboratory personnel <<<

Analysis Method	MCL	Reporting Limit	Contaminant Name	Cont Code	Analysis Run Date	Result	Exceeds MCL	Exceeds Reporting Limit
	0.010	0.010	Arsenic	1005			<input type="checkbox"/>	<input type="checkbox"/>
	2	2	Barium	1010			<input type="checkbox"/>	<input type="checkbox"/>
	0.005	0.005	Cadmium	1015			<input type="checkbox"/>	<input type="checkbox"/>
	0.1	0.1	Chromium	1020			<input type="checkbox"/>	<input type="checkbox"/>
	4	4	Fluoride	1025			<input type="checkbox"/>	<input type="checkbox"/>
	0.002	0.002	Mercury	1035			<input type="checkbox"/>	<input type="checkbox"/>
E300	10	5	Nitrate (as N)	1040	06/03/2009 20:04	<0.20	<input type="checkbox"/>	<input type="checkbox"/>
	1	0.5	Nitrite (as N)	1041			<input type="checkbox"/>	<input type="checkbox"/>
	0.05	0.05	Selenium	1045			<input type="checkbox"/>	<input type="checkbox"/>
	0.006	0.006	Antimony	1074			<input type="checkbox"/>	<input type="checkbox"/>
	0.004	0.004	Beryllium	1075			<input type="checkbox"/>	<input type="checkbox"/>
	0.2	0.2	Cyanide	1024			<input type="checkbox"/>	<input type="checkbox"/>
	No MCL		Nickel*	1036			<input type="checkbox"/>	<input type="checkbox"/>
	0.002	0.002	Thallium	1085			<input type="checkbox"/>	<input type="checkbox"/>
	No MCL		Sodium*	1052			<input type="checkbox"/>	<input type="checkbox"/>

**>>>> LABORATORY INFORMATION <<<<<**

To be filled out by laboratory personnel

Lab ID Number: AZ0728

Specimen Number: ISF0309N

Name: TestAmerica Phoenix

Printed Name and Phone Number of Lab Contact: Denise Harrington - (602) 437-3340

Authorized Signature: *Denise Harrington*

Date Public Water System Notified: 6/10/2009

Comments: Work Order: ISF0309 Sampler: RALPH E SMITH SR

\*All units must be reported in milligrams per liter (mg/l)

\*Unregulated Contaminants

DWAR 2IN: Revised 8/2008

**ENGINEERING ANALYSIS:  
BOOSTER PUMP STATION EQUIPMENT SIZING  
Water Supply Facility Upgrades**

**Orange Grove Water Company, Inc.  
Yuma, ARIZONA**

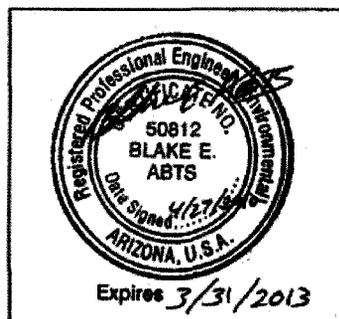
*Prepared for :*

Orange Grove Water Company, Inc.  
P.O. Box 889  
Yuma, AZ 85366  
(520) 726-8272

*Prepared by :*

**Tres Rios**  
Consulting Engineers

Tres Rios Consulting Engineers, Inc.  
230 W. Baseline Road, Suite 101-A  
Tempe, Arizona 85282  
(480) 755-1042



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Project Number: 105309  
 Project Name: Water Campus Upgrades  
 Subject: Existing System Information  
 By: BEA Date: April 2010  
 Checked by: Date:

**Orange Grove Water Company**

	Month	Days/Month	Gal. Used per Day	Future Growth 10%
Month	Gallons Used	# of Days	GPD	GPD
January	2,373,430	31	76,562	84,218
February	2,279,400	29	78,600	86,460
March	2,512,210	31	81,039	89,143
April	2,764,340	30	92,145	101,359
May	2,791,110	31	90,036	99,039
<b>June</b>	<b>3,259,850</b>	<b>30</b>	<b>108,662</b>	<b>119,528</b>
July	3,210,710	31	103,571	113,928
August	2,948,290	31	95,106	104,617
September	2,785,860	30	92,862	102,148
October	2,612,450	31	84,273	92,700
November	2,368,540	30	78,951	86,846
December	2,368,540	31	76,405	84,045
Annual	32,274,730	366	88,182	97,001
Average	2,689,561	30.5	88,182	97,001

Data provided by Orange Grove Water Company, Inc. 2008 All Units.  
 Service Connections 305 units

**Orange Grove Water Company**

EXISTING SYSTEM INFORMATION	QTY	UNITS
Service Connections	305	units
System Pressure	38	psig
EXISTING SYSTEM WATER DEMANDS		
High Month Demand (June)	3,259,850	gal/month
High Month Daily Avg.	108,662	gpd
Low Month Demand (Dec.)	76,405	gal/month
Low Month Daily Avg.	2,465	gpd
Low Month (lowest two weeks)	11,545	gal / 14 days
Lowest Two Weeks Daily Avg.	825	gpd
12 Month Avg. Demand	2,889,561	gal/month
Avg. Month Daily Demand	88,182	gpd



Project Number: 105309  
 Project Name: Water Campus Upgrades  
 Subject: Pump Station Design Parameters  
 By: BEA Date: Apr. 2010  
 Checked by: Date:

**BOOSTER PUMP STATION DESIGN - SECTION 2.1**  
**Orange Grove Water Company**

DESIGN PARAMETERS APPLIED TO EXISTING SYSETM INFORMATION					
	Existing	10% Growth	20% Std. Dev.	Selected	Units
Service Connections	305	335.5	366		units
High Month Demand (June)	3,259,850	3,585,835	3,911,820		gal/month
High Month Daily Avg.	108,662	119,528	130,394		gpd
High Month Daily Avg. Hourly Use	9,055	9,961	10,866		gph
<b>High Month Daily Avg. Flowrate</b>	151	166	<b>181</b>	<b>200</b>	<b>gpm</b>
Low Month Demand (Dec.)	2,368,540	2,605,394	1,894,832		gal/month
Low Month Daily Avg.	76,405	84,045	61,124		gpd
Low Month Daily Avg. Hourly Use	6,367	7,004	5,094		gph
<b>Low Month Daily Avg. Flowrate</b>	106	117	<b>85</b>	<b>20</b>	<b>gpm</b>
Low Month (lowest two weeks)	11,545	12,700	10,160		gal/14 days
Lowest Two Weeks Daily Avg.	825	907	726		gpd
12 Month Avg.	2,689,561	2,958,517	3,227,473		gal/month
12 Month Avg. Daily Avg.	88,472	97,320	106,167		gpd
12 Month Daily Avg. Hourly Use	7,373	8,110	8,847		gph
12 Month Daily Avg. Flowrate	123	135	147	<b>150</b>	<b>gpm</b>

Assumption: 12 hour run time on booster pumps

Max Day Factor 1.8  
 Peak Hour Factor 3.5  
 Max. Hrs of Booster Pump Op. 12

Now make a table using the Max Day Factor and Peak Hour Factor for the Max. only.

PEAK HOUR DEMAND					
	Existing	10% Growth	20% Std. Dev.	Selected	
High Month Demand (June)	3,259,850	3,585,835	3,911,820		gal/month
Daily Avg.	108,662	119,528	130,394		gpd
Daily Avg. Hourly Use	9,055	9,961	10,866		gph
Max Day Use	195,591	215,150	234,709		gpd
Max Day Hourly Use	16,299	17,929	19,559		gph
Max Day Flowrate	272	299	326		gpm
Peak Hour Use	31,693	34,862	38,032		gph
<b>Peak Hour Flowrate</b>	<b>528</b>	<b>581</b>	<b>634</b>	<b>650</b>	<b>gpm</b>

Assumption: 12 hour run time on booster pumps

Fire Flow Requirements:		Required Emergency Flowrate Capacity	
Flowrate =	1,000 gpm	Fire Flowrate	1,000 gpm
Duration =	3 hr	Max Day Flowrate	300 gpm
	180 min	<b>Total Flowrate Req.</b>	<b>1,300 gpm</b>
<b>Storage for Fire Required =</b>	<b>180,000 gal</b>		

Orange Grove Water Company intends to install one (1) 100,000-gallon storage tank at this time and a smaller 80,000-gallon storage tank in the future.



Project Number: 105309  
 Project Name: Orange Grove Water Company  
 Project Calculations  
 By: BEA Date: Nov. 2009  
 Checked by: Date:

**PIPE SIZING CALCULATION**

Description: Calculate the optimum size of pipe for the suction side of the booster pump station based on velocity and pressure loss through different diameter pipes. Flowrates were determined from the maximum design value of the Fire Flow and the Peak Hour Demand Flow.

Nom Diam (in)	ID (in)	Length (ft)	C	Flowrate (gpm)	hf (ft)	pressure (psi)	hf per 1,000 ft	Volume (gal)	Velocity (fps)	Pipe Area [in <sup>2</sup> ]
	0.75	100	130	1,300	299633.19	129841.05	2996331.93	2.29	944.1	0.4
	1	100	130	1,300	73909.54	32027.47	739095.40	4.08	531.1	0.8
	1.25	100	130	1,300	24956.57	10814.51	249565.86	6.37	339.9	1.2
	1.5	100	130	1,300	10278.47	4454.00	102784.70	9.18	236.0	1.8
	1.75	100	130	1,300	4855.11	2103.88	48551.08	12.49	173.4	2.4
	2	100	130	1,300	2535.36	1098.65	25353.57	16.32	132.8	3.1
	3	100	130	1,300	352.59	152.79	3525.88	36.72	59.0	7.1
	4	100	130	1,300	86.97	37.69	869.72	65.28	33.2	12.6
	6	100	130	1,300	12.09	5.24	120.95	146.87	14.8	28.3
	8	100	130	1,300	2.98	1.29	29.83	261.10	8.3	50.3
	<b>10</b>	<b>100</b>	<b>130</b>	<b>1,300</b>	<b>1.01</b>	<b>0.44</b>	<b>10.07</b>	<b>407.97</b>	<b>5.3</b>	<b>78.5</b>
	12	100	130	1,300	0.41	0.18	4.15	587.48	3.7	113.1
	16	100	130	1,300	0.10	0.04	1.02	1044.41	2.1	201.1
	20	100	130	1,300	0.03	0.01	0.36	1631.88	1.3	314.2
	24	100	130	1,300	0.01	0.01	0.14	2349.91	0.9	452.4
	36	100	130	1,300	0.00	0.00	0.02	5287.30	0.4	1017.9

Hazen-Williams formula where,  
 $h_f$  headloss due to friction [ft]  
 $L$  total length of pipe segment [ft]  
 $Q$  flowrate [gpm]  
 $C$  Hazen-Williams friction loss coef.  
 $D$  pipe diameter [in]

$$h_f = \frac{(10.44)(L)(Q)^{1.85}}{(C)^{1.85}(D)^{4.8655}}$$

Flowrate = 1,300 gpm  
 1.87 MGD  
 2.90 cfs



Project Number: 105309  
Project Name: Water Supply Facility Upgrades  
Subject: Disinfection Calculations  
By: BEA Date: Apr. 2010  
Checked by: Date:

This calculation is to estimate the approximate amount of 12.5% liquid sodium hypochlorite to be used for disinfection based on a daily average water demand. Assumptions made for this calculation are a 0.5 ppm chlorine demand for the groundwater and a 1.0 ppm chlorine residual. This calculation will also help determine the size of storage tank that would be required for an approximate two (2) month or 60 days of storage.

**Assumptions:**

Chlorine Demand 0.5 ppm  
Chlorine Residual 1.0 ppm  
Total Dosage 1.5 ppm  
Available Chlorine 11.9 percent

**Know Variables:**

Avg. Daily Water Use 100,000 gpd  
Avg. Daily Water Use 0.1 MGD  
Specific Gravit 1.22 at 68 F

**Calculation:**

For a 100% Concentration Solution:  
Dosage (ppm) X Water Use (MGD) X Conversion Factor (8.34 lb/gal) = Feed Rate (lb/day) / Conc. of Available Chlorine (%)  
1.5 X 0.1 X 8.34 = x lb/day X 0.119  
Therefore, 1.251 / 0.119 = **10.5 lb/day**

Dosage 1.5 ppm  
Water Use 0.1 MGD  
Conversion Factor 8.34 lb/gal  
Feed Rate 1.251 lb/day  
Available Chlorine 0.119 x 100 (%)  
**Total Feed Rate 10.51 lb/day**

**Calculation:**

Specific Gravity X 8.34 lb/gal = Density of Solution  
1.22 X 8.34 = 10.17 lb/gal  
Total Feed Rate (lb/day) / Density of Solution (lb/gal) = Solution Required / Day (Gal/day)  
10.51 lb/day / 10.17 lb/gal = 1.03 gal/day = 1 gal/day of solution

**Recommended Size of Storage Tank for 12.5% Sodium Hypochlorite solution is:**  
100 gallon Double Walled Storage Tank



Project Number: 105309  
 Project Name: Orange Grove Water Company  
 Subject: Pipe Sizing Calculations  
 By: BEA Date: April 2010  
 Checked by: Date:

**PIPE SIZING CALCULATION - SECTION 3.2**

Description: Calculate the optimum size of pipe for the suction side and discharge side of the booster pump station based on velocity and pressure loss through different diameter pipes. Flowrates were determined from the maximum design value of the Peak Hour Flow.

Nom Diam (in)	ID (in)	Length (ft)	C	Flowrate (gpm)	hf (ft)	pressure (psi)	hf per 1,000 ft	Volume (gal)	Velocity (fps)	Pipe Area[in <sup>2</sup> ]
0.75	0.75	100	130	550	61019.09	26441.60	610190.86	2.29	399.4	0.4
1	1	100	130	550	15051.38	6522.26	150513.78	4.08	224.7	0.8
1.25	1.25	100	130	550	5082.30	2202.33	50823.04	6.37	143.8	1.2
1.5	1.5	100	130	550	2093.17	907.04	20931.69	9.18	99.9	1.8
1.75	1.75	100	130	550	988.72	428.45	9887.23	12.49	73.4	2.4
2	2	100	130	550	516.32	223.74	5163.15	16.32	56.2	3.1
3	3	100	130	550	71.80	31.11	718.03	36.72	25.0	7.1
4	4	100	130	550	17.71	7.67	177.11	65.28	14.0	12.6
6	6	100	130	550	2.46	1.07	24.63	146.87	6.2	28.3
8	8	100	130	550	0.61	0.26	6.08	261.10	3.5	50.3
10	10	100	130	550	0.21	0.09	2.05	407.97	2.2	78.5
12	12	100	130	550	0.08	0.04	0.84	587.48	1.6	113.1
16	16	100	130	550	0.02	0.01	0.21	1044.41	0.9	201.1
20	20	100	130	550	0.01	0.00	0.07	1631.88	0.6	314.2
24	24	100	130	550	0.00	0.00	0.03	2349.91	0.4	452.4
36	36	100	130	550	0.00	0.00	0.00	5287.30	0.2	1017.9

Hazen-Williams formula where,  
 $h_f$  headloss due to friction [ft]  
 $L$  total length of pipe segment [ft]  
 $Q$  flowrate [gpm]  
 $C$  Hazen-Williams friction loss coef.  
 $D$  pipe diameter [in]

$$h_f = \frac{(10.44)(L)(Q)^{1.85}}{(C)^{1.85}(D)^{4.8655}}$$

Flowrate = 550 gpm  
 0.79 MGD  
 1.23 cfs



Project Number: 105309  
 Project Name: Orange Grove Water Company  
 Subject: Pipe Sizing Calculations  
 By: BEA Date: April 2010  
 Checked by: Date:

**PIPE SIZING CALCULATION - SECTION 3.3**

Description: Calculate the optimum size of pipe for the suction side and discharge side of the 350 gpm emergency booster pumps based on velocity and pressure loss through different diameter pipes.

Nom Diam (in)	ID (in)	Length (ft)	C	Flowrate (gpm)	hf (ft)	pressure (psi)	hf per 1,000 ft	Volume (gal)	Velocity fps	Pipe Area[in <sup>2</sup> ]
0.75	0.75	100	130	350	26443.60	11458.89	264436.01	2.29	254.2	0.4
1	1	100	130	350	6522.76	2826.53	65227.57	4.08	143.0	0.8
1.25	1.25	100	130	350	2202.50	954.42	22024.98	6.37	91.5	1.2
1.5	1.5	100	130	350	907.11	393.08	9071.08	9.18	63.5	1.8
1.75	1.75	100	130	350	428.48	185.67	4284.79	12.49	46.7	2.4
2	2	100	130	350	223.75	96.96	2237.53	16.32	35.7	3.1
3	3	100	130	350	31.12	13.48	311.17	36.72	15.9	7.1
4	4	100	130	350	7.66	3.33	76.76	65.28	8.9	12.6
6	6	100	130	350	1.07	0.46	10.67	146.87	4.0	28.3
8	8	100	130	350	0.26	0.11	2.63	261.10	2.2	50.3
10	10	100	130	350	0.09	0.04	0.89	407.97	1.4	78.5
12	12	100	130	350	0.04	0.02	0.37	587.48	1.0	113.1
16	16	100	130	350	0.01	0.00	0.09	1044.41	0.6	201.1
20	20	100	130	350	0.00	0.00	0.03	1631.88	0.4	314.2
24	24	100	130	350	0.00	0.00	0.01	2349.91	0.2	452.4
36	36	100	130	350	0.00	0.00	0.00	5287.30	0.1	1017.9

Flowrate = 350 gpm  
 0.50 MGD  
 0.78 cfs

$$h_f = \frac{(10.44)(L)(Q)^{1.85}}{(C)^{1.85}(D)^{4.8655}}$$

Hazen-Williams formula where,  
 $h_f$  headloss due to friction [ft]  
 $L$  total length of pipe segment [ft]  
 $Q$  flowrate [gpm]  
 $C$  Hazen-Williams friction loss coef.  
 $D$  pipe diameter [in]



Project Number: 105309  
 Project Name: Orange Grove Water Company  
 Subject: Pipe Sizing Calculations  
 By: BEA Date: Apr. 2010  
 Checked by: Date:

**PIPE SIZING CALCULATION - SECTION 3.4**

Description: Calculate the optimum size of pipe for the suction side and discharge side of the 150-gpm normal use booster pumps based on velocity and pressure loss through different diameter pipes.

Nom Diam (in)	ID (in)	Length (ft)	C	Flowrate (gpm)	hf (ft)	pressure (psi)	hf per 1,000 ft	Volume (gal)	Velocity (fps)	Pipe Area[in <sup>2</sup> ]
0.75	0.75	100	130	150	5515.23	2389.93	55152.29	2.29	108.9	0.4
1	1	100	130	150	1360.42	589.52	13604.24	4.08	61.3	0.8
1.25	1.25	100	130	150	459.37	199.06	4593.66	6.37	39.2	1.2
1.5	1.5	100	130	150	189.19	81.98	1891.92	9.18	27.2	1.8
1.75	1.75	100	130	150	89.37	38.73	893.66	12.49	20.0	2.4
2	2	100	130	150	46.67	20.22	466.67	16.32	15.3	3.1
<b>3</b>	<b>3</b>	<b>100</b>	<b>130</b>	<b>150</b>	<b>6.49</b>	<b>2.81</b>	<b>64.90</b>	<b>36.72</b>	<b>6.8</b>	<b>7.1</b>
<b>4</b>	<b>4</b>	<b>100</b>	<b>130</b>	<b>150</b>	<b>1.60</b>	<b>0.69</b>	<b>16.01</b>	<b>65.28</b>	<b>3.8</b>	<b>12.6</b>
6	6	100	130	150	0.22	0.10	2.23	146.87	1.7	28.3
8	8	100	130	150	0.05	0.02	0.55	261.10	1.0	50.3
10	10	100	130	150	0.02	0.01	0.19	407.97	0.6	78.5
12	12	100	130	150	0.01	0.00	0.08	587.48	0.4	113.1
16	16	100	130	150	0.00	0.00	0.02	1044.41	0.2	201.1
20	20	100	130	150	0.00	0.00	0.01	1631.88	0.2	314.2
24	24	100	130	150	0.00	0.00	0.00	2349.91	0.1	452.4
36	36	100	130	150	0.00	0.00	0.00	5287.30	0.0	1017.9

Flowrate = 150 gpm  
 0.22 MGD  
 0.33 cfs

$$h_f = \frac{(10.44)(L)(Q)^{1.85}}{(C)^{1.85}(D)^{4.8655}}$$

Hazen-Williams formula where:  
 $h_f$  headloss due to friction [ft]  
 $L$  total length of pipe segment [ft]  
 $Q$  flowrate [gpm]  
 $C$  Hazen-Williams friction loss coef.  
 $D$  pipe diameter [in]



Project Number: 105309  
 Project Name: Water Supply Facility Upgrades  
 Subject: Disinfection Calculations  
 By: BEA Date: April 2010  
 Checked by: Date:

**DISINFECTION CALCULATIONS - SECTION - 4**

This calculation is to estimate the approximate amount of 12.5% liquid sodium hypochlorite to be used for disinfection based on a daily average water demand. Assumptions made for this calculation are a 0.5 ppm chlorine demand for the groundwater and a 1.0 ppm chlorine residual. This calculation will also help determine the size of storage tank that would be required for an approximate two (2) month or 60 days of storage.

**Assumptions:**

Chlorine Demand 0.5 ppm  
 Chlorine Residual 1.0 ppm  
 Total Dosage 1.5 ppm  
 Available Chlorine 11.9 percent

**Know Variables:**

Avg. Daily Water Use 100,000 gpd  
 Avg. Daily Water Use 0.1 MGD  
 Specific Gravit 1.22 at 68 F

**Calculation:**

For a 100% Concentration Solution:  

$$\begin{matrix} \text{Dosage (ppm)} & \times & \text{Water Use (MGD)} & \times & \text{Conversion Factor (8.34 lb/gal)} & = & \text{Feed Rate (lb/day)} & / & \text{Conc. of Available Chlorine (\%)} \\ 1.5 & \times & 0.1 & \times & 8.34 & = & \text{ x lb/day} & \times & 0.119 \end{matrix}$$
  
 Therefore,  $1.251 / 0.119 = 10.5 \text{ lb/day}$

Dosage 1.5 ppm  
 Water Use 0.1 MGD  
 Conversion Factor 8.34 lb/gal  
 Feed Rate 1.251 lb/day  
 Available Chlorine 0.119 x 100 (%)  
**Total Feed Rate 10.51 lb/day**

**Calculation:**

Specific Gravity X 8.34 lb/gal = Density of Solution  
 $1.22 \times 8.34 = 10.17 \text{ lb/gal}$   
 Total Feed Rate (lb/day) / Density of Solution (lb/gal) = Solution Required / Day (Gal/day)  
 $10.51 \text{ lb/day} / 10.17 \text{ lb/gal} = 1.03 \text{ gal/day} = 1 \text{ gal/day of solution}$

**Recommended Size of Storage Tank for 12.5% Sodium Hypochlorite solution is:**  
 100 gallon Double Walled Storage Tank

**Exhibit D**  
ADEQ ATC



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
CERTIFICATE OF APPROVAL TO CONSTRUCT  
WATER FACILITIES**

Page 1 Of 3

<b>ADEQ File No:</b> 20100110	<b>LTF No:</b> 52635
<b>System Name:</b> Orange Grove Water Co	<b>System Number:</b> 14-366
<b>Project Owner:</b> Kathleen M Day	
<b>Address:</b> 15251 S Ave 3-E, Yuma, AZ 85365	
<b>Project Location:</b> Somerton	<b>County:</b> Yuma
<b>Description:</b> ORANGE GROVE WATER COMPANY. ATC PERMIT TO CONSTRUCT 1-100,000 GAL STORAGE TANK, 3-BOOSTER PUMPS WITH TOTAL CAPACITY OF 320 GPM, CHLORINE DISINFECTION SYSTEM WITH YARD PIPING AND RELATED FITTINGS. TO SERVE 305 SINGLE-FAMILY RESIDENTIAL LOTS.	

**Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 8 continued on page 2 through 3**

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin.Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: FMS

By: Janak K. Desai 10/19/2010  
 Janak K. Desai, P.E. Unit Manager Date  
 Engineering Review Section  
 Water Quality Division

cc: File No: 20100110  
 Regional Office: Central  
 Owner: Kathleen M Day  
 County Health Department: Yuma  
 Engineer: Tres Rios Consulting Eng  
 Planning and Zoning/Az Corp. Commission  
 Engineering Review Database - Etr021

**APPROVAL TO CONSTRUCT  
STORAGE TANK, BOOSTER PUMPS, CHLORINATION SYSTEM & YARD  
PIPING  
ADEQ FILE No. 20100110  
PAGE 2 OF 3: PROVISIONS CONTINUED**

5. Approval of Construction (AOC) will not be issued until data is obtained and verified for Pressure and Leakage Tests of waterlines and Disinfection Sampling of constructed well, storage and hydropneumatic tanks, booster pumps and potable water lines. **Engineering Bulletin No. 10, Chapter 2.E.20, Disinfection Requirements**; requires that... "Every new, modified or reconditioned groundwater source shall be disinfected after placement of final pump equipment". Information on disinfection procedures can be obtained from "Engineering Bulletin No. 8, "Disinfection of Water Systems".

It is recommended that the Engineer's Certificate of Completion (ECC) Data Required Sheet be completed in full, showing actual pressures and sampling data. Data required with ECC sheet can be found under heading - Safe Drinking Water and subheading - Technical Engineering/Plan Reviews

<http://www.azdeq.gov/function/forms/appswater.html#sdw>.

6. *The fire hydrants currently installed in the facility's distribution system are not part of this proposed ATC application and the fire hydrants, accordingly, are not approved with this ATC permit. However, it is important to note that the existing fire hydrants do not meet ADEQ's Engineering Design Standards or 2003 International Fire Code. Therefore, it is strongly recommended that water system notify local fire protection providers that although equipped with fire hydrants, the distribution system does not meet 2003 International Fire Code for fireflow.*
7. The Request for Hearing or Notice of Appeal shall identify the party, the party's address, the agency and the action being appealed and shall contain a concise statement of the reasons for the appeal.
8. The Arizona Department of Environmental Quality's review of this application was subject to the requirements of the licensing time frames ("LTF") statute under Arizona Revised Statutes ("A.R.S.") § 41-1072 through § 41-1079 and the LTF rules under Arizona Administrative Code ("A.A.C.") R18-1-501 through R18-1-525. This Notice is being issued within the overall time frame for your application.

ADEQ hereby approves your application for Approve to Construct Drinking Water Facilities under A.R.S. § 49-351. Your copy is enclosed.

This decision is an appealable agency action under A.R.S. § 41-1092. You have a right to request a hearing and file an appeal under A.R.S. § 41-1092.03(B). You must file a written Request for Hearing or Notice of Appeal within **30 days** of your receipt of this Notice. A Request for Hearing or Notice of Appeal is filed when it is received by ADEQ's Hearing Administrator as follows:

**APPROVAL TO CONSTRUCT  
STORAGE TANK, BOOSTER PUMPS, CHLORINATION SYSTEM & YARD  
PIPING  
ADEQ FILE No. 20100110  
PAGE 3 OF 3: PROVISIONS CONTINUED**

Office of Administrative Counsel  
Arizona Department of Environmental Quality  
1110 W. Washington Street  
Phoenix, AZ 85007

The Request for Hearing or Notice of Appeal shall identify the party, the party's address, the agency and the action being appealed and shall contain a concise statement of the reasons for the appeal. Upon proper filing of a Request for Hearing or Notice of Appeal, ADEQ will serve a Notice of Hearing on all parties to the appeal. If you file a timely Request for Hearing or Notice of Appeal you have a right to request an informal settlement conference with ADEQ under A.R.S. § 41-1092.06. This request must be made in writing no later than **20 days** before a scheduled hearing and must be filed with the Hearing Administrator at the above address.

Please contact Frank M. Smaila at (602) 771-4237 or [fms@azdeq.gov](mailto:fms@azdeq.gov) if you have questions regarding this Notice or the Certificate of Approved to Construct.

# **Exhibit E**

**WIFA's Contract Package for Non-Governmental Borrowers**

**Water Infrastructure Finance Authority of Arizona  
Clean Water Revolving Fund  
Drinking Water Revolving Fund**

**CONTRACT PACKET for Non Governmental Borrowers**

*This packet lists required contract conditions that apply to all Clean Water and Drinking Water Revolving Fund projects and contains forms that must be used in the procurement process. Please review this packet prior to bidding. This packet must be physically included in all bidding, solicitation and contract documents.*

**PLEASE NOTE**

- Federal Davis Bacon prevailing wages apply to this project. Payment of the wages, fringe benefits and overtime rates is required.
- The proposed DB wage determinations must be submitted to WIFA for approval prior to including the wage determination in any solicitation or contract, etc..
- The appropriate Federal (Davis Bacon) Prevailing Wage Decision Number must be physically incorporated into the bidding and contract documents.
- Weekly certified payroll submittal is required under the Federal Davis Bacon laws.
- Compliance with the Civil Rights Act and Equal Employment Opportunity is required.
- Promotion of Small, Minority and Women-owned Businesses and participation in Disadvantaged Business Enterprises (DBE) is required.

**Water Infrastructure Finance Authority of Arizona**  
**Clean Water Revolving Fund**  
**Drinking Water Revolving Fund**

**Required Contract Conditions**

This project is being financed in whole or in part by the Water Infrastructure Finance Authority of Arizona through the Clean Water or Drinking Water Revolving Fund. The loan recipient is required to comply with the following federal and state laws, rules and regulations and must ensure that their contractor(s) also comply(ies) with these regulations, laws and rules.

1. (i) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. Sec. 2000d), (ii) the Rehabilitation Act of 1973 (Pub. L. 93-1123, 87 Stat. 355, 29 U.S.C. Sec. 794), (iii) the Age Discrimination Act of 1975 (Pub. L. 94-135 Sec. 303, 89 Stat. 713, 728, 42 U.S.C. Sec. 6102), (iv) Section 13 of the Federal Water Pollution Control Act (Pub. L. 92-500, 33 U.S.C. Sec. 1251), and subsequent regulations, ensures access to facilities or programs regardless of race, color, national origin, sex, age or handicap.
2. Equal Employment Opportunity (Executive Order 11246, as amended by Executive Orders 11375 and 12086 and subsequent regulations). Prohibits employment discrimination on the basis of race, color, religion, sex or national origin. Inclusion of the seven clauses in Section 202 of Executive Order 11246 as amended by Executive Orders 11375 and 12086 are required in all project related contracts and subcontracts over \$10,000.
3. (i) Promoting the use of Small, Minority, and Women-owned Businesses (Executive Orders 11625, 12138 and 12432), (ii) Small Businesses Reauthorization & Amendment Act of 1988 (Section 129 of Pub. L. 100-590), (iii) Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993 (Pub. L. 102-389, 42 U.S.C. Sec. 437d), and (iv) Title X of the Clean Air Acts Amendments of 1990 (Pub. L. 101-549, 42 U.S.C. Sec. 7601 note) ("EPA's 10% statute"). Encourages recipients to award construction, supply and professional service contracts to minority and women's business enterprises (MBE/WBE) and small businesses and requires recipients to utilize affirmative steps in procurement.
4. Participation by Disadvantaged Business Enterprises in Procurement under Environmental Protection Agency (EPA) Financial Assistance Agreements (40 C.F.R. Part 33).
5. Debarment and Suspension (Executive Order 12549). Prohibits entering into contracts or sub-contracts with individuals or businesses who are debarred or suspended. Borrowers are required to check the status of all contractors (construction and professional services) and must require contractors to check the status of subcontractors for contracts expected to be equal to or over \$25,000 via this Internet address: [epls.amnet.gov](http://epls.amnet.gov).

**Water Infrastructure Finance Authority of Arizona  
Clean Water Revolving Fund  
Drinking Water Revolving Fund**

**Davis Bacon Contract Conditions (Federal Prevailing Wages)**

**PLEASE NOTE:** Federal Davis Bacon prevailing wages apply to this project. Payment of the wages, fringe benefits and overtime rates is required.

The "subrecipient" referred to throughout the Davis Bacon contract conditions is the WIFA Borrower.

"WIFA" is the Water Infrastructure Finance Authority of Arizona, State Capitalization Grant recipient, recipient, or the Authority.

The language starting on the next page must be included in all Davis Bacon covered construction contracts and subcontracts. (29 CFR Part 5.5)

## **Wage Rate Requirements under FY 2010 Appropriations (Also referred to as Attachment 6)**

### **Preamble**

With respect to the Clean Water and Drinking Water State Revolving Funds, EPA provides capitalization grants to each State which in turn provides subgrants or loans to eligible entities within the State. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section 3(3)(ii)(A) below and for compliance as described in Section 5.

### **Requirements under FY 2010 Appropriations Act For Subrecipients That Are Not Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under the FY2010 Appropriations Act with respect to subrecipients that are not governmental entities. If a subrecipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient will contact EPA. The subrecipient may also obtain additional guidance from DOL's web site at [www.dol.gov/whd/recovery/index.htm](http://www.dol.gov/whd/recovery/index.htm).

**Under these terms and conditions, the subrecipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

#### **1. Applicability of the Davis Bacon prevailing wage requirements.**

Under the FY 2010 Appropriation, Davis Bacon prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a Clean Water Revolving Fund and to any construction project carried out in whole or in part by assistance made available by a Drinking Water Revolving Fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the State recipient before authorizing work on that site.

#### **2. Obtaining Wage Determinations.**

(a) Subrecipients must obtain proposed wage determinations for specific localities at [www.wdol.gov](http://www.wdol.gov). After the subrecipient obtains its proposed wage determination, it must submit the wage determination to the recipient for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors.

(b) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or

other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

- (i) While the solicitation remains open, the subrecipient shall monitor [www.wdol.gov](http://www.wdol.gov) on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The subrecipient shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipient may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.
  - (ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The subrecipient shall monitor [www.wdol.gov](http://www.wdol.gov) on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.
- (c) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from [www.wdol.gov](http://www.wdol.gov) into the ordering instrument.
- (d) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.
- (e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### 3. Contract and Subcontract Provisions.

The recipient shall insure that the subrecipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the Clean Water State Revolving Fund (CWSRF) or a construction project under the Drinking Water State Revolving Fund

(DWSRF) financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in 29 CFR § 5.1 or the FY 2010 appropriation, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, [www.wdol.gov](http://www.wdol.gov).

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient(s) to the State award official. The State award official will transmit the report to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request, and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) **Withholding.** The subrecipient(s) shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the

work, all or part of the wages required by the contract, the recipient may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the subgrant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at [www.dol.gov/whd/forms/wh347instr.htm](http://www.dol.gov/whd/forms/wh347instr.htm) or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR § 5.5 (a)(3)(i) of Regulations the appropriate information is being maintained under 29 CFR § 5.5 (a)(3)(i) of Regulations and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees—

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire

work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis Bacon and Related Act requirements. All rulings and interpretations of the Davis Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and subrecipient(s), the State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3 above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is

employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient shall upon the request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

(c) In addition to the clauses contained in Item 3 above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Authority and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## 5. Compliance Verification

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are included with this packet.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the subrecipient should conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed below and to the appropriate DOL Wage and Hour District Office listed at [www.dol.gov/whd](http://www.dol.gov/whd).

**Joe Ochab, EPA Region 9, 75 Hawthorne St. (P-22), San Francisco, CA 94105**

**Water Infrastructure Finance Authority of Arizona  
Clean Water Revolving Fund  
Drinking Water Revolving Fund**

**Equal Employment**

Inclusion of these seven clauses (excerpt from Executive Order No. 11246, Section 202 as amended by Executive Order 11375 and 12086) is required in all CWRF and DWRF project related contracts and subcontracts over \$10,000:

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and all of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order No. 11246 of Sept. 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in

Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of Sept. 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

**Water Infrastructure Finance Authority of Arizona  
Clean Water Revolving Fund  
Drinking Water Revolving Fund**

**Disadvantaged Business Enterprises (DBE)**

**Good Faith Efforts**

Borrowers and their prime contractors must follow, document, and maintain documentation of their good faith efforts as listed below to ensure that Certified Disadvantage Business Enterprises (DBEs) have the opportunity to participate in the project by increasing DBE awareness of procurement efforts and outreach.

1. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities; including placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitation for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
3. Consider in the contracting process whether firms competing for large contracts could be subcontracted with DBEs. This will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the U. S. Department of Commerce.
6. If the prime contractor awards subcontracts, require the prime contractor to take the steps in numbers 1 through 5 above.

**Required Contract Conditions**

These conditions must be included in all procurement contracts entered into by the Borrower for all DWRP and CWRP projects:

1. The prime contractor must pay its subcontractor for satisfactory performance no more than 30 days from the prime contractor's receipt of payment from the owner.
2. The prime contractor must notify the owner in writing prior to the termination of any Disadvantage Business Enterprise subcontractor for convenience by the prime contractor.
3. If a Disadvantage Business Enterprise contractor fails to complete work under the subcontract for any reason, the prime contractor must employ the six good faith efforts if soliciting a replacement contractor.
4. The prime contractor must continue to employ the six good faith efforts even if the prime contractor has achieved its fair share objectives.

5. The prime contractor must provide EPA Form 6100-2 DBE Program Subcontractor Participation Form\*\* to all of its Disadvantaged Business Enterprise subcontractors. Disadvantaged Business Enterprise subcontractors may send completed Form 6100-2 directly to the Region 9 DBE Coordinator listed below:

**Joe Ochab, EPA Region 9, 75 Hawthorne St. (P-22), San Francisco, CA 94105**

6. The prime contractor must have its Disadvantaged Business Enterprise subcontractors complete EPA Form 6100-3 - DBE Program Subcontractor Performance Form\*\*. The prime contractor must include all completed forms as part of the prime contractor's bid or proposal package to the Borrower.
7. The prime contractor must complete and submit EPA 6100-4 DBE Program Subcontractor Utilization Form\*\* as part of the prime contractor's bid or proposal package to the Borrower.
8. A Borrower must ensure that each procurement contract it awards contains the following terms and conditions:

The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.

**\*\* DBE forms can be downloaded from [www.epa.gov/osbp/grants.htm](http://www.epa.gov/osbp/grants.htm)**

## **Exhibit F**

**Company balance sheet and income statement data**

	1 Month Ended October 31, 2010		10 Months Ended October 31, 2010	
<b>Income</b>				
SALES -	\$9,736.42	100.0%	\$90,051.62	100.0%
TOTAL Income	9,736.42	100.0%	90,051.62	100.0%
NET INCOME	9,736.42	100.0%	90,051.62	100.0%
<b>Expenses</b>				
TED GAFFIN	250.00	2.6%	3,712.00	4.1%
A.P.S.	836.60	8.6%	6,748.31	7.5%
BANK SERV CHRGS.	10.00	0.1%	110.00	0.1%
CASUAL LABOR	0.00	0.0%	300.00	0.3%
WESTERN WATER WKS.	400.00	4.1%	1,950.00	2.2%
GASOLINE	54.00	0.6%	446.45	0.5%
VEHICLE EXP	43.75	0.4%	312.75	0.3%
INSURANCE-O.G.W.C	592.49	6.1%	6,427.57	7.1%
STATE FUND	0.00	0.0%	576.00	0.6%
AMER. EXPRESS..INT EXPENSE	111.29	1.1%	1,001.05	1.1%
MAINT & REPAIR - COMPUTER	440.00	4.5%	718.25	0.8%
MAINT & REPAIR-O.G.W.C	366.25	3.8%	5,829.24	6.5%
MAINT & REPAIR-SOMERTON HOUS	0.00	0.0%	193.12	0.2%
MISC. FEES/PENALTIES	0.00	0.0%	4,278.70	4.8%
OFFICE SUPPLIES	335.95	3.5%	3,110.19	3.5%
OTHER SUPPLIES	0.00	0.0%	198.16	0.2%
POSTAGE	200.99	2.1%	1,842.64	2.0%
PROPERTY TAXES-OPER PROP	2,515.55	25.8%	4,962.30	5.5%
PROPERTY TAXES-SOMERTON HOUS	0.00	0.0%	405.82	0.5%
TELEPHONE EXP.	494.58	5.1%	2,881.50	3.2%
TRAVEL, FOOD, LODG.	0.00	0.0%	294.86	0.3%
WATER ANALYSIS	75.00	0.8%	300.00	0.3%
WATER METERS	0.00	0.0%	401.67	0.4%
WELLS & EQUIPT.	0.00	0.0%	8,635.17	9.6%
FIRE HYDRANT REPAIRS	0.00	0.0%	1,485.15	1.6%
AMORTZ EXP..RATE INC	0.00	0.0%	1.00	0.0%
PAYROLL-SALARIED	4,141.80	42.5%	39,483.60	43.8%
EMPLOYERS-FICA	0.00	0.0%	1,967.97	2.2%
EMPLOYERS-MEDICARE	56.55	0.6%	573.35	0.6%
EMPLOYERS-DES PAYABLE- UC-018	37.26	0.4%	200.46	0.2%
EMPLOYERS-FUTA - 940-EZ	0.00	0.0%	212.33	0.2%
JEEP MAINT.	0.00	0.0%	52.09	0.1%
TOTAL Expenses	10,962.06	112.6%	99,611.70	110.6%
OPERATING PROFIT	(1,225.64)	-12.6%	(9,560.08)	-10.6%
<b>Other Income &amp; Expenses</b>				
FUNDS FR WIFFA - GRANT	0.00	0.0%	(550.00)	-0.6%
ESTABLISHMENT FEE	50.00	0.5%	575.00	0.6%

	1 Month Ended October 31, 2010		10 Months Ended October 31, 2010	
RE-CONNECT CHRG - DELQ.	80.00	0.8%	254.08	0.3%
NSF CHARGES	0.00	0.0%	50.00	0.1%
SOMERTON HOUSE-RENT RECD	300.00	3.1%	3,000.00	3.3%
<b>TOTAL Other Income &amp; Expenses</b>	<b>430.00</b>	<b>4.4%</b>	<b>3,329.08</b>	<b>3.7%</b>
<b>PROFIT BEFORE TAXES</b>	<b>(795.64)</b>	<b>-8.2%</b>	<b>(6,231.00)</b>	<b>-6.9%</b>
<b>NET PROFIT</b>	<b>(\$795.64)</b>	<b>-8.2%</b>	<b>(\$6,231.00)</b>	<b>-6.9%</b>

As of: October 31, 2010

ASSETS

Current Assets:

CASH IN CHECKING ACCT.	\$92.75	
GRANT CKG ACCT.	70.45	
CASH IN SAVINGS ACCT.	122.57	
PETTY CASH	300.00	
BLDG & OTHER DEPR. ASSETS	184,549.21	
ACCUM. DEPRECIATION	(209,263.00)	
LAND	3,739.00	
SOMERTON HOUSE	30,000.00	
COMPUTER EQUIPMENT	12,687.64	
COMPUTER SOFTWARE	2,998.37	
WATER TANK	14,004.53	
95 DODGE VAN	800.00	
CHEV. VAN	2,624.25	
JEEP	6,534.00	
RATE INCREASE	4,840.90	
<b>TOTAL Current Assets</b>		<b>\$54,100.67</b>
<b>TOTAL ASSETS</b>		<b>\$54,100.67</b>

LIABILITIES

Current Liabilities:

SALES TAX PAYABLE	\$763.95	
ADV IN AID OF CONSTR.	43,950.00	
AMORTIZATION-A.I.A OF C	(23,831.00)	
AMER. EXPRESS	3,970.40	
STOCKHOLDERS LOANS...MISC	8,106.82	
STKHDRS LN...PROP TAXES	5,615.55	
STKHDRS LN...WELL #2 & #3	6,550.00	
FEDERAL W/HLDG	373.54	
FICA (S.S.)	517.17	
MEDICARE	120.95	
FEDERAL UMEMPL (FUTA)	212.33	
STATE W/HLDG - A-1 QRTL	117.40	
STATE UMEMPLY (SUTA)	14.16	
STAN HILL - 95 DODGE VAN	100.00	
A.E.A..FCU	1,981.70	
T. BOURASSAS (RATE INC)	263.90	
	<hr/>	
TOTAL Current Liabilities		\$48,826.87

TOTAL LIABILITIES

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48,826.87

CAPITAL

COMMON STOCK 4,070.00

As of: October 31, 2010

PAID IN CAPITAL	1,934.00	
RETAINED EARNINGS	5,500.80	
Year-to-Date Earnings	(6,231.00)	
	<hr/>	
TOTAL CAPITAL		5,273.80

TOTAL LIABILITIES & CAPITAL

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\$54,100.67

Dec 31, 2010

10:51 am

**ORANGE GROVE WATER CO., INC.**

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**PRELIMINARY Income Statement**

	1 Month Ended December 31, 2010		12 Months Ended December 31, 2010	
<b>Income</b>				
SALES -	\$8,310.70	100.0%	\$107,210.86	100.0%
TOTAL Income	8,310.70	100.0%	107,210.86	100.0%
NET INCOME	8,310.70	100.0%	107,210.86	100.0%
<b>Expenses</b>				
TED GAFFIN	0.00	0.0%	3,712.00	3.5%
A.P.S.	711.96	8.6%	8,297.27	7.7%
BANK SERV CHRGS.	15.00	0.2%	135.00	0.1%
CASUAL LABOR	0.00	0.0%	800.00	0.7%
WESTERN WATER WKS.	300.00	3.6%	2,250.00	2.1%
GASOLINE	20.00	0.2%	516.45	0.5%
VEHICLE EXP	52.09	0.6%	364.84	0.3%
INSURANCE-O.G.W.C	592.49	7.1%	7,612.55	7.1%
STATE FUND	0.00	0.0%	576.00	0.5%
A.E.A...INT.EXPENSE	532.98	6.4%	532.98	0.5%
AMER. EXPRESS..INT EXPENSE	121.93	1.5%	1,238.31	1.2%
MAINT & REPAIR - COMPUTER	0.00	0.0%	718.25	0.7%
MAINT & REPAIR-O.G.W.C	734.33	8.8%	7,050.77	6.6%
MAINT & REPAIR-SOMERTON HOUS	0.00	0.0%	193.12	0.2%
MISC. FEES/PENALTIES	40.00	0.5%	4,318.70	4.0%
OFFICE SUPPLIES	175.90	2.1%	3,573.17	3.3%
OTHER SUPPLIES	0.00	0.0%	198.16	0.2%
	612.98	7.4%	912.98	0.9%
POSTAGE	177.73	2.1%	2,196.37	2.0%
PROPERTY TAXES-OPER PROP	0.00	0.0%	4,962.30	4.6%
PROPERTY TAXES-SOMERTON HOUS	0.00	0.0%	405.82	0.4%
SMALL TOOLS	312.12	3.8%	360.39	0.3%
TELEPHONE EXP.	249.42	3.0%	3,288.24	3.1%
TRAVEL, FOOD, LODG.	0.00	0.0%	294.86	0.3%
WATER ANALYSIS	50.00	0.6%	1,383.85	1.3%
WATER METERS	0.00	0.0%	401.67	0.4%
WELLS & EQUIPT.	36.18	0.4%	8,671.35	8.1%
FIRE HYDRANT REPAIRS	0.00	0.0%	1,485.15	1.4%
AMORTZ EXP..RATE INC	0.00	0.0%	1.00	0.0%
PAYROLL-SALARIED	2,674.60	32.2%	45,800.00	42.7%
EMPLOYERS-FICA	936.20	11.3%	2,904.17	2.7%
EMPLOYERS-MEDICARE	49.30	0.6%	679.20	0.6%
EMPLOYERS-DES PAYABLE- UC-018	0.00	0.0%	200.46	0.2%
EMPLOYERS-FUTA - 940-EZ	0.00	0.0%	212.33	0.2%
JEOP MAINT.	(52.09)	-0.6%	0.00	0.0%
TOTAL Expenses	8,343.14	100.4%	116,247.71	108.4%
OPERATING PROFIT	(32.44)	-0.4%	(9,036.85)	-8.4%

Dec 31, 2010

10:51 am

# ORANGE GROVE WATER CO., INC.

## Income Statement

	1 Month Ended December 31, 2010		12 Months Ended December 31, 2010	
<b>Other Income &amp; Expenses</b>				
FUNDS FR WIPFA - GRANT	0.00	0.0%	(550.00)	-0.5%
ESTABLISHMENT FEE	25.00	0.3%	725.00	0.7%
RE-CONNECT CHRG - DELQ.	0.00	0.0%	254.08	0.2%
NSF CHARGES	0.00	0.0%	50.00	0.0%
SOMERTON HOUSE-RENT RECD	0.00	0.0%	3,000.00	2.8%
<b>TOTAL Other Income &amp; Expenses</b>	<b>25.00</b>	<b>0.3%</b>	<b>3,479.08</b>	<b>3.2%</b>
<b>PROFIT BEFORE TAXES</b>	<b>(7.44)</b>	<b>-0.1%</b>	<b>(5,557.77)</b>	<b>-5.2%</b>
<b>NET PROFIT</b>	<b>(\$7.44)</b>	<b>-0.1%</b>	<b>(\$5,557.77)</b>	<b>-5.2%</b>

Dec 31, 2010

10:52 am

# ORANGE GROVE WATER CO., INC.

## PRELIMINARY Balance Sheet

As of: December 31, 2010

### ASSETS

Current Assets:

CASH IN CHECKING ACCT.	\$71.59	
GRANT CKG ACCT.	70.45	
CASH IN SAVINGS ACCT.	102.37	
PETTY CASH	300.00	
BLDG & OTHER DEPR. ASSETS	184,549.21	
ACCUM. DEPRECIATION	(209,263.00)	
LAND	3,739.00	
SOMERTON HOUSE	30,000.00	
COMPUTER EQUIPMENT	12,687.64	
COMPUTER SOFTWARE	2,998.37	
WATER TANK	14,004.53	
95 DODGE VAN	800.00	
CHEV. VAN	2,624.25	
JEEP	6,534.00	
RATE INCREASE	4,840.90	
	<hr/>	
TOTAL Current Assets		\$54,059.51
		<hr/>
TOTAL ASSETS		\$54,059.51
		<hr/>

### LIABILITIES

Current Liabilities:

SALES TAX PAYABLE	\$653.03	
ADV IN AID OF CONSTR.	43,950.00	
AMORTIZATION-A.I.A OF C	(23,831.00)	
AMER. EXPRESS	3,753.30	
STOCKHOLDERS LOANS...MISC	8,792.82	
STKHDRS LN..PROP TAXES	3,215.55	
STKHDRS LN...WELL #2 & #3	5,375.00	
FEDERAL W/HLDG	373.54	
FICA (S.S.)	486.17	
MEDICARE	113.70	
FEDERAL UMEMPL (FUTA)	212.33	
STATE W/HLDG - A-1 QRTL	339.20	
STATE UEMPLY (SUTA)	14.16	
A.E.A..PCU	4,664.68	
	<hr/>	
TOTAL Current Liabilities		\$48,112.48
		<hr/>
TOTAL LIABILITIES		48,112.48

### CAPITAL

COMMON STOCK	4,070.00
PAID IN CAPITAL	1,934.00
RETAINED EARNINGS	5,500.80
Year-to-Date Earnings	(5,557.77)

Dec 31, 2010

10:52 am

# ORANGE GROVE WATER CO., INC.

## Balance Sheet

As of: December 31, 2010

TOTAL CAPITAL

5,947.03

TOTAL LIABILITIES & CAPITAL

\$54,059.51

**ORANGE GROVE WATER COMPANY**  
**IMPORTANT NOTICE REGARDING AN INCREASE IN UTILITY RATES**

Orange Grove Water Company filed an application with the Arizona Corporation Commission (ACC) for an approximate 32.0 percent increase in the average residential water customer using a 5/8 x 3/4 inch meter and consuming 8,846 gallons per month. The Company's last increase was effective October 1, 1983. After hearing and evaluating all the evidence, the ACC authorized a 31.2 percent increase to that same customer (Decision 71110, June 5, 2009). That represents an increase of \$7.39 per month for the average customer, an increase from \$23.69 to \$31.08 per month. The exact increase in your monthly bill will vary depending on the customer class to which you belong, the amount of your monthly consumption and the size of your water meter. The following rates and charges will be effective for services provided on and after July 1, 2009:

**MONTHLY USAGE CHARGE**

Meter Size	Gallons Included	Monthly Minimum
5/8 X 3/4	0	\$ 11.50
3/4 Inch	0	\$ 17.25
1 Inch	0	\$ 28.75
1 1/2 Inch	0	\$ 57.50
2 Inch	0	\$ 92.00
3 Inch	0	\$ 184.00
4 Inch	0	\$ 287.50
6 Inch	0	\$ 575.00

**COMMODITY RATES (per 1,000 gallons)**

All Meter Sizes	Per 1,000 Gallons
0 to 3,000 Gallons	\$ 2.00
3,001-8,000 Gallons	\$ 2.25
Over 8,000 Gallons	\$ 2.75

**OTHER WATER RATES**

Service Line and Meter Advance at time of initial service  
 (Refundable pursuant to A.A.C. R14-2-405)

Meter Size	Service Line Installation	Meter Installation	Total Charge
5/8 x3/4 Inch	\$ 415.00	\$ 105.00	\$ 520.00
3/4 Inch	\$ 415.00	\$ 205.00	\$ 620.00
1 Inch	\$ 465.00	\$ 265.00	\$ 730.00
1 1/2 Inch	\$ 520.00	\$ 475.00	\$ 995.00
2" Meter - Turbine	\$ 800.00	\$ 995.00	\$ 1,795.00
2" Meter - Compound	\$ 800.00	\$ 1,840.00	\$ 2,640.00
3" Meter - Turbine	\$ 1,015.00	\$ 1,620.00	\$ 2,635.00
3" Meter - Compound	\$ 1,135.00	\$ 2,495.00	\$ 3,630.00
4" Meter - Turbine	\$ 1,430.00	\$ 2,570.00	\$ 4,000.00
4" Meter - Compound	\$ 1,610.00	\$ 3,545.00	\$ 5,155.00
6" Meter - Turbine	\$ 2,150.00	\$ 4,925.00	\$ 7,075.00
6" Meter - Compound	\$ 2,270.00	\$ 6,820.00	\$ 9,090.00

**WATER SERVICE CHARGES**

	Charge
A Establishment of Service	\$ 25.00
B Establishment of Service (After Hours)	\$ 40.00
C Re-establishment of Service (Within 12 Months)	Per Rule A.A.C. R-14-403(D)**
D Reconnection (Delinquent)	\$ 40.00
E Moving Customer Meter (Customer Request)	Per Rule A.A.C. R-14-2-405
F After Hours Service Charge	Cost, per A.A.C. R-14-2-403(D)
G Minimum Deposit Requirement	Per Rule A.A.C. R-14-2-403(B)
H Deposit Interest	Per Rule A.A.C. R-14-2-403(B)
I Meter Test (If Correct)	\$ 25.00
J Meter Reread	\$ 30.00
K Charge for NSF Check	\$ 25.00
L Deferred Payment Finance Charge	1.5%

**Exhibit G**  
**Notice to Customers**

**PUBLIC NOTICE**  
**OF**  
**AN APPLICATION FOR AN ORDER**

**AUTHORIZING THE ISSUANCE OF Debt BY Orange Grove Water Company**

OGWC filed an Application with the Arizona Corporation Commission for an order authorizing Applicant to issuance \$200,000.00 of Debt. The application is available for inspection during regular business hours at the office of the Commission in Phoenix, Arizona, and the Company's offices in Somerton, Arizona.

Intervention in the Commission's proceedings on the application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon applicant and which, at a minimum, shall contain the following information:

1. The name, address and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding.
3. Whether the proposed intervenor desires a formal evidentiary hearing on the application and the reasons for such a hearing.
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, the 15<sup>th</sup> day after this notice