

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
SANDRA D. KENNEDY
PAUL NEWMAN
BOB STUMP
BRENDA BURNS

IN THE MATTER OF THE APPLICATION OF
FAR WEST WATER & SEWER COMPANY FOR
A DETERMINATION OF THE FAIR VALUE OF
ITS SEWER UTILITY PLANT AND PROPERTY
AND FOR INCREASES IN ITS RATES.

DOCKET NO. WS-03478A-08-0454

**FAR WEST WATER & SEWER COMPANY
FEBRUARY 4, 2011, STATUS MEETING**

Far West's January 31, 2011, Letter to ADEQ

A copy of Far West's January 31, 2011, Letter to ADEQ is attached. It provides details concerning the status of plant construction. It also states that GE/Zenon is expected to begin final construction to allow commissioning of the Section 14 and Del Oro upgrades in March, 2011, and full operation by early April 2011.



FAR WEST WATER & SEWER, INC.

January 31, 2011

Marcia Colquit
Water Quality Enforcement Unit
Water Quality Compliance Section
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, Arizona, 85007

Re: State of Arizona v. Far West Water and Sewer, Inc.
CV2008-021676

Dear Ms. Colquit,

Pursuant to Section VII, paragraph E, of the Consent Judgment filed on June 22, 2010 the following report is being made on behalf of Far West Water and Sewer, Inc:

Compliance Schedule A:

Item 2 of the section titled: Section 14 WWTP, requires the following:

- a.. Complete all installation and construction activities;
- b. Inspections by equipment representatives;
- c. Installation of additional equipment as necessary;
- d. Plant start-up and commissioning;
- e. Stabilization of operations.

Far West has completed the installation and construction of the equipment necessary for the start up of Phase 1 of the Section 14 WWTP. However, as set forth in the progress report for the fourth quarter submitted to ADEQ on January 13, 2011, plant start up and commissioning has not taken place. The membranes for the membrane filtration system are at the facility, but will not be placed into service without a representative of the manufacturer, GE/Zenon, being present. At the same time, system integration by GE/Zenon and Vertech. will take place. The completion of wiring required by Vertech as set forth in the progress report has been completed and is ready for

system integration. Also, all other equipment for Phase 1 has been tested and has been found to be functioning properly.

Based upon information received from representatives of GE/Zenon this date, Far West expects to receive a written proposal from GE/Zenon within the next few days that will allow for the commissioning of the Section 14 WWTP this March, with stabilization of operations by the end of April 2011.

Far West respectfully requests an extension to time to complete start-up, commissioning, and stabilization of operations of Phase 1 of the Section 14 WWTP to April 30, 2011.

Item 8, of the section titled: Del Oro WWTP Phase I, requires the following:

- a.. Removal of the temporary 0.300 MGD MBR treatment module, and installation of a permanent 0.300 MGD MBR treatment module to the WWTP;
- b. Inspection by equipment representatives;
- c. Installation of additional equipment as necessary;
- d. Plant start-up and commissioning;
- e. Plant stabilization;
- f. Begin routine operation;
- g. Submit to ADEQ written notification confirming that this task has been completed.

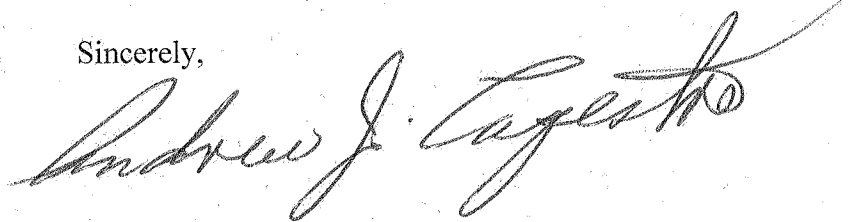
Far West has completed the installation of all equipment necessary for Phase 1 of the Del Oro WWTP and is ready for GE/Zenon to start the plant up, and to have the plant commissioned and ready for routine operation. Once this plant has begun routine operation, the temporary plant will be removed.. The membranes for the membrane filtration system for this facility have been delivered, but will not be placed into service without a representative of the manufacturer, GE/Zenon, being present. When that representative arrives, the remaining work on system integration will be completed. All the equipment for Phase 1 of the Del Oro plant has been tested and has been found to be functioning properly.

Based upon information received from representatives of GE/Zenon this date, Far West expects to receive a written proposal from GE/Zenon within a few days that will allow for the start-up and commissioning of the Del Oro WWTP this March, with plant stabilization and routine operation to begin by the end of April 2011.

Far West respectfully requests an extension to time to complete the remaining requirements of item 8 to April 30, 2011.

I certify under penalty of the law that this document and all attachments, if any, were prepared under my direction or supervision by qualified personnel responsible for properly gathering and evaluating the information submitted. Based on my inquiry of the person or people who are responsible for gathering or developing the information, to the best of my knowledge and belief, the information submitted is true, accurate and complete. I am aware that there are significant penalties for knowingly submitting false information, including the possibility of fines and imprisonment for knowing violations.

Sincerely,

A handwritten signature in cursive script that reads "Andrew J. Capestro". The signature is written in black ink and is positioned above the printed name.

Andrew J. Capestro

CC: Curtis Cox, Assistant Attorney General