



A Message from the Arizona American Water President, Paul Townsley

Arizona American Water is proud to be your local water company. For all of us, water is central to our lives. It's involved in everything we do, everything we use. That's why it's important that we share with you, our customer, information about the quality of the water we provide – a service we provide to you for about a penny a gallon.

I am proud to share with you the 2010 annual water quality report with detailed information about the source and quality of your drinking water. We have prepared this report using the most recent results from water quality testing conducted in your local water system through December 2010. You'll find that we supply water that surpasses or meets all federal and state water quality regulations.

Just as important, we place a strong focus on acting as stewards of our environment. In Arizona, we educate customers on how to protect our water source and use water wisely. You can learn more about these ideas and programs on our website, www.arizonaamwater.com

Arizona American Water is a wholly-owned subsidiary of American Water (NYSE:AWK) which celebrates its 125th anniversary this year; we're part of a long standing American tradition of quality service. American Water is the largest U.S. investor-owned water and wastewater utility in the country. You can celebrate this milestone with us, read useful information about wise water use, learn more about the history of water service delivery in America and pledge to help the planet at www.amwater125.com.

At Arizona American Water, our customers are our top priority, and we are committed to providing you with the highest quality drinking water and service possible now and in the years to come.

Please contact us at (888) 237-1333 if you have any questions or concerns about any aspect of your water service. We look forward to providing this critical resource to you throughout 2011.

Sincerely,

Paul Townsley

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien. 1-888-237-1333.

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What is a Water Quality Report?

To comply with state and U.S. Environmental Protection Agency (EPA) regulations, Arizona American Water issues an annual water quality report which describes the quality of your drinking water. The purpose of this report is to raise your understanding of drinking water and your awareness of the need to protect your drinking water sources. This report includes details about where your water comes from and what it contains. This data presented in this report is a combination of data from our nationally recognized water quality lab and commercial laboratories all certified in drinking water testing by the State of Arizona Department of Health Services.

If you have any questions about this report or your drinking water, please call our Arizona Customer Service Center at (888) 237-1333.

What's Inside?

This report outlines the processes involved in delivering the highest quality drinking water available to. In it, it will answer these important questions:

Where does my water come from?

What is in my drinking water?

We will also provide information on other available resources that will answer questions about water quality and health effects.

Share This Report

Landlords, businesses, schools, hospitals and other groups are encouraged to share this important water quality information with water users at their location who are not billed customers of Arizona American Water Company and therefore do not receive this report directly.

Where Does My Water Come From?

Paradise Valley water comes from groundwater in the northern portion of the West Salt River Valley Sub-basin, bordering the Phoenix Mountains. This basin is a broad, gently sloping alluvial plain, drained by the Gila and Salt Rivers. Groundwater is pumped from the deeper portion of the valley fill deposits known as the Middle and Lower Alluvial Units. Sources of groundwater include natural recharge from fluid flows in streams and along mountain fronts, and incidental recharge from agricultural and urban irrigation, canals, effluent, and artificial lakes.

Notice of Source Water Assessment

In 2004 the Arizona Department of Environmental Quality completed a source water assessment for the seven wells used by Arizona American Water Company-Paradise Valley. The Assessment reviewed the adjacent land uses that may pose a potential risk to the sources. These risks include, but are not limited to, gas stations, landfills, dry cleaners, agriculture fields, wastewater treatment plants, and mining activities. Once ADEQ identified the adjacent land uses, they were ranked as to their potential to affect the water sources. The results of the assessment were that two wells had no adjacent land uses, four wells had ten adjacent land uses that posed a low risk to the source and each well also had one adjacent land use that posed a high risk, and one well had one adjacent land use that posed a high risk.

The sources are currently protected by well construction and system operations and management. Residents can help protect sources by taking hazardous household chemicals to hazardous material collection days, and limiting pesticide & fertilizer use.

The complete Assessment is available for inspection at the Arizona Department of Environmental Quality, 1110 W. Washington, Phoenix, Arizona 85007, between the hours of 8:00 a.m. and 5:00 p.m. Electronic copies are available from ADEQ at dml@azdeq.gov. For more information, call ADEQ's Source Water Assessment and Protection Unit at 602-771-4644 or visit their website at www.azdeq.gov/environ/water/dw/swap.html.

What we do to protect groundwater:

We protect the sources by ensuring proper well construction and system operations and management.

What you can do to protect groundwater:

Residents can help by taking hazardous household chemicals to hazardous material collection days, and limiting pesticide & fertilizer use. For information on household hazardous material collection days in your area, please contact the Town of Paradise Valley at (480) 348-3695.

Protecting Our Water Supply

Backflow Prevention

Arizona American Water has a backflow prevention program that ensures proper installation and maintenance of thousands of backflow prevention devices throughout our system. These devices insure hazards origination on a customer' property and from temporary connection do not impair or alter the water in our water distribution system. Return of any water to our water distribution system after toe water has been used for any purpose on the customer's premises or within the customer's piping system is unacceptable. Backflow prevention devices range from vacuum breakers on household hose bibs to large commercial reduced-pressure principal devices found throughout our system.

Home Water Treatment Units

If you install a home treatment system such as a water softener or reverse osmosis system to improve taste or odor, remember to follow the manufacturer's instructions on operation and maintenance. Failure to perform maintenance can result in poor water quality. We recommend contacting the manufacturer of your treatment system for maintenance instructions or assistance. Additional information about home treatment systems is available from the Arizona Water Quality Association at 480-947-9850 or by writing to 6819 E. Diamond St., Scottsdale, AZ 85257.

How to Read This Table

Arizona American Water conducts extensive monitoring to ensure that your water meets all water quality standards. The results of our monitoring are reported in the adjacent tables. For help with interpreting this table, see the "Table Definitions" section.

Starting with a **Substance**, read across. **Year Sampled** is usually in 2010 or year prior. **MCLG** is the goal level for that substance (this may be lower than what is allowed). **MCL** shows the highest level of substance (contaminant) allowed. **Highest Amount Detected** represents the highest amount found. **Range of Detections** tells the highest and lowest amounts found. A **Yes** under **Compliance Achieved** means the amount of the substance is below government requirements. **Typical Source** tells where the substance usually originates.

Definitions of Terms Used in This Report

MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

MRDL (Maximum Residual Disinfectant Level): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

MRDLG (Maximum Residual Disinfectant Level Goal): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

TT (Treatment Technique): A required process intended to reduce the level of a contaminant in drinking water.

AL (Action Level): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

ND: None detected.

pCi/L (Picocuries per liter): Measurement of the natural rate of disintegration of radioactive contaminants in water (also beta particles).

ppb – (Parts per billion): One part substance per billion parts water (or micrograms per liter).

ppm – (Parts per million): One part substance per million parts water (or milligrams per liter).

grains per gallon: A measure of concentration used to express total hardness by most water softening manufacturers.

TTHM - (Total Trihalomethanes): consist of Chloroform, Bromodichloromethane, Dibromochloromethane, and Bromoform.

HAA5 - Five Haloacetic Acids: consist of Monochloroacetic acid, Dichloroacetic acid, Trichloroacetic acid, Bromoacetic acid, and Dibromoacetic acid.

UCMR (Unregulated Contaminant Monitoring Rule): Unregulated substances are measured, but maximum contaminate levels have not been established by the government.

Substances Expected to be in Drinking Water

To ensure that tap water is safe to drink, U.S. EPA prescribes regulations limiting the amount of certain contaminants in water provided by public water systems. U.S. Food and Drug Administration regulations establish limits for contaminants in bottled water, which must provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of these contaminants does not necessarily indicate that the water poses a health risk.

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it can acquire naturally occurring minerals and, in some cases, radioactive material, and substances resulting from the presence of animals or from human activity.

Substances that may be present in source water include:

Microbial Contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, or wildlife.

Inorganic Contaminants, such as salts and metals, which can be naturally occurring or may result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.

Pesticides and Herbicides, which may come from a variety of sources, such as agriculture, urban stormwater runoff, and residential uses.

Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and may also, come from gas stations, urban stormwater runoff, and septic systems.

Radioactive Contaminants, which can be naturally occurring or may be the result of oil and gas production and mining activities.

For more information about contaminants and potential health effects, call the U.S. EPA's Safe Drinking Water Hotline at 1-800-426-4791.

Lead

Arizona American Water Company monitored the water for lead and copper in 2008 at 31 residences throughout the community and met the federal lead and copper standards. The 31 houses sampled were representative of the types of houses throughout the system. If your house was sampled you would have received the analysis results. If you weren't part of the representative sampling and are concerned about elevated lead levels in your home's water, you may wish to flush your tap for 30 seconds to 2 minutes before using the water. Additional information is available from the Safe Drinking Water Hotline (800-426-4791).

Additional Monitoring

In addition to the parameters listed in the table above, Arizona American Water monitored for other parameters including regulated pesticides, herbicides, petroleum by-products and metals. None of those parameters were detected in the water. For a detailed list of all contaminants that we monitor for, please contact our Customer Service Center at 1-(888) 237-1333.

Special Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants may be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC (Centers for Disease Control and Prevention) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

ABOUT A PENNY

Did you know that you pay about a penny for a gallon of tap water?

We invest millions of dollars each year in our treatment and distribution facilities to ensure that you receive quality, reliable water service around the clock. At the same time, you pay about a penny per gallon. For most customers, the water bill is the lowest utility bill they pay each month.

That's an exceptional value.

WE CARE ABOUT WATER. IT'S WHAT WE DO.

Guidelines for Everyday Pollution Prevention- "Only Rain In The Storm Drain"

- Use fertilizers and pesticides sparingly and as directed by the manufacturer.
- Pick up after your pet and do not dispose of any waste in washes, canals, or riverbeds.
- Only wash your car on a lawn or other unpaved surface, or use a commercial car wash.
- Always use a nozzle when using your garden hose around the home. Do not let the water free flow.
- Maintain vehicles, machinery, and equipment to be free of leaks.
- Sweep up dirt and debris, rather than using a hose.
- Do not over-water your lawn.
- Minimize your purchase and use of hazardous products. Dispose of unused quantities properly.

What's In My Water?

This data presented in this report is a combination of analysis results from our nationally recognized water quality lab and commercial laboratories, all certified in drinking water testing by the State of Arizona Department of Health Services. For your information, we have compiled a list in the table below showing what substances were detected in our drinking water during 2010 or the last sampling period. If you have any questions about this report or your drinking water, please call our Arizona Customer Service Center at (888) 237-1333.

Water Quality Results

Regulated Substances Measured on the Water Leaving the Treatment Facility							
Substance (units)	Year Sampled	MCLG	MCL	Highest Amount Detected	Range of Detections	Compliance Achieved	Typical Source
Arsenic (ppb) ¹	2010	0	10	8	5 - 8	YES	Erosion of natural deposits
Barium (ppb)	2010	200	200	15	13 - 15	YES	Erosion of natural deposits
Chromium (ppb)	2010	100	100	29	24 - 29	YES	Erosion of natural deposits
Fluoride (ppm)	2010	4.0	4.0	0.4	0.3 - 0.4	YES	Erosion of natural deposits
Nickel (ppb)	2010	100	100	1.8	1.0 - 1.8	YES	Erosion of natural deposits
Nitrate (ppm)	2010	10	10	4.66	3.79 - 4.66	YES	Fertilizer runoff; septic tank leaching
Trichloroethylene (ppb)	2010	0	5	ND	ND	YES	Industrial activities, dry cleaning
Alpha emitters (pCi/L)	2009	0	15	4.8	4.8	YES	Erosion of natural deposits
Lead and Copper Results							
Substance (units)	Year Sampled	Action Level	Number of Samples	90th Percentile	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2008	15	31	4	0	YES	Corrosion of household plumbing; erosion of natural deposits
Copper (ppm)	2008	1.3	31	0.404	0	YES	Corrosion of household plumbing; erosion of natural deposits
Regulated Substances Measured in the Distribution System							
Substance (units)	Year Sampled	MCLG/MRDLG	MCL/MRDL	Average Amount Detected	Range of Detections	Compliance Achieved	Typical Source
Chlorine residuals (ppm)	2010	4	4.0	0.90	0.50 - 1.45	YES	Water additive used to control microbes
TTHM (ppb) ²	2010	NA	80	13.7	2.7 - 30.0	YES	By-product of drinking water disinfection
HAA5 (ppb) ²	2010	NA	60	2.7	ND - 5.0	YES	By-product of drinking water disinfection
Other Compounds Measured at entry to the Distribution System							
Substance (units)	Year Sampled	Average Results	Range of Detections	Typical Source			
Hardness (grains/gallon)	2010	17	15 - 19	Natural calcium/magnesium content			
pH (units)	2010	7.6	6.8 - 8.4	pH is a measure of the acid/base properties			
Iron (ppm)	2010	0.00	0.0 - 0.05	Natural content and water treatment chemicals			
Sodium (ppm)	2010	50	49 - 55.7	Erosion of natural deposits			
Chloride (ppm)	2010	100	89 - 113	Erosion of natural deposits			
Sulfate (ppm)	2010	37	32.5 - 42.3	Erosion of natural deposits			
Magnesium (ppm)	2010	34.5	34 - 35	Erosion of natural deposits			
Unregulated Substances							
Substance (units)	Year Sampled	Range Low-High	Typical Source				
Boron (ppm)	2010	0.120 - 0.130	Erosion of natural deposits				
Molybdenum (ppm)	2010	0.001	Erosion of natural deposits				
Strontium (ppm)	2010	0.650 - 0.680	Erosion of natural deposits				
Silica (ppm)	2010	30 - 31	Erosion of natural deposits				

¹ Arsenic - Arizona American Water is committed to meeting the new Federal arsenic standards of 10 parts per billion for your water. Some people who drink water containing arsenic in excess of the MCL over many years could experience skin damage or problems with their circulatory system, and may have an increased risk of getting cancer.

² TTHM/HAA5 - Although there is no collective MCLG for this contaminant group, there are individual MCLGs for some of the individual contaminants: Trihalomethanes: bromodichloromethane (zero); bromoform (zero); chloroform (0.07mg/L); dibromochloromethane (0.06 mg/L). Haloacetic acids: dichloroacetic acid (zero); trichloroacetic acid (0.02mg/L). Monochloroacetic acid (0.07mg/L), bromoacetic acid, and dibromoacetic acid are regulated with this group but have no MCLGs.