

ORIGINAL



0000140150

MEMORANDUM

AZ CORP COM  
DOCKET CONTROL

2012 OCT 23 AM 11:01

Arizona Corporation Commission

DOCKETED

OCT 23 2012

TO: Docket Control Center  
FROM: <sup>BKB</sup> Brian K. Bozzo  
Compliance and Enforcement Manager  
Utilities Division

DATE: October 23, 2012

RE: APPALOOSA WATER COMPANY  
DOCKET NOS. W-03443A-10-0143 & W-03443A-11-0040  
DECISION NO. 73270



On September 19, 2012, Staff docketed a compliance memorandum discussing a Commission ordering paragraph that requires the Company to provide documentation of total compliance with the Arizona Department of Environmental Quality ("ADEQ"). The Commission order is shown below:

"IT IS FURTHER ORDERED that the above rates and charges approved herein shall become effective for all services on the first day of the month after Appaloosa Water Company files with Docket control, as a compliance item in this docket, documentation that the Company's water system is in total compliance with Arizona Department of Water Quality regulations."

The paragraph states that the Company can charge its newly authorized rates only after total compliance with ADEQ has been confirmed. At the time of Staff's September 19, 2012 memorandum, no updated ADEQ status report had been received by the Commission.

On October 19, 2012, Staff received the attached ADEQ Drinking Water Compliance Status Report. The overall compliance status shows "Major deficiencies" which indicates that the Company is not in total compliance with ADEQ. Based on this, Staff concludes and provides notice that the Company has not fulfilled the conditional requirement ordered by the Commission and is thereby not currently authorized to charge the new rates outlined in Decision No. 73270.

Originator: Brian K. Bozzo

Attachment

**Arizona Department of Environmental Quality**  
**Drinking Water Monitoring and Protection Unit**  
 Mail Code 5415B-2  
 1110 West Washington Street  
 Phoenix, AZ 85007

## Drinking Water Compliance Status Report

<b>System Name</b>	<b>System Type</b>	<b>Is system consecutive?</b>
APPALOOSA MEADOWS SUBD	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
<b>System ID #</b>	<input type="checkbox"/> Non-transient Non-community	<input checked="" type="checkbox"/> No
13208	<input type="checkbox"/> Transient Non-community	

<b>Overall compliance status</b>	<input type="checkbox"/> No major deficiencies	<input checked="" type="checkbox"/> Major deficiencies
<b>Monitoring and Reporting status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: The arsenic treatment system was installed in 2009, and they completed initial monitoring. PWS was required to begin quarterly compliance monitoring beginning 3Q09. Samples submitted from the 3Q09 thru 1Q10 were all less than the MCL. Results submitted for 2Q10 (no 3Q10 sample was submitted), 4Q10, 1Q11, 2Q11, and 3Q11 were greater than the MCL, and the running annual average (RAA) at the end of the 4Q11 exceeded the MCL, with 11.2 ppb. However, samples taken in 4Q11, 1Q12, 2Q12 and 3Q12 are all below 4 ppb, which brings the RAA into compliance. The PWS needs to maintain the As media in order to avoid increasing As levels and future MCLs, as the 3Q12 has already doubled from the results of the -previous three quarters, which is the trend as the media expires.		

<b>Operation and Maintenance status</b>	<input type="checkbox"/> No major deficiencies	<input checked="" type="checkbox"/> Major deficiencies
<b>Date of last Sanitary Survey</b>	5-3-11	<b>Inspector</b> James Jones, NRO
Major unresolved/ongoing operation and maintenance deficiencies: <input type="checkbox"/> unable to maintain 20psi <input type="checkbox"/> cross connection/backflow problems <input type="checkbox"/> treatment deficiencies <input type="checkbox"/> certified operator <input type="checkbox"/> inadequate storage <input type="checkbox"/> surface water treatment rule <input type="checkbox"/> ATC/AOC <input type="checkbox"/> other =		
Comments: Significant treatment and M&R deficiencies. Minor deficiencies for O&M. Recommendations for source - well site not secured with a lock or well house, arsenic backwash tank overflow pipe needs #16 mesh screen. A formal NOV issued 12/30/08 for arsenic issue. A formal NOV was issued 6/30/11 for no MSSP.		

<b>Is an ADEQ administrative order in effect?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: None		

System Information	
Population Served	500
Service Connections	232
Number of Entry Points to the Distribution System	1
Number of Sources	2
Initial Monitoring Year	1999
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Evaluation completed by</b>	Donna Calderon, Manager  Drinking Water Monitoring and Protection Unit
<b>Phone</b>	602-771-4641
<b>Date</b>	October 16, 2012
<input type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and <b>PWS is in compliance.</b>
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or <b>PWS is not in compliance.</b>
<input checked="" type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or <b>PWS is not in compliance.</b>

***This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.***