



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. 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 Southern Section of the Upper Santa Cruz Valley (USCV) Sub-Basin. The Southern Section of the USCV Sub-Basin is principally the Santa Cruz River Valley from the Santa Cruz-Pima County line to the U.S.-Mexico Border. Groundwater is found in alluvium and other sediments along the Santa Cruz River Valley. Depth to groundwater in the Tubac area is typically less than 200 feet.

Notice of Source Water Assessment

In 2004 the Arizona Department of Environmental Quality completed a source water assessment for the three wells used by Arizona American Water Company-Tubac. 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, waste water 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 assessment found that there were no adjacent land uses that posed a risk to the sources. 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 our customer service center at 1 (800) 383-0834 or visit the ADEQ's Source Water Assessment and Protection Unit website at www.azdeq.gov/environ/water/dw/swap.html.

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 2009 at 10 residences throughout the community and met the federal lead and copper standards. The 10 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).

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 Sources	
Arsenic (ppb) ¹	2010	NA	10	6	1 - 6	YES	Erosion of natural deposits	
Barium (ppb)	2009	2000	2000	42	11 - 42	YES	Discharge of drilling waste, erosion of natural deposits	
Nitrate (ppm)	2010	10	10	1	0.69 - 1.0	YES	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits	
Fluoride (ppm) ²	2008	4.0	4.0	2.8	0.60 - 2.8	YES	Erosion of natural deposits	
Alpha emitters (pCi/L)	2008	0	15	12.3	8.8 - 12.3	YES	Erosion of natural deposits; certain minerals contain/emit this radiation form	
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	
THMs (ppb) ³	2010	NA	80	9.03	2.9 - 24.2	YES	By-product of drinking water disinfection	
HAA5s (ppb) ³	2010	NA	60	2.4	ND - 5.4	YES	By-product of drinking water disinfection	
Chlorine residual (ppm)	2010	4	4	1.0	0.41 - 1.64	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)	2009	1.3	1.3	0.34	10	0	YES	Corrosion of household plumbing systems; erosion of natural deposits
Lead (ppb)	2009	0	15	3	10	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					
Sodium (ppm)	2008	35 - 56	Erosion of natural deposits					
Sulfate (ppm)	2010	23 - 33.8	Erosion of natural deposits					
Hardness (grains/gallon)	2009	2 - 17	Natural calcium/magnesium content					
pH (standard units)	2010	7.6 - 8.1	pH is a measure of acid/base properties					

¹ Arsenic – The arsenic results are below the MCL based on the sample results over the last four quarters. As of January 2010, Arizona American Water installed a centralized Granular Iron Media treatment facility to remove the arsenic in order to yield levels considered safe by state and federal authorities. We have been working with the Arizona Department of Environmental Quality to ensure that the best available technology is installed to remove the arsenic. We have conducted sampling during the installation and will continue monitoring to ensure compliance with the current set standards for 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 Fluoride – This is an alert about your drinking water and a cosmetic dental problem that might affect children under nine years of age. At low levels, fluoride can help prevent cavities, but children who drink water containing more than 2 milligrams per liter (mg/L) of fluoride may develop discoloration of their permanent teeth (dental fluorosis). The drinking water provided by Arizona American Water has a fluoride concentration of 2.8 mg/L. Dental fluorosis, in its moderate or severe forms, may result in a brown staining and/or pitting of permanent teeth. This problem occurs only in the developing teeth, before they erupt from the gums. Children under nine years of age should be provided with alternative sources of drinking water or water that has been treated to remove the fluoride to avoid the possibility of staining and pitting of their permanent teeth. You may also want to contact your dentist about proper use by young children of fluoride containing products. Older children and adults may safely drink the water. Drinking water containing more than 4 mg/L of fluoride (the U.S. Environmental Protection Agency's drinking water standard) can increase your risk of developing bone disease. Your drinking water does not contain more than 4 mg/L of fluoride, but we're required to notify you when we discover that the fluoride levels in your drinking water exceed 2 mg/L because of the cosmetic dental problem. Some home water treatment units are also available to remove fluoridation from drinking water. To learn more about available home water treatment units, you may call NSF International at 1 (877) 867-3435 or the City of Arizona Water Quality Association at (480) 947-9850.

³ THM/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.