



JANICE K. BREWER
Governor

MICHAEL J. LACEY
Director

ARIZONA DEPARTMENT of WATER RESOURCES
3550 North Central Avenue, Second Floor
Phoenix, Arizona 85012-2105
602.771.8500
azwater.gov

October 24, 2014

Diamond Valley Water District
Attn: Margie Good
PO Box 26527
Prescott Valley, AZ 86312

RE: Lost and Unaccounted For Water, Diamond Valley Water District
Provider Number 56-003014.0001

Dear Ms. Good:

The Arizona Department of Water Resources (Department) has reviewed the 2010-2013 Annual Water Withdrawal and Use Reports for Diamond Valley Water District. Pursuant to the Third Management Plan for the Prescott Active Management Area, small municipal providers are required to comply with conservation requirements that include limitation of lost and unaccounted-for water. Lost and unaccounted-for water is water that is lost from the system during transportation or distribution due to seepage, evaporation, leaks, or other causes. **A small municipal provider shall not operate its municipal distribution system in a manner such that lost and unaccounted for water exceeds 15 percent of the total quantity of water from any source**, except direct use effluent, withdrawn, diverted or received by the small municipal provider on an annual or three-year average basis.

The following table shows the 2010-2013 lost and unaccounted for water percentages calculated by the Department.

Year	Percent Lost and Unaccounted For Water
2010	24%
2011	22%
2012	27%
2013	27%

The information provided to the Department indicates that Diamond Valley Water District has exceeded the allowable Lost and Unaccounted for Water Percentage for the years 2010-2013, and may also have done so in years prior to 2010. Please contact me at 602-771-8424 within 30 days of the date of this letter to discuss the matters contained in this letter.

Sincerely,

Jeff Tannler
Active Management Area Director
Arizona Department of Water Resources