



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 you. 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?

All of the water provided by Arizona American Water comes from groundwater pumped from the West Salt River Valley (WSRV) Sub-Basin. The WSRV Sub-Basin is a broad, gently sloping alluvial plain that is bounded on the north by the Hieroglyphic Mountains and Hedgpeh Hills and on the west by the White Tank Mountains. Along the eastern boundary of the WSRV Sub-Basin are the Union Hills, Phoenix Mountains, and Papago Buttes. South Mountains, Estrella Mountains, and Buckeye Hills define the southern limits of the WSRV Sub-Basin.

Depth to groundwater in the WSRV Sub-Basin varies from 150 to over 500 feet. In the Tierra Del Rio area, groundwater is typically found between 300 and 400 feet below the surface.

Sources of groundwater include natural recharge from flood 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

Although the Arizona Department of Environmental Quality has not performed a Source Water Assessment for our system, we are in the process of working with ADEQ on Wellhead Protection for all of our systems, which would include the initial assessment of the Tierra

Del Rio system. Once an assessment is completed by ADEQ, we will include a summary of the report in our Annual Water Quality Report. If you have questions regarding the Source Water Assessments, please contact ADEQ at 602-771-4644.

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

For more information, call our Customer Service Center at 1 (888) 237-1333 or visit the ADEQ's Source Water Assessment and Protection Unit 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 ADEQ at (602) 771-4459.

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 ensure hazards originating on customers' property and from temporary connections do not impair or alter the water in our water distribution system. Return of any water to our water distribution system after the 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

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 that was 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

gpg or grains/gallon: Used to describe the dissolved hardness minerals contained in water and is a unit of weight that equals 1/7000 of a pound.

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

NTU: Nephelometric turbidity units

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).

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

TTHM – Total Trihalomethanes: Consist of Chloroform, Bromoform, Bromodichloromethane, and Dibromochloromethane.

HAA5 – Haloacetic Acids: Consist of Monochloroacetic Acid, Dichloroacetic Acid, Trichloroacetic Acid, Bromoacetic Acid and Dibromoacetic Acid.

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.

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.

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.

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.

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).

Lead

Arizona American Water Company monitored the water for lead and copper in 2010 at 5 residences throughout the community and met the federal lead and copper standards. The 5 residences sampled were representative of the types of homes 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).

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	2009	NA	10	4.1	3 - 4.1	YES	Erosion of natural deposits	
Barium (ppb)	2009	2000	2000	61	61	YES	Erosion of natural deposits	
Ethylbenzene (ppb)	2009	700	700	0.6	0.6	YES	Discharge from petroleum refineries	
Nitrate (ppm)	2010	10	10	0.44	0.44	YES	Runoff from fertilizer use, leaching from septic tanks	
Fluoride (ppm)	2009	4.0	4.0	0.3	0.3	YES	Erosion of natural deposits	
Alpha emitters (pCi/L)	2009	0	15	5.1	2.9 - 5.1	YES	Erosion of natural deposits	
Combined Radium 226/228 (pCi/L)	2009	0	5	0.5	ND - 0.5	YES	Erosion of natural deposits	
Total Xylenes (ppm)	2009	10	10	0.0024	0.0007 - 0.0024	YES	Discharge from petroleum or chemical factories	
Other Compounds Measured in the Distribution System								
Substance (units)	Year Sampled	MRDLG/MRDL	MCL/MRDL	Average Amount Detected	Range of Detections	Compliance Achieved	Typical Source	
TTHMs (ppb) ²	2010	NA	80	16.4	16.4	YES	By-product of drinking water disinfection	
HAA5s (ppb) ²	2010	NA	60	2.6	2.6	YES	By-product of drinking water disinfection	
Chlorine residual (ppm)	2010	4	4	0.85	0.68 - 1.11	YES	Water additive used to control microbes	
Tap Water Samples: Lead and Copper Results								
Substance (units)	Year Sampled	MCLG	Action Level	90th Percentile	Number of Samples	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Copper (ppm)	2010	1.3	1.3	0.08	5	0	YES	Corrosion of household plumbing systems; erosion of natural deposits
Lead (ppb)	2010	0	15	3	5	0	YES	Corrosion of household plumbing systems; erosion of natural deposits
Unregulated Substances Measured on the Water Leaving the Treatment Facility								
Substance (units)	Year Sampled		Range of Detections		Typical Source			
Boron (ppb)	2009		83		Erosion of natural deposits			
Calcium (ppm)	2009		88 - 90		Erosion of natural deposits			
Chloride (ppm)	2009		74		Erosion of natural deposits			
Magnesium (ppm)	2009		28		Erosion of natural deposits			
Molybdenum (ppb)	2009		2		Erosion of natural deposits			
Nickel (ppb)	2009		2.7		Erosion of natural deposits			
Silica (ppm)	2009		29		Erosion of natural deposits			
Sodium (ppm)	2009		45		Erosion of natural deposits			
Strontium (ppm)	2009		0.7		Naturally-occurring element			
Sulfate (ppm)	2009		154.7		Erosion of natural deposits			
Zinc (ppm)	2009		0.015		Erosion of natural deposits			
Hardness (grains/gallon)	2010		20.4		Natural calcium and magnesium content			
pH (standard units)	2010		7.9		pH is a measure of acid/base properties			
Bromodichloromethane (ppb)	2010		1.3 - 2.6		By-product of drinking water disinfection			
Bromoform (ppb)	2010		1.4 - 3.5		By-product of drinking water disinfection			
Chloroform (ppb)	2010		0.7 - 1.3		By-product of drinking water disinfection			
Dibromochloromethane (ppb)	2010		2.2 - 4.5		By-product of drinking water disinfection			

¹ Arsenic - While your drinking water meets EPA's standard for arsenic, it does contain low levels of arsenic. EPA's standard balances the current understanding of arsenic's possible health effects against the costs of removing arsenic from drinking water. EPA continues to research the health effects of low levels of arsenic, which is a mineral known to cause cancer in humans at high concentrations and is linked to other health effects such as skin damage and circulatory problems.

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.