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2004 JUN -7 P 4: 21

AZ CORP COMMISSION
DOCUMENT CONTROL

Attorneys for New River Utility Company

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF NEW RIVER UTILITY COMPANY FOR
AN EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR WATER SERVICE.

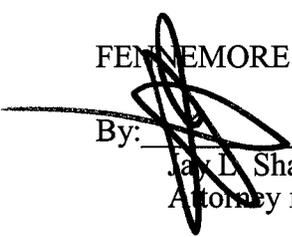
DOCKET NO. W-01737A -04-0274

**NOTICE OF FILING TESTIMONY OF
ROBERT L. FLETCHER IN RESPONSE
TO STAFF REPORT**

NOTICE IS HEREBY GIVEN that New River Utility Company has filed concurrently
herewith the Testimony of Rober L. Fletcher in Response to Staff Report.

DATED this 7th day of June, 2004.

FENNEMORE CRAIG, P.C.

By: 

Jay L. Shapiro
Attorney for New River Utility Company

ORIGINAL and 13 copies delivered this
7th day of June, 2004, to:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

JUN - 7 2004

A copy hand-delivered this day to:

Christopher C. Kempley, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

DOCKETED BY 

1 Ernest Johnson, Director
Utilities Division
2 Arizona Corporation Commission
1200 West Washington
3 Phoenix, Arizona 85007
4 Marc Stern, Administrative Law Judge
Hearing Division
5 Arizona Corporation Commission
1200 West Washington
6 Phoenix, Arizona 85007
7 Jim Fisher, Executive Consultant
Utilities Division
8 Arizona Corporation Commission
1200 West Washington
9 Phoenix, Arizona 85007

10 COPY mailed this day to:

11 Mr. Robert Fletcher, President
New River Utility Company
12 7839 West Deer Valley Road
Phoenix, Arizona 85382
13 Mr. Marshall Reynolds
14 Arrowhead Ranch Office Park, LLC
2845 East Camelback Road, Suite 700
15 Phoenix, Arizona 85016

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DOCKET NO. W-01737A -04-0274

TESTIMONY OF ROBERT L. FLETCHER
IN RESPONSE TO STAFF REPORT

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I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND TELEPHONE NUMBER.

A. Robert L. Fletcher, 7839 West Deer Valley Road, Peoria, Arizona 85382. My telephone number is (623) 561-1848.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am the President of New River Utility Company (“New River” or “Company”).

II. PURPOSE AND SUMMARY OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I have read the Staff Report (“Report”) filed in this docket on May 14, 2004, and will respond to the analysis and recommendations contained therein with respect to New River’s compliance with the rules and regulations of the Maricopa County Environmental Services Department (“MCESD”) pertaining to water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.

Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY?

A. My testimony will address New River’s compliance with the rules and regulations of the Maricopa County Environmental Services Department (“MCESD”) that pertain to water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. I will describe how New River has addressed violations alleged by MCESD to that agency’s satisfaction. I will also offer proof of the Company’s current compliance with MCESD standards based on MCESD’s June 2, 2004 Public Water System Compliance Status Report to John Chelus, attached hereto as Exhibit RF-1.

1 **III. MCESD COMPLIANCE**

2 **Q. MR. FLETCHER, AT WHAT POINT WAS NEW RIVER FIRST NOTIFIED**
3 **THAT ITS WATER SYSTEM WAS NOT IN COMPLIANCE WITH**
4 **MCESD REGULATIONS?**

5 A. On April 16, 2004, the Company was notified by Commission Staff that MCESD
6 had issued a Public Water System Compliance Status Report on April 9, 2004,
7 indicating that New River was not in compliance with certain MCESD regulations.

8 **Q. WERE THESE DEFICIENCIES THE SAME ONES REFERENCED ON**
9 **PAGE 3 OF STAFF'S MAY 14, 2004 REPORT?**

10 A. Yes.

11 **Q. WHAT HAS NEW RIVER DONE TO CORRECT THESE DEFICIENCIES?**

12 A. The Company has removed weeds and posted a well sign at point of entry ("POE")
13 two. The loose cathodic covers have been tightened, and the fence will be replaced
14 when new construction has been completed. The November 2003 monthly
15 monitoring samples have been implemented and corrected, and the Company's
16 new Microbiological Site Sampling Program ("MSSP") was approved by MCESD,
17 with conditions, on May 19, 2004, which is attached hereto as Exhibit RF-1 and
18 RF-2. Finally, the pump located at POE three has been retrofitted with an air gap
19 to conform with MCESD requirements.

20 **Q. IS IT YOUR POSITION THAT NEW RIVER IS CURRENTLY IN**
21 **COMPLIANCE WITH MCESD?**

22 A. Yes. Attached hereto as Exhibit RF-1 is a June 2, 2004 Public Water System
23 Compliance Status Report to John Chelus of Commission Staff. This compliance
24 report states that the Company is currently compliant with MCESD regulations and
25 that the deficiencies identified on April 9, 2004, have been corrected.

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Q. BUT DOESN'T THE COMPLIANCE REPORT ALSO INDICATE THAT AN ENFORCEMENT ACTION IS PENDING AGAINST NEW RIVER?

A. Yes, but that does not mean that New River is not currently in compliance with MCESD regulations. Company representatives have spoken with Mr. Luis Higuera and Mr. Doug Taylor of the Water and Waste Management Division of MCESD, and were informed that the pending enforcement action is an administrative function in order to consider the possible assessment of fines and/or penalties against New River for the alleged violations.

Q. WILL THE PENDING ENFORCEMENT ACTION PREVENT NEW RIVER FROM PROVIDING WATER UTILITY SERVICE IN A SAFE AND RELIABLE MANNER?

A. No, it will not.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

EXHIBIT

RF-1



ENVIRONMENTAL SERVICES DEPARTMENT
WATER AND WASTE MANAGEMENT DIVISION
DRINKING WATER PROGRAM
MEMORANDUM

PUBLIC WATER SYSTEM COMPLIANCE STATUS REPORT

TO: Arizona Corporation Commission
John Chelus
Fax: (602) 542-2129

FROM: John Kolman R.S.
Drinking Water/Solid Waste Programs Manager

DATE: June 2, 2004

SUBJECT: REQUEST FOR COMPLIANCE STATUS INFORMATION RECEIVED

COMPLIANCE STATUS INFORMATION HAS BEEN REQUESTED FOR THE FOLLOWING WATER COMPANY:

System Name: New River Utility Company
PWS ID#: 07-051
Assigned Monitoring Dates - Initial: 1/1/95. Phase II: 1/1/95. Phase V: 1/1/95.

Does the water system have a Certified Operator? Yes

Does the system have major physical/plant (treatment) deficiencies? No
Please describe: _____

Date of last inspection: April 12, 2004

Does the system have major O & M deficiencies? No
Please describe: Major deficiency noted in last compliance review has been corrected.

Does the system have water quality monitoring/reporting deficiencies? No
Please describe: All water quality monitoring/reporting deficiencies noted in last compliance review have corrected and addressed.

Is enforcement action pending? Yes

Overall Public Water System Compliance Status? Compliant

Number of Service Connections: 2589. Population Served: 6500.
Type of System: Community. Number of POE's: 2. Surface Water: N/A.

Date of compliance review: June 2, 2004. By: Doug Taylor R.S. Initials: DT
Phone: (602) 506-6631

EXHIBIT

RF-2



Maricopa County

Environmental Services

Water and Waste Management
Division
1001 N. Central Avenue #150
Phoenix, Arizona 85004
Phone: (602) 506-6666
Fax: (602) 506-6925
TDD 602 506 6704

NOTIFICATION OF MONITORING PLANS APPROVAL WITH STIPULATIONS

May 19, 2004

Robert Fletcher
New River Utility Incorporated
7839 W. Deer Valley Road
Peoria, AZ 85382

Re: PWS 07-051, MSSP and D/DBP plans approval

Dear Mr. Fletcher:

This Department has reviewed the submitted microbiological site sampling plan (MSSP) and disinfection/disinfection byproduct plan (D/DBP). The plans are approved as written with the following stipulations:

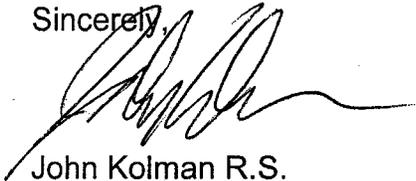
1. As per the submitted MSSP, the New River Utility water system can perform nine total coliform samples during the odd months and 10 samples during the even months of the year.
2. Update the MSSP to indicate when each MSSP sample will be collected for analysis throughout the month and the reporting method of results to the Arizona Department of Environmental Quality.
3. Update the MSSP to indicate that the disinfection residual will be collected, recorded and averaged as per the Safe Drinking Water Rule. Additionally, the updated MSSP needs to state reporting of quarterly average and running annual average of disinfection residual monitoring results to both the Arizona Department of Environmental Quality and this Department.
4. Submit a distribution system map indicating each MSSP location, disinfection byproduct location, points of entry and well locations.
5. Submit the updated MSSP and D/DBP plans for review and approval no later than June 30, 2004 with the distribution system map outlined in stipulations #5.
6. The MSSP and D/DBP should be reviewed periodically, a minimum of at least every three years, to ensure the configuration, services connections and population served is accurately reflected within the

Water and Waste Management May 19, 2004
Division 2
1001 N. Central Avenue #150
Phoenix, Arizona 85004
Phone: (602) 506-6666
Fax: (602) 506-6925
TDD 602 506 6704

plan. It is the water system responsibility to notify this Department concerning changes that might affect the MSSP.

If you have any questions or need additional information on the requirements for public water systems operating in Maricopa County, contact Doug Taylor R.S., at (602) 506-6631 or dtaylor@mail.maricopa.gov.

Sincerely,



John Kolman R.S.
Drinking Water/Solid Waste Programs Manager

cc: ADEQ
Jack Muir; Fax: 208-382-3247