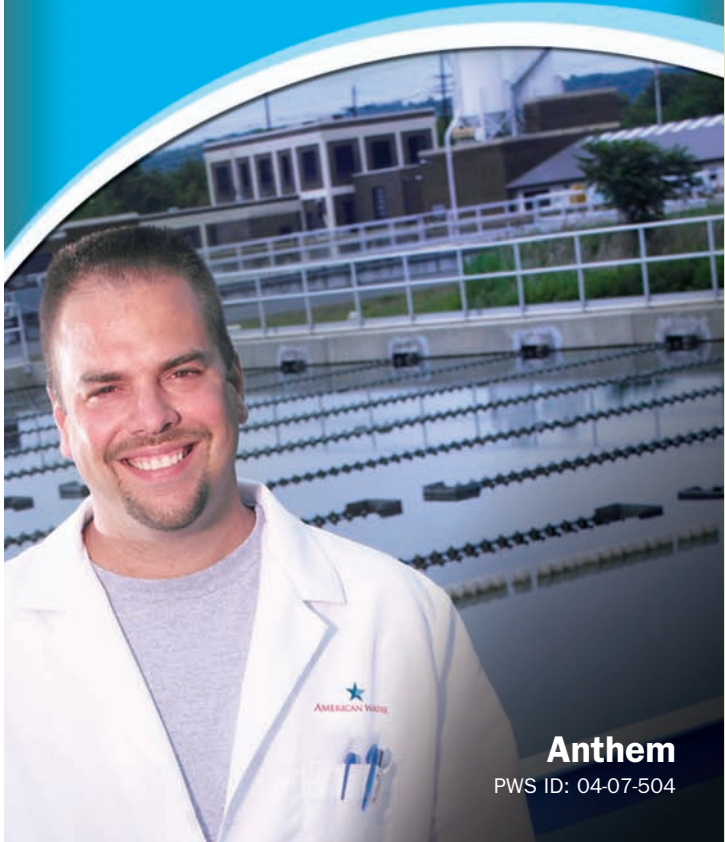


2008 Annual Water Quality Report



Anthem

PWS ID: 04-07-504

Dear Arizona American Water Customer,

As a trusted leader in the industry, Arizona American Water places a strong emphasis on sharing information about the quality of the water we provide with our customers.

One way we do this is by reporting to you annually the results of our tests on the water we deliver to your home. Please review this Annual Water Quality Report, which outlines information applicable to your local water system for testing completed through December 2008. You'll find that we provide water that surpasses or meets all federal and state water quality regulations. In fact, we often address regulations well before they go into effect.

Just as important, Arizona American Water makes the necessary investments to maintain and upgrade its facilities, so that we can deliver quality water directly to your tap 24 hours a day, seven days a week.

Our customers are our top priority, and we are committed to providing them with the highest quality drinking water and service possible now and in the years to come. In addition to this written report, you can view information about Arizona American Water and your water system on our website <http://azamwater.com>. For more information or for any questions about this report relating to your drinking water, please contact Arizona American Water at (888) 237-1333.

Sincerely

Paul Townsley
President

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.

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?

Anthem water comes from several sources. The water that Arizona American Water provides Anthem comes from the Central Arizona Project (CAP), two wells and the City of Phoenix.

The CAP water is principally Colorado River water delivered from Lake Havasu via the CAP Canal to Lake Pleasant. Anthem water is removed from the CAP Canal downstream of Lake Pleasant and therefore the actual water delivered to Anthem is a mix of Colorado River water and Lake Pleasant which also receives water from the Agua Fria River. Water is delivered to Anthem via an eight-mile-long pipeline from the CAP Canal. The Anthem Water Treatment Plant is a state-of-the-art micro-filtration plant that is designed to meet current and future water quality requirements.

The two wells supply groundwater pumped from the Northern Salt River Valley. This area is comprised of alluvium and bedrock. The alluvium is unconsolidated silt, sand, and gravel. The bedrock material is conglomerate, volcanic, and granite in nature, with much of the conglomerate overlaid by basaltic lava flows. 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.

The interconnect with the city of Phoenix is supplied by the Union Hills Water Treatment Plant and/or the Lake Pleasant Water Treatment Plant which also receives and treats water from the CAP Canal.

Notice of Source Water Assessment

In 2004 the Arizona Department of Environmental Quality completed a source water assessment for the two wells and one surface water intake used by Arizona American Water Company-Anthem. 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 results of the assessment were that the two wells had no adjacent land uses in the vicinity, and the surface water intake had one adjacent land use that posed a high risk to the source.

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 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.

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.

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 2008 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)	2008	0	10	4.0	4.0 - 4.0	YES	Erosion of natural deposits	
Barium (ppb)	2008	2000	2000	130	33 - 130	YES	Erosion of natural deposits	
Selenium (ppb)	2008	50	50	8.0	0.0 - 8.0	YES	Erosion of natural deposits	
Fluoride (ppm)	2008	4.0	4.0	0.4	0.17 - 0.4	YES	Erosion of natural deposits	
Nitrate (ppm)	2008	10	10	3.57	0.30 - 3.57	YES	Fertilizer runoff; septic tank leaching	
Alpha Emitters (pCi/L)	2008	0	15	5.2	2.5 - 5.2	YES	Erosion of natural deposits	
Lead and Copper Results								
Substance (units)	Year Sampled	MCLG	Action Level	Number of Samples	90th Percentile	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2008	15	15	30	2	0	YES	Household plumbing; erosion of natural deposits
Copper (ppm)	2008	1.3	1.3	30	0.762	0	YES	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)	2008	4.0	4.0	0.60	0.01 - 1.60	YES	Water additive used to control microbes	
THM (ppb) ¹	2008	NA	80	61.0	35.0 - 106.5	YES	By-product of drinking water disinfection	
HAA (ppb) ¹	2008	NA	60	16.7	12 - 27.5	YES	By-product of drinking water disinfection	
Other Compounds Measured in the Distribution System								
Substance (units)	Year Sampled	Average Results	Range of Detections	Typical Source				
Hardness (grains/gallon)	2008	17	10 - 19	Natural calcium/magnesium content				
pH (units)	2008	7.7	7.1 - 8.3	pH is a measure of the acid/base properties				
Iron (mg/L)	2008	.015	0.00 - 0.03	Natural content				
Sodium (mg/L)	2008	101.5	93 - 110	Natural content				
Sulfate (mg/L)	2008	196.9	117.8 - 275.9	Erosion of natural deposits				
Turbidity - A Measure of the Clarity of the Water at the Treatment Facility								
Plant	Substance (units)	Year Sampled	MCLG	MCL	Highest Single Measurement	Compliance Achieved	Typical Source	
Anthem Water Treatment Plant	NTU	2008	0	TT = 5 NTU	0.08 NTU	YES	Soil run-off	
				TT = % of samples < 1 NTU	100 %			
City of Phoenix Treatment Plants	NTU	2008	0	TT = 1 NTU	0.5 NTU	YES	Soil run-off	
				TT = 95% of samples < 0.3 NTU	99.8%			
Unregulated Substances Measured on the Water Leaving the Treatment Facility								
Substance (units)	Year Sampled	Range Low - High	Typical Source					
Molybdenum (ppb)	2008	0.0 - 6.0	Erosion of natural deposits					
Phosphorus (ppm)	2008	0.0 - 5.0	Erosion of natural deposits					
Strontium (ppm)	2008	1.02 - 1.14	Erosion of natural deposits					

¹ THM/HAA — 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 (zero); dibromochloromethane (0.06 mg/L). Haloacetic acids: dichloroacetic acid (zero); trichloroacetic acid (0.3 mg/L). Monochloroacetic acid, bromoacetic acid, and dibromoacetic acid are regulated with this group but have no MCLGs.

How to Read This Table

Starting with a **Substance**, read across. **Year Sampled** is usually in 2008 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.

Unregulated substances are measured, but maximum contaminant levels have not been established by the government.

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).
- **TTHM – Total Trihalomethanes:** Consist of Chloroform, Bromoform, Bromodichloromethane, and Dibromochloromethane.
- **HAA – 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.

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 2008 at 30 residences throughout the community and met the federal lead and copper standards. The 30 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).



19820 N. 7th Street, Suite 201
Phoenix, AZ 85024

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien. 1-(800) 383-0834

For more information about this report, or for any questions relating to your drinking water, please call our customer service center at 1-(800) 383-0834.