

News Release



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FOR IMMEDIATE RELEASE

Far West Water and Sewer, H&S Developers Agree to \$500,000 Settlement for Water, Air Quality Violations in Yuma County

PHOENIX (June 21, 2010) -- The Arizona Department of Environmental Quality and Arizona Attorney General's Office announced today that Far West Water and Sewer, Inc. and H & S Developers, Inc. have agreed to a \$500,000 settlement for numerous water and air quality violations in Yuma County.

Far West and H & S Developers, Inc. will pay a \$150,000 penalty. In addition, Far West has agreed to perform a supplemental environmental project (SEP) totaling \$150,000 for equipment to remove water from sludge at its Del Oro wastewater treatment plant (WWTP) and also include a \$20,000 donation to aid Colorado River riparian restoration efforts in the Yuma East Wetlands project.

Far West also will place \$200,000 in a secured bank account pending successful completion of a multimillion-dollar project within the next year to 18 months to upgrade and expand its Del Oro, Section 14 and Seasons WWTPs as well as its Del Oro and Palm Shadows collection systems. The \$200,000 could be refunded, in full or part, depending on Far West's success with its project.

The project involves the use of state-of-the-art membrane bioreactor technology to produce Class A⁺ reclaimed water, the highest quality attainable. It also allows Far West to consolidate its operations by closing its Villa del Rey and Villa Royal WWTPs, directing their flow to the upgraded Del Oro plant, and, closing the Palm Shadows WWTP, and directing its flow to the upgraded Section 14 WWTP.

In addition, the settlement requires Far West to complete a number of requirements provided in its aquifer protection permits, including construction of compliance and ambient wells for groundwater monitoring.

"This agreement signals a new chapter and a greener future for citizens and ecosystems in Yuma County. I'm pleased Far West is stepping up to clean up and conserve water and wetlands through collaboration and state of the art technology," said ADEQ Director Benjamin H. Grumbles.

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"Water and wastewater companies need to rigorously comply with state standards," Attorney General Terry Goddard said. "Far West didn't and there's a heavy price to pay for this serious lack of oversight."

H & S Developers, Inc. originally developed a major portion of this area of Yuma for which Far West is currently providing water and wastewater services. Before April 1998, H & S and Far West operated as one company. About that time, H & S Developers, Inc. formed Far West as a separate corporation and transferred drinking water and wastewater facilities to Far West. In 2006, Far West restructured its management and began a \$20 million capital improvement project.

The Attorney General's office filed a 50-count lawsuit against Far West and H & S Developers, Inc. in September 2008 alleging violations at the seven WWTPs and drinking water treatment plant. The violations included operating plants without permits; reusing reclaimed water for golf course irrigation without proper authorization; failing to monitor and report analytical data for contaminants in both drinking water and wastewater; failing to notify ADEQ about permit violations in a timely manner; and operating the drinking water plant without a certified operator.

ADEQ previously took enforcement action against Far West for violations at its WWTPs during 2006, resulting in an October 2006 consent order requiring the company to upgrade and consolidate its operations, plus obtain the applicable permits. This consent order has now been superseded by the current agreement.

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