



BEFORE THE DIRECTOR OF THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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In the Matter of:)	CONSENT ORDER WITH CIVIL
)	ADMINISTRATIVE PENALTY
Arizona American Water - Paradise Valley)	
located at 5975 North Miller Road Scottsdale,)	Docket No. DW-27-08
Maricopa, Arizona)	
)	
PWS AZ0407056)	
)	

To: Arizona American Water Company ("Arizona American") in its capacity as owner and operator of Arizona American Water - Paradise Valley located at 5975 North Miller Road, Scottsdale, Maricopa, Arizona.

RECITALS

Arizona American acknowledges that no promise of any kind or nature whatsoever, was made to induce it to enter into this Consent Order, and Arizona American has done so voluntarily.

By entering into this Consent Order, Arizona American does not admit to any civil or criminal liability, or waive any right including but not limited to the assertion of any defense available to Arizona American under applicable law. Further, Arizona American does not admit, and both the Arizona Department of Environmental Quality ("ADEQ") and Arizona American retain the right to controvert in any subsequent proceeding except a proceeding to implement or enforce this Consent Order, the validity of any Findings of Fact or Conclusions of Law contained in this Consent Order.

By entering into this Consent Order, Arizona American and ADEQ intend to resolve all violations of the Safe Drinking Water Act and the Clean Water Act that arise from the events described in this Consent Order.

Initial

1 The undersigned representative of Arizona American certifies that he is fully authorized
2 to execute this Consent Order on behalf of Arizona American and to legally bind Arizona
3 American to this Consent Order.

4 Arizona American admits to the jurisdiction of the Director of ADEQ.

5 Except as to the right to controvert the validity of any Findings of Fact or Conclusion of
6 Law contained in this Consent Order in a proceeding other than to enforce this Consent Order,
7 Arizona American consents to the terms and entry of this Consent Order and agrees not to
8 contest the validity or terms of this Consent Order in any subsequent proceeding.

9 **THEREFORE, IT IS HEREBY ORDERED** as follows:

10 **I. JURISDICTION**

11 The Director of ADEQ has jurisdiction over the subject matter of this action and is authorized
12 to issue this Consent Order pursuant to the Arizona Revised Statutes ("A.R.S.") §§ 49-354 and
13 41-1092.07(F)(5).

14 **II. FINDINGS**

15 **THE DIRECTOR HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND**
16 **CONCLUSIONS OF LAW:**

17 **A. Findings of Fact**

18 1. Arizona American owns and/or operates Arizona American Water -
19 Paradise Valley located at 5975 North Miller Road, Scottsdale, Maricopa, Arizona.

20 2. A portion of the water served to Arizona American's customers is
21 groundwater pumped from the North Indian Bend Wash ("NIBW"), a United States
22 Environmental Protection Agency ("USEPA") Superfund Site. Currently, the NIBW
23 groundwater from wells PCX-1 and PVW-15 is treated at the Miller Road Treatment Facility
24 ("MRTF") with air blowers to strip the contaminants of concern from the groundwater ("air
25 stripping towers"). The groundwater from PVW-14 has prior engineering and Approval of

1 Construction to convey water through the treatment process at the MRTF or to convey water
2 directly to the Paradise Valley Arsenic Remediation Facility ("PVARF"), thus bypassing the
3 MRTF without treatment. The main contaminant of concern is trichloroethylene ("TCE").
4 Major sources of TCE are discharges to groundwater from metal degreasing sites and other
5 factories. Some people who drink water containing TCE in excess of the maximum contaminant
6 level ("MCL") over many years could experience problems with their liver and may have an
7 increased risk of getting cancer. The air stripping towers generally reduce the levels of TCE in
8 the groundwater from a range of 60-70 micrograms per liter ("ug/L") to less than 5 ug/L, which
9 is the MCL for safe drinking water in Arizona. The MCL is the maximum level of a
10 contaminant in water that may be delivered at the entry point to the distribution system
11 ("EPDS") of a public water system.

12 3. From approximately October 9, 2007 through October 17, 2007, a
13 maintenance operation was conducted at the MRTF, involving the rehabilitation of the treatment
14 system equipment. During this maintenance operation, there was incomplete remediation of the
15 groundwater pumped from one or more of the air stripping towers, resulting in the delivery of
16 water in excess of the MCL for TCE to the Paradise Valley Arsenic Removal Facility. This
17 water was subsequently blended with other sources of water prior to entry into the distribution
18 system. Neither the ADEQ Drinking Water Program nor Maricopa County Environmental
19 Services Division ("MCESD"), the entity delegated by ADEQ to administer the requirements for
20 Safe Drinking Water in Maricopa County, was notified of this event until approximately one
21 month later, within 24 hours of Arizona American receiving laboratory results for TCE samples
22 taken on October 15, 2007.

23 4. On January 15, 2008, at approximately 2:30 p.m., the blower in tower 3 of
24 the MRTF shut down, resulting in no packed tower aeration ("PTA") to the approximately 2,500
25 gallons per minute ("gpm") flow of water pumped from well PCX-1 into the MRTF and

1 ultimately into the Arizona American distribution system. Although the tower is equipped with
2 multiple alarms and interlocks, all failed to activate and the well continued to pump groundwater
3 into the distribution system without PTA treatment.

4 5. On January 16, 2008, at approximately 6:30 a.m., an operator for Arizona
5 American noticed that the blower in tower 3 of the MRTF was not operating and restarted the
6 blower. At 9:30 a.m., Arizona American shut down operation of the MRTF.

7 6. On January 16, 2008, at approximately 3:30 p.m., Arizona American
8 notified MCESD of the failure of treatment of the groundwater delivered to the Arizona
9 American Water - Paradise Valley distribution system. On January 16, 2008, at approximately
10 3:45 p.m., ADEQ was notified of the same.

11 7. On January 16, 2008, at approximately 5:00 p.m., Arizona American
12 began using a "reverse 911" system to notify its customers by telephone not to drink their tap
13 water. According to Arizona American, the reverse 911 system reached approximately 65-70%
14 of its customers. At approximately 5:00 p.m., Arizona American also issued a press release to
15 the local media outlets, informing its customers not to drink their tap water or use it for food
16 preparation.

17 8. On January 16, 2008, continuing through January 18, 2008, Arizona
18 American tested EPDS #004 which receives finished water, in part, from the MRTF and at
19 sixteen (16) points throughout the distribution system. TCE levels above the MCL ranged from
20 6 to 23 ug/L throughout the distribution system and EPDS. Results from tests conducted on
21 January 17, 2008 and received on January 18, 2008 indicated TCE levels below the MCL at
22 thirteen (13) points and above the MCL at three (3) points. By January 19, 2008, Arizona
23 American received analytical results from samples collected on January 18, 2008 showing
24 concentrations below the MCL of 5 ug/L at all sampling points. Based upon these analytical
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1 results, the recommendation not to drink the water was lifted by Arizona American on January
2 19, 2008 with approval from ADEQ and MCESD.

3 9. On January 17, 2008, Arizona American flushed the distribution system
4 by discharging water in excess of the MCL for TCE into the municipal separate storm sewer
5 system ("MS4") in Paradise Valley and Scottsdale. These MS4s ultimately discharge to Indian
6 Bend Wash, which then discharges to the Salt River, a water of the United States. This discharge
7 was conducted without an Arizona Pollution Discharge Elimination System ("AZPDES") permit
8 from ADEQ, or the prior knowledge of either MCESD or ADEQ.

9 B. Conclusions of Law

10 1. Arizona American Water - Paradise Valley is a "public water system" as
11 defined in A.R.S. § 49-352(B) and A.A.C. R18-4-101.

12 2. Arizona American Water - Paradise Valley is a "community water
13 system" as defined in A.A.C. R18-4-101.

14 3. Arizona American Water - Paradise Valley, as owner and operator of
15 Arizona American Water - Paradise Valley, is a "water supplier" as defined in A.A.C. R18-4-
16 101.

17 4. Between October 9, 2007 and January 18, 2008, Arizona American failed
18 to maintain and keep in proper operating condition all facilities used in production, treatment,
19 and distribution of the water supply in order to comply with Safe Drinking Water regulations, in
20 violation of Arizona Administrative Code ("A.A.C.") R18-4-124.

21 5. Arizona American failed to notify MCESD, ADEQ or the public in a
22 timely manner regarding the events of October, 2007; and also failed to notify MCESD or
23 ADEQ in a timely manner regarding the events of January, 2008, in violation of A.A.C. R18-4-
24 104.

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1 6. Arizona American failed to implement an adequate Emergency Operations
2 Plan to address the events in January, 2008, in violation of A.A.C. R18-4-116.

3 7. From January 15 through January 18, 2008, Arizona American distributed
4 water to a community water system that exceeded the MCL for TCE, in violation of A.A.C. R18-
5 4-211.

6 8. Arizona American failed to use best available technology ("BAT") at the
7 MRTF, in violation of A.A.C. R18-4-220.

8 **III. COMPLIANCE SCHEDULE**

9 **THE DIRECTOR HEREBY ORDERS** and Arizona American agrees to comply with the
10 provisions of this Consent Order as follows:

11 A. Within five (5) calendar days of the effective date of this Consent Order, Arizona
12 American shall provide to MCESD and ADEQ a written plan describing the proposed interim
13 operation of the MRTF ("Interim Plan"), in order to operate PVW-14 and PVW-15 for delivery
14 to the PWS distribution system until a permanent solution is approved by ADEQ and MCESD in
15 the Operations Plan referenced in Section III(C) of this Consent Order. The Interim Plan shall
16 include a statement from Arizona American that groundwater from well PCX-1 will no longer be
17 a source for the PWS and that Arizona American has adequate remaining sources of water so the
18 PWS maintains a minimum flow rate of 20 pounds per square inch ("psi") at all times. The
19 Interim Plan shall also include a description of how the portion of the MRTF treating PCX-1
20 shall be physically separated (air gapped) from the distribution system for the PWS prior to start-
21 up of the MRTF. The report shall describe how Arizona American will use the MRTF to treat
22 groundwater from PVW-15 and a contingency plan to use the MRTF to treat groundwater from
23 PVW-14, if required under Section III(D) of this Consent Order, and shall include a plan for the
24 presence of a certified operator at the MRTF at all times in which water treated at the MRTF is
25 delivered to the distribution system of the PWS. MCESD and ADEQ will review the Interim

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1 Plan and provide written comments to Arizona American in a timely manner. Within five (5)
2 business days of receipt of written comments from MCESD and ADEQ, Arizona American shall
3 address all requested modifications, changes or other issues, and if necessary, resubmit the
4 Interim Plan to MCESD and ADEQ. In no event shall groundwater treated at the MRTF be
5 delivered to the distribution system of the PWS until the Interim Plan is approved in writing by
6 ADEQ and all appropriate design approvals, permits and applicable Approvals of Construction
7 are obtained in writing by Arizona American from MCESD. In the event it does not require
8 contingency treatment pursuant to Section III(D) of this Consent Order, Arizona American may
9 proceed to deliver groundwater from PVW-14 to the distribution system of the PWS directly
10 through the PVARF in accordance with the previously issued permits and Approval of
11 Construction issued by MCESD or other applicable regulatory entity.

12 B. Within thirty (30) calendar days of the effective date of this Consent Order,
13 Arizona American shall provide to MCESD and ADEQ a written report describing the events
14 which occurred October 9-17, 2007 and on January 15, 2008, which resulted in incomplete
15 treatment of groundwater for removal of TCE ("Incident Report"). The Incident Report shall
16 include a seal of a professional engineer registered in Arizona certifying the contents of the
17 Incident Report, except those portions summarizing witness statements. In preparing the
18 Incident Report, Arizona American shall contract with personnel qualified to evaluate or
19 investigate the systems, components and operations in use on October, 2007 and January 2008 at
20 the MRTF and identify these personnel and their qualifications in the Incident Report. The
21 Incident Report shall include a detailed written summary of events and actions taken to date
22 regarding the events of October 9-17, 2007 and January 15, 2008; a description of the
23 components and/or operations that malfunctioned in both October 2007 and January 2008; a
24 detailed description of all actions taken to repair and/or replace the components and correct
25 operational deficiencies after the October 2007 incident; a summary of witness interviews; and

1 actions that have been taken to repair and/or replace the components and correct operational
 2 deficiencies which occurred on January 15, 2008. Arizona American shall include in the
 3 Incident Report a description of the maintenance, testing and calibration protocols the company
 4 performs to ensure the alarms and interlock systems at the MRTF function efficiently and
 5 effectively.

6 C. Within one hundred eighty (180) calendar days of the effective date of this
 7 Consent Order, Arizona American shall provide to MCESD and ADEQ a written Operations
 8 Plan, sealed by a professional engineer registered in the State of Arizona, for the permanent
 9 delivery and necessary treatment of groundwater from PVW-14 and PVW-15 to the PWS. The
 10 Operations Plan also shall require weekly sampling for TCE; proposed contingency treatment
 11 measures for PVW-14 and PVW-15; and a schedule for implementation of the Operations Plan.
 12 As part of the Operations Plan, Arizona American shall cause to be submitted to MCESD an
 13 application for Approval to Construct for all water treatment methods or devices, appurtenances
 14 and devices to be constructed, reconstructed, significantly modified or installed in the MRTF, at
 15 the wellhead or in the distribution system. MCESD and ADEQ will review the plan and provide
 16 written comments to Arizona American. Within fifteen (15) calendar days of receipt of written
 17 comments from MCESD and ADEQ, Arizona American shall address all requested
 18 modifications, changes or other alterations and resubmit the Operations Plans to MCESD and
 19 ADEQ. Once the Operations Plan is approved by ADEQ, Arizona American shall implement the
 20 plan in accordance with the approved schedule. Arizona American will not treat or deliver
 21 groundwater into the public water system from PVW-14 or PVW-15 in a manner that varies
 22 from the approved Interim Plan under Section III(A) of this Consent Order until it receives an
 23 Approval to Construct from MCESD, implements the approved Operations Plan and receives the
 24 prior written approval of ADEQ. Arizona American shall receive prior written approval and all
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1 appropriate permits from ADEQ and MCESD respectively prior to altering or amending the
2 Operations Plan approved pursuant to this Section.

3 D. Beginning seven (7) calendar days after the implementation of the Interim Plan
4 pursuant to Section III(A) of this Consent Order, and continuing every seven (7) calendar days
5 thereafter when PVW-14 and PVW-15 are in operation, Arizona American shall take a process
6 control sample for TCE for PVW-14 and PVW-15 at the wellhead or immediately after the TCE
7 treatment process in the event there is existing treatment. If two consecutive weekly samples
8 from PVW-14 exceed the detection limits of greater than 0.5 ug/L, but are less than the MCL for
9 TCE, Arizona American will institute a treatment protocol described in its approved Interim Plan
10 pursuant to Section III(A) of this Consent Order. If a single weekly sample result from PVW-14
11 well is greater than 5 ug/L TCE, Arizona American will treat water from PVW-14 well through a
12 MRTF tower pursuant to its approved Interim Plan pursuant to Section III(A) of this Consent
13 Order. In addition, if a single weekly sample result from PVW-14 or PVW-15 exceeds 5 ug/L
14 TCE, Arizona American shall institute contingency treatment measures in the Interim Plan
15 approved pursuant to Section III(A) of this Consent Order. These contingency treatment
16 measures shall include consecutive redundant treatment, which may include an approved
17 blending plan, and remain in operation until Arizona American has four (4) consecutive weekly
18 analytical samples with results of less than 5 ug/L TCE. Arizona American shall notify MCESD
19 and ADEQ in writing within five (5) calendar days when contingency treatment measures are
20 initiated or ceased. Beginning thirty (30) calendar days after the implementation of the Interim
21 Plan pursuant to Section III(A) of this Consent Order, and continuing every thirty (30) calendar
22 days thereafter, Arizona American shall take compliance samples for volatile organic chemicals
23 ("VOCs") from EPDS# 004 after arsenic treatment and from the effluent water from the MRTF
24 prior to the clear well/storage area if the effluent water is used in the public water system.
25 Regulatory compliance with the MCL for TCE shall be based upon the running quarterly average

1 of monthly EPDS samples. Beginning thirty (30) calendar days after the implementation of the
 2 Interim Plan pursuant to Section III(A) of this Consent Order, and continuing every thirty (30)
 3 calendar days thereafter, Arizona American shall submit to MCESD and ADEQ a report of the
 4 weekly and monthly monitoring results. Arizona American shall submit these monthly reports to
 5 MCESD and ADEQ for a minimum of one year, at which time Arizona American may request a
 6 reduction in monitoring and reporting from ADEQ.

7 E. Within ninety (90) calendar days of the effective date of this Consent Order,
 8 Arizona American shall provide to MCESD and ADEQ a plan to improve the effectiveness of its
 9 Emergency Operation Plan contact system used to contact its customers in emergency situations,
 10 including, but not limited to, future treatment failures at the MRTF or other situations in which
 11 Arizona American instructs its customers not to consume the water delivered through the
 12 distribution system. In the event Arizona American elects to continue the use of its current
 13 "reverse 911" system, the plan shall include a review of the accuracy of the telephone numbers
 14 for all customers and how Arizona American plans to improve its ability to contact all customer
 15 using this system. At a minimum, the plan shall include a review of public water system account
 16 records and an effort to obtain updated information from customers whose telephone numbers
 17 are not included in the current "reverse 911" system. Once this plan is approved by ADEQ,
 18 Arizona American shall implement the plan in accordance with the approved schedule included
 19 in the plan and incorporate the results in the Emergency Operations Plan.

20 **IV. STATUS REPORTS**

21 A. Arizona American agrees to submit a written status report to ADEQ, with a copy
 22 to MCESD, every thirty (30) calendar days beginning thirty (30) days from the effective date of
 23 this Consent Order, until termination of this Consent Order. Each written status report shall
 24 describe what measures have been taken under Section III, of this Consent Order, and shall
 25 certify when compliance with the requirements of Section III of this Order has been achieved.

1 Each report shall be accompanied by evidence of compliance including, as appropriate, submittal
2 of documents, photographs or copies of any other supporting information that Arizona American
3 deems necessary. The status report described in this Paragraph may be combined with the
4 monthly monitoring report described in Section III(D) of this Consent Order.

5 B. ADEQ will review the status reports and relay any disputes in writing to Arizona
6 American. Arizona American shall incorporate all required modifications, changes or other
7 alterations, as requested by ADEQ, within a reasonable time specified by ADEQ.

8 **V. CIVIL ADMINISTRATIVE PENALTY**

9 A. Arizona American shall pay a civil administrative penalty to the State in the
10 amount of Sixty-Nine Thousand Dollars (\$69,000.00) within thirty (30) calendar days of the
11 effective date of this Consent Order.

12 B. All payments made to the State under this Consent Order shall be by check made
13 payable to "State of Arizona" and shall be delivered or mailed to:

14 Arizona Department of Environmental Quality
15 Attention: Accounts Receivable
16 P.O. Box 18228
Phoenix, Arizona 85005-8228

17 together with a letter tendering the check. The letter shall identify this Consent Order by the
18 parties and docket number. A copy of the check shall also be sent to ADEQ pursuant to Section
19 IX.

20 C. Arizona American shall pay interest and penalties on any amount not paid by the
21 due date at the rate established pursuant to A.R.S. § 49-113. If Arizona American fails to pay the
22 full amount of the civil administrative penalty as required by this Consent Order, ADEQ may
23 terminate this Consent Order and take action to seek penalties for any and all violations covered
24 by this Consent Order.

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1 **VI. COMPLIANCE WITH OTHER LAWS**

2 A. This Consent Order does not encompass issues regarding releases, contamination,
3 sources, operations, facilities or processes not expressly covered by the terms of this Consent
4 Order, and is without prejudice to the rights of the State of Arizona or Arizona American, arising
5 under any federal or Arizona environmental statutes and rules with regard to such issues.

6 B. Nothing in this Consent Order shall constitute a permit of any kind, or a
7 modification of any permit of any kind, or an agreement to issue a permit of any kind under
8 federal, state or local law, or relieve Arizona American in any manner of its obligation to apply
9 for, obtain, and comply with all applicable permits. Nothing in this Consent Order shall in any
10 way alter, modify or revoke federal, state, or local law, or relieve Arizona American in any
11 manner of its obligation to comply with such laws. Compliance with the terms of this Consent
12 Order shall not be a defense to any action to enforce any such permits or laws.

13 **VII. FORCE MAJEURE**

14 A. Arizona American shall perform all the requirements of this Consent Order
15 according to the time limits set forth herein, unless performance is prevented or delayed by
16 events which constitute a *force majeure*. *Force majeure*, for the purposes of this Consent Order,
17 is defined as any event, arising from causes beyond the control of Arizona American or its
18 authorized representatives which delays or prevents the performance of any obligation under this
19 Consent Order and which could not have been overcome or prevented by Arizona American.
20 The financial inability of Arizona American to comply with the terms of this Consent Order,
21 shall not constitute a *force majeure*.

22 B. In the event of a *force majeure*, the time for performance of the activity affected
23 by the *force majeure* shall be determined by ADEQ and extended for a period no longer than the
24 delay caused by the *force majeure*. The time for performance of any activity dependent on the
25 delayed activity shall be similarly extended. In the event of a *force majeure*, Arizona American

1 shall notify ADEQ in writing within five (5) calendar days after Arizona American or its agents
2 become aware of the occurrence. The written notice provided to ADEQ shall describe in detail
3 the event, the anticipated delay, the measures taken and to be taken by Arizona American to
4 prevent or minimize delay, and a proposed timetable under which those measures will be
5 implemented. Arizona American shall take all reasonable measures to prevent or minimize any
6 delay caused by the *force majeure*. Failure of Arizona American to comply with any
7 requirements of this paragraph for a particular event, shall preclude Arizona American from
8 asserting any claim of *force majeure* for that event.

9 VIII. SITE ACCESS

10 ADEQ may at any time, upon presentation of credentials to authorized personnel on duty,
11 enter upon the premises at the Facility for the purpose of observing and monitoring compliance
12 with the provisions of this Consent Order. This right of entry shall be in addition to, and not in
13 limitation of or substitution for, ADEQ's or MCESD's rights under applicable law.

14 IX. CORRESPONDENCE

15 All documents, materials, plans, notices, or other items submitted as a result of this
16 Consent Order shall be transmitted to the addresses specified below:

17 To ADEQ:

18 Arizona Department of Environmental Quality
19 Water Quality Division
20 Attention: Cynthia Campbell, Manager
21 Compliance Section
22 1110 West Washington Street
23 Phoenix, Arizona 85007-2935
24 Telephone: (602) 771-2209
25 Email: csc@azdeq.gov

26 To MCESD:

27 Maricopa County Environmental Services Division
28 Water & Waste Management Division
29 Attention: Kevin S. Chadwick, P.E., Division Manager
30 1001 North Central Avenue, Suite 150

1 Phoenix, Arizona 85004-1940

2 To Arizona American Water Company:

3 Troy Day
4 Arizona American Water Company
5 101 Corporate Center
6 19820 North 7th Street, Suite 201
7 Phoenix, Arizona 85024
8 (623) 445-2422
9 Email: Troy.Day@amwater.com

10 Submissions to ADEQ as a result of this Consent Order shall be deemed submitted upon receipt.

11 **X. RESERVATION OF RIGHTS**

12 A. This Consent Order is based solely upon currently available information. If
13 additional information is discovered, which indicates that the actions taken under this Consent
14 Order are or will be inadequate to protect human health, safety, or the environment, or to
15 conform with applicable federal or state laws, ADEQ shall have the right to require further
16 action.

17 B. ADEQ shall have the right: to disapprove of work performed by Arizona
18 American that fails to comply with this Consent Order; to take enforcement action for any and all
19 violations of this Consent Order; and to take enforcement action for any and all violations of
20 A.R.S. Title 49, or the rules promulgated thereunder, occurring after the entry of this Consent
21 Order.

22 **XI. SEVERABILITY**

23 The provisions of this Consent Order are severable. If any provision of this Consent
24 Order is declared by a court of law to be invalid or unenforceable, all other provisions of this
25 Consent Order shall remain in full force and effect.

XII. RELEASE

Pursuant to A.R.S. § 49-354(G), upon payment of the full amount of the civil
administrative penalty in Section V, Arizona American and its past, present, and future directors,

1 officers, members, employees, agents, and successors and assigns are released from any and all
2 civil penalty liability to the State, for the violations covered by this Consent Order.

3 **XIII. MODIFICATIONS**

4 Any modifications of this Consent Order shall be in writing and must be approved by
5 both Arizona American and ADEQ.

6 **XIV. EFFECTIVE DATE**

7 The effective date of this Consent Order shall be the date this Consent Order is signed by
8 ADEQ and Arizona American. If such signatures occur on different dates, the later date shall be
9 the effective date of this Consent Order.

10 **XV. PARTIES BOUND**

11 No change in ownership, corporate status, or partnership status relating to the subject of
12 this Consent Order will in any way alter the responsibilities of Arizona American under this
13 Consent Order. Arizona American will be responsible, and will remain responsible, for carrying
14 out all activities required under this Consent Order.

15 **XVI. TERMINATION**

16 The provisions of this Consent Order shall be deemed satisfied and this Consent Order
17 shall be terminated upon receipt of written notification from ADEQ that Arizona American
18 Water Company has demonstrated, to the satisfaction of ADEQ, that all of the terms of this
19 Consent Order have been completed. Any denial of a request for termination from Arizona
20 American Water Company will be in writing and describe which terms of the Consent Order
21 have not been completed to the satisfaction of ADEQ. ADEQ reserves the right to terminate this
22 Consent Order unilaterally at any time for any reason. Any termination will include a written
23 explanation of the reason(s) for termination.

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1 ISSUED this 28th day of March, 2008

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Joan Card
Joan Card, Director
Water Quality Division
Arizona Department of Environmental Quality

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CONSENT TO ORDER

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DATED this 25th day of March, 2008

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Paul Townsley
Paul Townsley
President
Arizona American Water Company

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ORIGINAL of the foregoing Consent Order was sent certified mail, return receipt requested, this 28th day of March, 2008 to:

Corporation Service Company
2338 West Royal Palm Road, Suite-J
Phoenix, AZ 85021

COPY of the foregoing Consent Order was sent certified mail, return receipt requested, this 28th day of March, 2008 to:

Arizona American Water Company
Attention: Mike Masson
5975 North Miller Road
Scottsdale, Arizona 85250

COPY of the foregoing Consent Order was filed this 28th day of March, 2008 with:

Arizona Department of Environmental Quality
Office of Administrative Counsel
Attention: Judith Fought, Hearing Administrator
1110 West Washington Street
Phoenix, Arizona 85007-2935

COPIES of the foregoing Consent Order were sent by regular/interdepartmental mail, this 28th day of March, 2008 to the following:

Tamara Huddleston, Chief Counsel, Environmental Enforcement Section
Arizona Attorney General

Joan Card, Director, Water Quality Division
Amanda Stone, Director, Waste Programs Division

John Power
Maricopa County Environmental Services
1001 North Central Avenue
Phoenix, Arizona 85004

Patrick Chan, EES - WTR - 6
USEPA Region IX
75 Hawthorne Street
San Francisco, CA 94105

Steve Olea
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2996