

NEW APPLICATION  
ORIGINAL



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FENNEMORE CRAIG  
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Arizona Corporation Commission

DOCKETED

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AZ CORP COMMISSION  
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Attorneys for Johnson Utilities Company

WS-02987A-04-0501

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION  
OF JOHNSON UTILITIES COMPANY FOR  
AN EXTENSION OF ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY FOR WASTEWATER  
SERVICE.

DOCKET NO. WS-02987A-

**APPLICATION FOR EXTENSION OF  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY**

Johnson Utilities Company, L.L.C. ("Applicant"), an Arizona public service corporation, hereby applies for an Order approving an extension of its existing Certificate of Convenience and Necessity ("CC&N") for wastewater service to include an area encompassing the development known as Laredo Ranch ("Development"). In support of this Application, Applicant states as follows:

1. Applicant is a public service corporation engaged in providing water and wastewater utility service, respectively, for public purposes within portions of Pinal County, Arizona. Applicant was first granted its CC&N in Decision No. 60223 (May 27, 1997), and currently serves approximately 4883 wastewater utility customers. The area served by Applicant contains both residential and commercial properties.

2. The area covered by this Application includes approximately 276 acres, including the Development that will contain approximately 966 lots.

3. Laredo Ranch, LLC has requested that Applicant extend wastewater utility service to the Development. A copy of this request for service is attached hereto as Exhibit 1.

4. A legal description for the area covered by this Application is attached hereto as

1 Exhibit 2.

2 5. Applicant's management contact is Brian Tompsett of Johnson Utilities Company,  
3 whose business address is 5230 East Shea Boulevard, Suite 200, Scottsdale, Arizona 85254. The  
4 telephone number is (480) 998-3300.

5 6. Applicant's operator, certified by the Arizona Department of Environmental  
6 Quality, is Jerry Beeler, whose business address is 968 E. Hunt Hwy, Queen Creek, Arizona. The  
7 telephone number is (480) 987-9870.

8 7. Applicant's attorneys are Fennemore Craig, whose address is 3003 North Central  
9 Avenue, Suite 2600, Phoenix, Arizona 85012-2913. The individual attorney responsible for this  
10 application is Jay L. Shapiro. Mr. Shapiro's telephone number is (602) 916-5366. **All Data**  
11 **Requests or other Requests for Information should be directed to Mr. Brian Tompsett, with**  
12 **a copy to Mr. Shapiro's attention, on behalf of Johnson Utilities Company.**

13 8. A Certificate of Good Standing for Johnson Utilities Company is attached hereto  
14 as Exhibit 3.

15 9. The newly acquired customers in the areas covered by the application will receive  
16 wastewater service subject to Applicant's current rates and charges for utility service, which were  
17 approved in Decision No. 60223 (May 27, 1997).

18 10. A detailed map indicating Applicant's present CC&N and the area requested by  
19 this Application is attached hereto as Exhibit 4.

20 11. Applicant's balance sheet and profit and loss information for the 12-month period  
21 ending 2003 is attached hereto as Exhibit 5.

22 12. Applicant's CAAG §208 Plan, including all subsequent amendments and proposed  
23 amendments for its existing wastewater certificated area and proposed extension is attached  
24 hereto as Exhibit 6.

25 13. A copy of a master wastewater design report which illustrates that Johnson  
26 Utilities has or will have sufficient treatment capacity to service existing and future demands is

1 attached hereto as Exhibit 7.

2 14. A copy of Applicant's most recent Annual Report (2003) is attached hereto as  
3 Exhibit 8.

4 15. The estimated numbers or customers to be served in each of the first five years of  
5 wastewater utility service to the area covered by this Application is as follows:

6 Residential

7 1<sup>st</sup> Year: 120  
8 2<sup>nd</sup> Year: 480  
9 3<sup>rd</sup> Year: 840  
4<sup>th</sup> Year: 966  
5<sup>th</sup> Year: 966

10 16. Applicant's estimated annual operating revenue and operating expenses for each of  
11 the first five years of operation in the new area covered by this Application are as follows:

12 **Johnson Utilities Company - Wastewater**

13 Operating Revenue

13 Operating Expenses

14 1<sup>st</sup> Year - \$25,208  
15 2<sup>nd</sup> Year - \$126,041  
16 3<sup>rd</sup> Year - \$277,290  
17 4<sup>th</sup> Year - \$379,384  
18 5<sup>th</sup> Year - \$405,852

14 1<sup>st</sup> Year - \$31,080  
15 2<sup>nd</sup> Year - \$104,676  
16 3<sup>rd</sup> Year - \$205,626  
17 4<sup>th</sup> Year - \$281,513  
18 5<sup>th</sup> Year - \$303,073

19 17. The plant cost projections, including service meters, by year for the next five (5)  
20 years are as follows:

21 **Plant Cost Projection**

22 1<sup>st</sup> Year - \$802,358  
23 2<sup>nd</sup> Year - \$802,358  
24 3<sup>rd</sup> Year - \$1,232,096  
25 4<sup>th</sup> Year - \$1,661,834  
26 5<sup>th</sup> Year - \$1,661,834

18 18. The wastewater facilities needed to serve the area covered by this Application will  
19 be constructed as needed to provide service to customers. The estimated starting and completion  
20  
21  
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26

1 dates for the construction of facilities at the Development is not known at this time, although  
2 Phase I of the project is scheduled to commence by January 2005, with a completion date of  
3 September 2005.

4 19. A copy of Applicant's Aquifer Protection Permit for the Pecan Wastewater  
5 Treatment Plant is attached hereto as Exhibit 9.

6 20. The construction of the additional utility facilities needed to serve the area covered  
7 by this Application will be financed primarily by advances in aid of construction and hook-up  
8 fees in accordance with Commission regulations and Applicant's applicable tariffs, as well as  
9 pursuant to the terms of any main extension agreement between Applicant and Laredo Ranch,  
10 LLC.

11 21. The Development is located within the boundaries of Applicant's present Pinal  
12 County franchise.

13 22. The Arizona Department of Environmental Quality ("ADEQ") will issue various  
14 Approvals to Construct concerning additional facilities to serve the requested extension area,  
15 which will be provided to the Commission as soon as they are issued.

16 23. Notice of this Application will be given by publication in a newspaper of general  
17 circulation as required by the Commission. Proof of publication will be filed with the  
18 Commission.

19 24. Applicant maintains that this Application is in the public interest and should be  
20 granted. There is a present need for wastewater service in order to foster orderly growth in Pinal  
21 County in an area contiguous to Applicant's existing CC&N. Applicant is in the best position to  
22 extend and provide wastewater service to the Development, and expansion of service will benefit  
23 existing customers by allowing the cost of providing wastewater service to be spread over a larger  
24 customer base, as well as achieving greater economies of scale.

25 25. To the best of its knowledge and belief, Applicant is currently in compliance with  
26 all regulatory requirements applicable to its provision of wastewater utility service in Arizona,

1 including all applicable orders, rules and regulations of the Commission and ADEQ.

2 WHEREFORE, Applicant respectfully requests the following:

3 A. That the Commission proceed to consider and act upon this Application as timely  
4 as possible and to schedule a hearing, if necessary, on this matter;

5 B. That upon completion of said hearing that the Commission enter an Order  
6 approving the extension of Johnson Utilities Company's current Certificate of Convenience and  
7 Necessities to include the additional geographic areas requested by this Application as shown in  
8 Exhibit 4; and

9 C. That the Commission grant such other and further relief as may be appropriate  
10 under the circumstances herein.

11 DATED this 9<sup>th</sup> day of July, 2004.

12 FENNEMORE CRAIG, P.C.

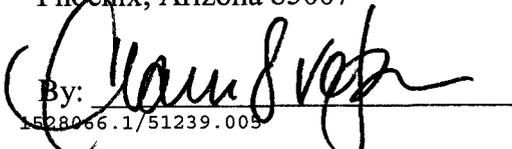
13  
14 By:   
15 Jay L. Shapiro  
16 Patrick J. Black  
17 Attorney for Johnson Utilities Company

18 ORIGINAL and 15 copies delivered this  
19 9<sup>th</sup> day of July, 2004, to:

20 Docket Control  
21 Arizona Corporation Commission  
22 1200 West Washington Street  
23 Phoenix, Arizona 85007

24 COPY delivered this 9<sup>th</sup> day of July, 2004:

25 Jim Fisher, Executive Consultant  
26 Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

By:   
15028066.1/51239.005

# **EXHIBIT**

**1**

## Laredo Ranch, LLC

---

March 9, 2004

Johnson Utility Company  
C/o Mr. Brian Tompsett  
5230 E. Shea Blvd.  
Scottsdale, AZ 85254

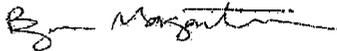
Re: **Laredo Ranch** Request for Wastewater Service for 966 lots located just North of the Northeast Corner of Schnepf & Combs Roads, in Pinal County, AZ.

Dear Brian:

Please accept this letter from Laredo Ranch, L.L.C. as an official request for Wastewater service. Our project is located approximately ½ mile North of Combs Road, on the East side of Schnepf Road in Pinal County. We understand that our property is currently adjacent to your existing CC&N for wastewater. Furthermore, it is our understanding that your company is willing and able to service our site, subject to approvals from ADEQ and the ACC for expansion of your existing CC&N.

We look forward to working together to complete the Wastewater service for Laredo Ranch. If you require any additional information from us, please call me at (480) 929-0444. I will be happy to assist you in any way possible.

Sincerely,



Bryan Morganstern  
Laredo Ranch, LLC

# **EXHIBIT**

**2**



SCALE 1" = 300'

SURVEYED LEGAL DESCRIPTION

LEGAL DESCRIPTION

That portion of Section 27, Township 2 South, Range 8 East, Gila & Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

Commencing at the Southeast corner of said Section 27, being a;

thence North 00°17'25" West 40.00 feet along section line to point on the Northerly right of way line of Combs Road and the POINT OF BEGINNING; and running

thence South 89°37'42" West 2636.35 feet parallel with and 40.00 feet north of section line to the quarter section line;

thence South 89°38'12" West 2531.16 feet parallel with and 40.00 feet north of section line to a point on the east right of way line of the New Magma Irrigation and Drainage District (NMIDD) lateral system A;

thence along said right of way line of the NMIDD lateral system A through the following ten (10) calls to-wit:

- (1) North 00°13'53" West 2601.56 feet;
- (2) North 00°14'19" West 180.21 feet;
- (3) North 89°33'10" East 10.00 feet;
- (4) North 00°14'20" West 1162.77 feet to a point on the South line of the SW 1/4 of the NW 1/4 of the NW 1/4 of said section 27;
- (5) North 89°39'11" East 543.93 feet along said south line to the Southeast corner of the SW 1/4 of the NW 1/4 of the NW 1/4 of said section 27;
- (6) North 89°41'09" East 4104.30 feet;
- (7) South 80°46'33" East 443.33 feet;
- (8) South 00°12'22" East 1244.33 feet;
- (9) South 00°17'25" East 855.82 feet;
- (10) South 55°45'23" East 84.97 feet to a point on the East line of said Section 27;

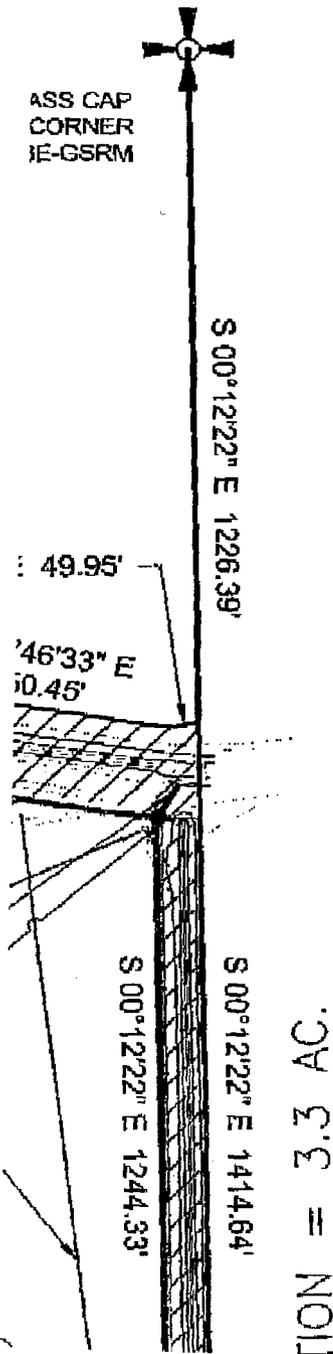
thence South 00°17'25" East 1698.24 feet along the East line of said Section 27 to the POINT OF BEGINNING.

Containing 20081634 square feet or 461.011 acres, more or less.

RECORD LEGAL DESCRIPTION

The South Half; and the South half of the North half; and the South half of the North Half of the North half of Section 27, Township 2 South, Range 8 East of the Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPT the Southwest quarter of the Northwest quarter of the Northwest quarter of said section 27; and



# **EXHIBIT**

**3**

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

**\*\*\*JOHNSON UTILITIES, L.L.C.\*\*\***

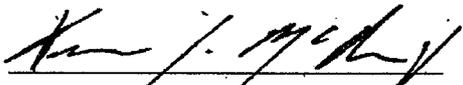
a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 5th day of June 1997.

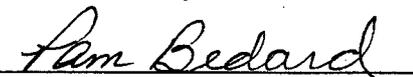
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed Articles of Termination as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 29th Day of March, 2004, A. D.

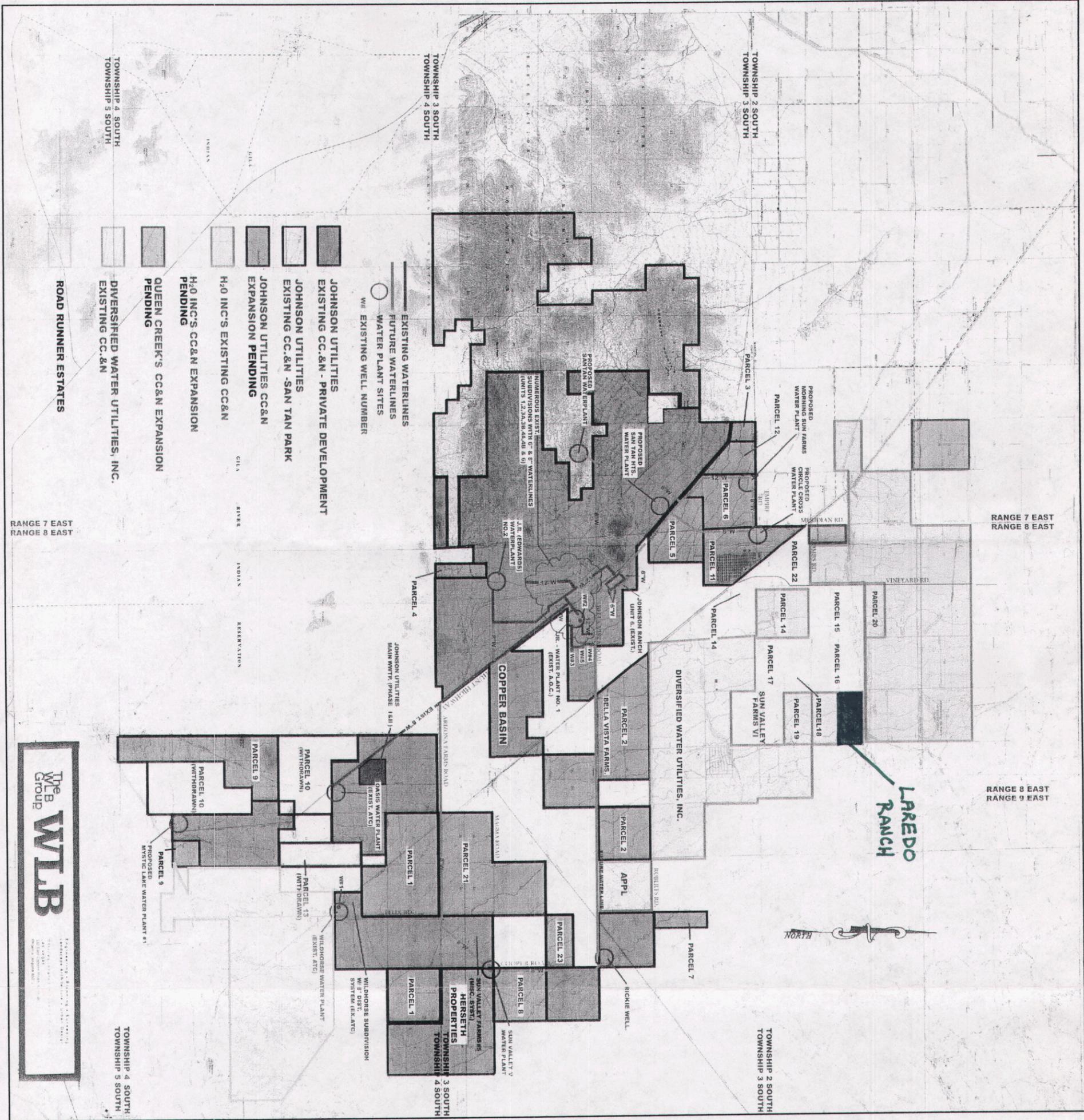


  
Executive Secretary

By 

# **EXHIBIT**

**4**



- JOHNSON UTILITIES
- EXISTING CC.&N - PRIVATE DEVELOPMENT
- JOHNSON UTILITIES
- EXISTING CC.&N - SAN TAN PARK
- JOHNSON UTILITIES CC&N EXPANSION PENDING
- H2O INC'S EXISTING CC&N
- H2O INC'S CC&N EXPANSION PENDING
- QUEEN CREEK'S CC&N EXPANSION PENDING
- DIVERSIFIED WATER UTILITIES, INC. EXISTING CC.&N
- ROAD RUNNER ESTATES

**LAREDO RANCH**



The WTLB Group

**WTLB**

WATER TREATMENT & LIAISON BUREAU

10000 W. 10TH STREET, SUITE 100, DENVER, CO 80202

TEL: 303.755.1234 FAX: 303.755.1235

WWW.WTLB.COM

TOWNSHIP 4 SOUTH  
TOWNSHIP 5 SOUTH

TOWNSHIP 2 SOUTH  
TOWNSHIP 3 SOUTH

TOWNSHIP 3 SOUTH  
TOWNSHIP 4 SOUTH

TOWNSHIP 2 SOUTH  
TOWNSHIP 3 SOUTH

RANGE 7 EAST  
RANGE 8 EAST

RANGE 8 EAST  
RANGE 9 EAST

RANGE 7 EAST  
RANGE 8 EAST

# **EXHIBIT**

**5**

**Johnson Utilities, L.L.C.**  
**Balance Sheet**  
**December 31, 2003**

**ASSETS**

**Utility Plant**

Plant in Service	\$ 40,382,861
Less: Accumulated Depreciation	(2,046,608)
<b><u>Net Utility Plant in Service</u></b>	<b><u>\$ 38,336,253</u></b>

Construction Work in Progress	6,899,861
<b><u>Net Utility Plant</u></b>	<b><u>\$ 45,236,114</u></b>

**Current Assets**

Cash	\$ 684,314
Accounts Receivable	1,476,030
Other Receivables	38,000
<b><u>Total Current Assets</u></b>	<b><u>\$ 2,198,344</u></b>

**Other Assets**

Deferred Legal Fees	\$ 553,533
Land Held For Investment	70,257
Deposit	12,670
<b><u>Total Other Assets</u></b>	<b><u>\$ 636,460</u></b>

<b><u>Total Assets</u></b>	<b><u>\$ 48,070,918</u></b>
----------------------------	-----------------------------

**MEMBER'S CAPITAL & LIABILITIES**

<b><u>Member's Capital</u></b>	<b><u>\$ 5,447,979</u></b>
--------------------------------	----------------------------

<b><u>Contributions in Aid of Construction</u></b>	<b><u>\$ 20,149,882</u></b>
--	-----------------------------

<b><u>Long-Term Debt</u></b>	<b><u>\$ 807,000</u></b>
------------------------------	--------------------------

**Current Liabilities**

Accounts Payable	\$ 423,801
Current Portion of Advances in Aid of Construction	138,000
Due to Member	715,823
Customer Deposits	45,940
Accrued Taxes	175,974
Accrued Interest	7,040
<b><u>Total Current Liabilities</u></b>	<b><u>\$ 1,506,578</u></b>

**Deferred Liabilities**

Advances in Aid of Construction, Less Current Portion	\$ 20,159,479
---	---------------

<b><u>Total Member's Capital &amp; Liabilities</u></b>	<b><u>\$ 48,070,918</u></b>
--	-----------------------------

See Accountants' Compilation Report

**Johnson Utilities, L.L.C.**  
**Statement of Income**  
**December 31, 2003**

<b><u>Operating Revenue</u></b>	
Water Sales	\$ 3,919,316
Sewer Fees	1,237,464
Other Revenue	101,170
<b><u>Total Revenue</u></b>	<b><u>\$ 5,257,950</u></b>
<b><u>Operating Expenses</u></b>	
Purchased Water	\$ 222,808
Purchased Power	291,396
Repairs & Maintenance	12,099
Outside Services	1,203,322
Water Testing	52,163
Rents	117,648
Transportation	557
Insurance	28,964
Sludge Removal	2,685
Miscellaneous Operating Expense	41,641
Depreciation and Amortization	419,049
Taxes Other Than Income	2,089
Property Taxes	71,731
<b><u>Total Operating Expenses</u></b>	<b><u>\$ 2,466,152</u></b>
<b><u>Net Operating Income</u></b>	<b><u>\$ 2,791,798</u></b>
<b><u>Other Income (Expenses)</u></b>	
Interest Income	\$ 18,662
Interest Expense	(79,211)
<b><u>Total Other Income (Expenses)</u></b>	<b><u>\$ (60,549)</u></b>
<b><u>Net Income</u></b>	<b><u>\$ 2,731,249</u></b>

See Accountants' Compilation Report

# **EXHIBIT**

**6**



**CAAG 208 WATER QUALITY  
PLAN AMENDMENT NO. 4 A  
SERVICE AREA EXPANSION  
CIRCLE CROSS RANCH  
FOR  
JOHNSON UTILITIES COMPANY, L.L.C.**

May 2002

**PREPARED FOR:**

**JOHNSON UTILITIES COMPANY, L.L.C.**

5230 East Shea Boulevard  
Scottsdale, Arizona 85254  
Ph: (480) 998-3300  
Fax: (480) 483-7908

**PREPARED BY:**

**THE WLB GROUP, INC.**

333 East Osborn, Suite 380  
Phoenix, Arizona 85012  
Ph: (602) 279-1016  
Fax: (602) 279-7810

WLB No. 195071-A-012

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SECTION 1 INTRODUCTION ..... 1  
SECTION 2 DESCRIPTION OF PROJECT ..... 7  
SECTION 3 WASTEWATER TREATMENT PLANT PHASING ..... 11  
SECTION 4 WASTEWATER FLOW PROJECTIONS ..... 14  
SECTION 5 WASTEWATER SYSTEM INFRASTRUCTURE REQUIREMENTS ..... 18  
SECTION 6 PROJECT FINANCING ..... 21

PERMITTING REQUIREMENTS AND PROJECT FINANCING DESCRIPTIONS ARE DETAILED IN SECTION 7 (pg 57) AND SECTION 8 (pg 60) OF: **CAAG WATER QUALITY PLAN AMENDMENT NO. 4 FOR JOHNSON UTILITIES COMPANY, LLC, APRIL 1, 2001, Approved October 2001.**

**LIST OF EXHIBITS:**

EXHIBIT 1 PROJECT LOCATION MAP ..... 3  
EXHIBIT 2 PROPOSED FRANCHISE AREAS ..... 4  
EXHIBIT 3 CC&N AREAS ..... 5  
EXHIBIT 4 LAND USE TABLE ..... 6  
EXHIBIT 5 CIRCLE CROSS MASTER SITE PHASING PLAN ..... 17  
EXHIBIT 6 CIRCLE CROSS MASTER SEWER SYSTEM LAYOUT ..... 20

**APPENDIX**

208 AMENDMENT CHECKLIST ..... A  
SEWER BASIN FLOWS ARE DETAILED IN CAAG AMENDMENT NO. 4, APPENDIX E.

## SECTION 1 - INTRODUCTION

The main objective of this amendment is to propose the addition of two service areas to the Circle Cross Ranch WWTP, as presented in the CAAG 208 Water Quality Plan Amendment No. 4, for Johnson Utilities Company, L.L.C., April 2001 (CAAG 208 Amendment No. 4). Johnson Utilities Company, L.L.C.'s service area is located within the project areas and will be providing development, maintenance and operation of the wastewater facilities.

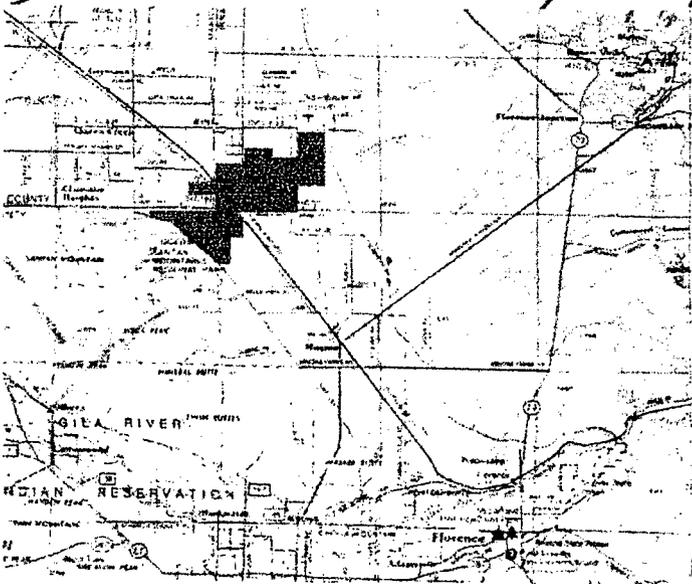
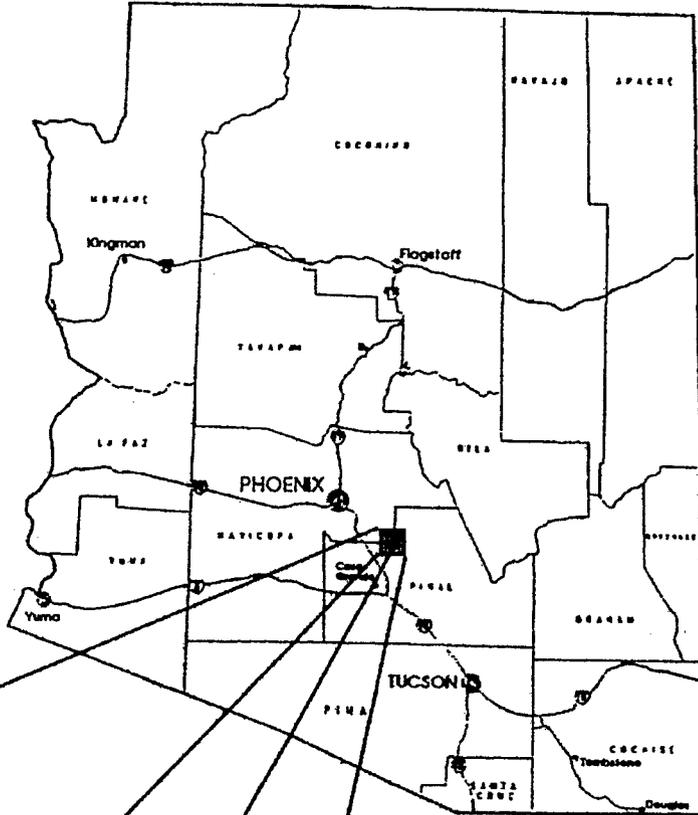
The Circle Cross WWTP is located in Pinal County in an area of relatively flat topography. The site is equally accessible to Phoenix and Tucson metropolitan regions and close to Florence, Apache Junction and Queen Creek. The land within, and surrounding, these projects has historically been used for agricultural purposes. There are currently no sanitary districts or wastewater facilities within the area.

Two sections to the east of the current Circle Cross service area have requested wastewater service from Johnson Utilities. The two sections are Section 22, Castlegate Subdivision and Summer Ridge, and Section 27, a proposed PAD in Township 2 South, Range 8 East, of the Gila & Salt River Base & Meridian (G&SRM), Pinal County, Arizona (*Exhibit 5*).

The Circle Cross PAD is located immediately south and west of the intersection of Combs Road and Vineyard Road, in central Pinal County. The 1,409 acres and surrounding land is currently being used for agricultural purposes. A portion of the acreage has been used for cattle rearing. The applicant intends to use a portion of the operation to continue feeding of cattle until development commences. The San Tan Mountain Regional Park is three miles to the southwest of the property. The project is immediately southwest of Rittenhouse Road (Southern Pacific Railroad), with additional portions of the project on the northeast side of the railroad. It is bounded by Vineyard Road on the East, Skyline Drive on the South, Meridian (Gary) Road on the West, and Combs Road on the North.

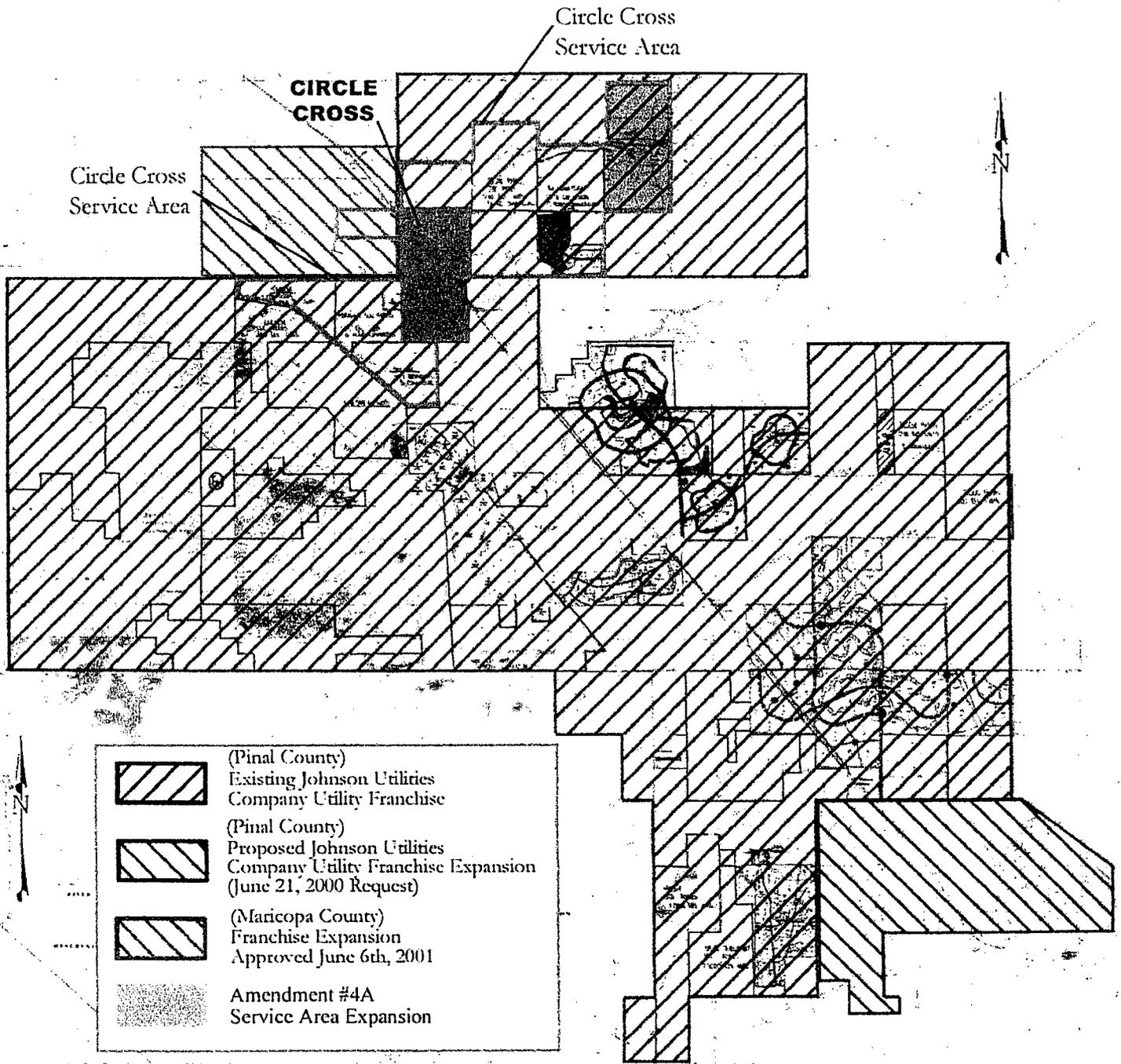
At buildout, the site will consist of an estimated 5,296 single family homes ranging from low to high density housing, the possibility of two 10-acre elementary school sites, an equestrian center, and two mixed use sites. The recreation system will consist of a comprehensive park and open space system, as well as an equestrian center. The equestrian trail system proposed will connect with the regional system.

# ARIZONA

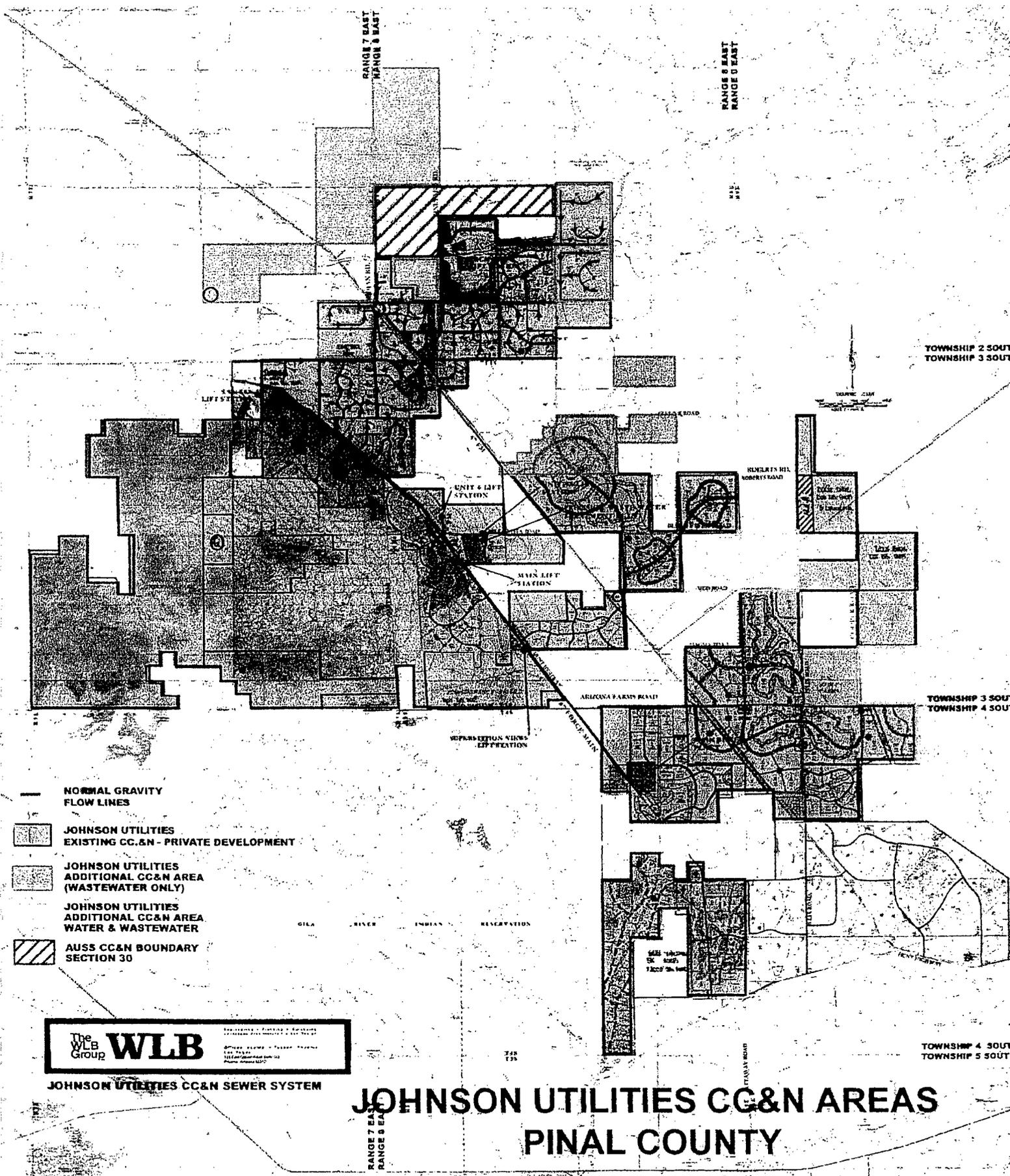


## Location Map Service Area Revision

### Exhibit 1



**Franchise Areas - Pinal County**  
**CAAG 208 Plan Amendment No. 4 A**  
**Service Area Revision**  
**Exhibit 2**



-  NORMAL GRAVITY FLOW LINES
-  JOHNSON UTILITIES EXISTING CC&N - PRIVATE DEVELOPMENT
-  JOHNSON UTILITIES ADDITIONAL CC&N AREA (WASTEWATER ONLY)
-  JOHNSON UTILITIES ADDITIONAL CC&N AREA WATER & WASTEWATER
-  AUSS CC&N BOUNDARY SECTION 30

**The WLB Group**  
**WLB**  
WATER & SEWER CONSULTANTS  
 1111 East McDowell Road, Suite 100  
 Phoenix, Arizona 85006  
 Phone: (602) 254-1111  
 Fax: (602) 254-1112

JOHNSON UTILITIES CC&N SEWER SYSTEM

# JOHNSON UTILITIES CC&N AREAS PINALEÑO COUNTY

EXHIBIT 3

<b>LAND USE TABLE</b>				
<b>Land Use</b>	<b>Land Use Designation</b>	<b>Proposed Zoning</b>	<b>Res. Per Acre (RAC)</b>	<b>Target Units</b>
LD1	Low Density Residential	CR-1	0.5 - 1.5	1.0
MLD	Medium Low Density Residential	CR-2	1.6 - 4.0	2.8
MD	Medium Density Residential	CR-3	4.1 - 7.0	5.6
MHD	Medium High Density Residential	CR-4	7.1 - 10.0	8.6
HD	High Density Residential	CR-5	10.1 - 20.0	15.1
C/CO	Commercial/Commercial Office	CB-1		
S	School	SR		
P/OS	Park/Open Space	SR		

## **LAND USE TABLE**

### **EXHIBIT 4**

## SECTION 2 - DESCRIPTION OF PROJECT

Development regulations serve as the primary mechanism for implementation of the land uses for the project. All construction and development within the PAD area shall comply with applicable provisions of the Pinal County Building Code. For the purpose of these PADs, the table in Exhibit 4 (page 6) lists the types of land uses to be established. All projects will contain varying residential densities with a few commercial sites and schools for the convenience of the residents. The Circle Cross Ranch Planned Area Development (PAD) will be developed in four phases as described below; the other PADs within the proposed service area will be developed in four to five phases, as indicated in Exhibit 5 (page 16).

The Circle Cross Ranch development will consist of a range of low to high density housing, two elementary schools covering 10 acres each, a golf course and clubhouse, and several commercial areas at the intersections of major arterials. Because of the rural character of the project and the land surrounding it, an equestrian center is proposed in the northern portion of the site, adjacent to the WWTP. Open space and parks will account for approximately 15 percent of the total area.

It is anticipated that the Circle Cross Ranch PAD will be developed in four major phases. The phasing will begin at the southern portion of the site and typically continue in a northeasterly manner with phase four of the housing units occurring in the northern portion of the site. The initial phase of Circle Cross will consist of approximately 309 acres and has been approved for approximately 1,000 family units. One of the elementary schools and the wastewater treatment plant will be developed in this initial phase. Phase two consists of approximately 411 acres with approximately 1,250 housing units. The third phase will encompass about 185 acres and 560 housing units. Most of the neighborhood commercial sites will be developed in this phase, as well as the second school site. The fourth phase will total 499 acres which will include the final commercial site and the balance of the residential units.

The wastewater treatment plant at Circle Cross Ranch will also service the developments, as discussed in the CAAG 208 Amendment No. 4, on pages 40 - 42. Service agreements will be in

place with the individual developments before service will be provided. The two PADs discussed below are in addition to the area serviced as discussed in Amendment No. 4.

**Section 22, T2S, RANGE 8 EAST**

Castlegate Subdivision consists of approximately 276 acres, located in the northern half of the section. The PAD will consist of approximately 1,600 medium to high residential dwelling units, some commercial sites, and a 12-acre elementary school site, to be developed in ten phases. The open space will be approximately 15% and consist of village greens and pocket parks.

Summer Ridge is a PAD consisting of an estimated 100 acres which will be developed with approximately 350 single family dwelling units.

A gravel mine covers the remaining 237 acres of this section. No runoff occurs; the operation re-uses all the runoff. The chemicals used in the operation are regulated under ADEQ and Pinal County. Dust regulations are in place. There are no problems anticipated with this mine.

**Section 27, T2S, RANGE 8 EAST**

This section is comprised of approximately 640 acres of agricultural land that will be/has been rezoned to support rural residential dwelling units. Based on an estimate of 1.5 houses per acre, the estimated amount of housing units is 960. The PAD may also consist of some commercial sites and open space.

The addition of Sections 22 and 27 will increase the amount of single family homes by an approximate 3,600 dwelling units. The addition of this service area will not increase the total wastewater volume significantly, nor compromise the capacity of the WWTP.

The Circle Cross WWTP will be sized and developed to serve Circle Cross Ranch and the surrounding subdivisions with an initial start-up capacity of 1.5 MGD. A copy of the service area has been attached as Exhibit 2. The location of the WWTP site will allow Circle Cross to service Castlegate, Summer Ridge and the Section 27 PAD as well as other future developments within the approved CC&N area.

The Circle Cross plant will be developed as a Sequence Batch Reactor (SBR) mechanical plant. SBR plants are designed to provide seven potential phases of operation, however, the duration and number of phases is based on process considerations related to the effluent quality requirements of a specific wastewater treatment operation. Construction of all the wastewater treatment facilities (WWTF) and wastewater collection infrastructures will be phased in accordance with the growth and needs of the individual projects. Each future phase of the WWTF will be constructed and operational before the capacity of the existing treatment facility is exceeded. The wastewater facilities will be designed to allow orderly expansion to occur as additional capacity is required. The wastewater effluent will be treated to reuse standards, for 100% reuse on open spaces, golf courses, recreational areas and landscaped areas

The community can be serviced within a short distance and the profile of the mechanical plant will be constructed to be aesthetically inconspicuous. The plant expansion will allow the facility to provide wastewater treatment to adjacent properties, providing the parcel is within the utility's approved CC&N, and desires to be served. The wastewater plant has anticipated growth in the immediate area, and will be sized accordingly. Areas included in this amendment are only areas currently approved by, or those who have applied for service to, the Arizona Corporation Commission (ACC). If Section 22 becomes a CC&N, it will be regulated by the tariff already established by the ACC for Johnson Utilities. If the area does not become a CC&N area, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service. Development of this project is anticipated to begin between the years 2002 through 2006.

Johnson Utilities Companies was formed as a utility company and is registered with the Arizona Corporation Commission (ACC) to provide water and sewer service to this area. Due to developer and consumer demand, Johnson Utilities Company will construct, operate and maintain the WWTP facility. The franchise for utility service to this area has been granted by Pinal County. The proposed sites are within the currently approved, or in process of obtaining approval, in the franchise for the utility. Johnson Utilities Company has, or will obtain, a Certificate of Convenience and Necessity (CC&N) from the ACC in order to provide water and wastewater service for the franchised area of Circle Cross Ranch and adjacent sites.

Approval of said application, and pending applications, will grant Johnson Utilities Company the proper rights and authorities to implement this plan. A copy of the CC&N for the original Circle Cross service area is on record with the ACC (*Amendment No. 4, Appendix D*).

### **SECTION 3 - WASTEWATER TREATMENT PLANT PHASING**

In preparing the phasing plans, certain assumptions have been made. These include: 1) the rate of growth for the project remains constant as calculated; 2) the rate of growth of other regional projects used in assessing cumulative impacts on phased infrastructure and services remains constant as calculated; and 3) the market demand for proposed residential product type and mix remains constant throughout the phasing intervals. If the build-out rate internal to projects accelerates or decreases, key infrastructural components may be re-phased.

Circle Cross WWTP will be developed in four phases. A summary of the proposed phasing sequence by planning areas is provided below.

<b>PHASE</b>	<b>YEAR</b>	<b>INFRASTRUCTURE CAPACITY</b>
A	<b>2002</b>	Start of Project - Start-up of SBR Mechanical Treatment Plant and Effluent Re-use at the adjacent Golf Course (1.5 MGD)
B	<b>2006</b>	Addition of a 1 MGD Mechanical Treatment Effluent Reuse/Excess Discharge
C	<b>2011</b>	Addition of a 1 MGD Mechanical Treatment Effluent Reuse/Excess Discharge
D	<b>2022</b>	Estimated build out and construction of the final 2 MGD which is anticipated to be completed within the remaining 10 years. Total build out to 5.5 MGD is dependent on economic development trends over the next 20 years.

It is anticipated that Circle Cross Ranch will start providing wastewater treatment service in 2002. The first phase will service approximately 1,200 units within the Circle Cross site and adjacent

projects. It is estimated that Summer Ridge and Castlegate will be requiring service within a year. Other surrounding developments may be serviced within the Johnson Utilities CC&N area, if requested.

The homes in the southern portions of Circle Cross will drain to a proposed lift station located within the park in that portion of the development. The remainder of the project will drain to another lift station at the WWTP site. Other lift stations may be added to the plan if needed. The proposed Circle Cross WWTP is located within the Northwest part of Section 31 Township 2 South, Range 8 East, G&SRM, Pinal County, Arizona. The site is located northeast of Hunt Highway and situated southwest of the Southern Pacific Railroad. Access to the WWTP site will be from Vineyard Road on the east and Rittenhouse Road on the north sides of the project. Based on builder projections, the utility has anticipated that this site will be constructed and operating at full capacity within the next 20 years. The property is currently owned by an affiliate of El Dorado Holdings, but will be deeded to Johnson Utilities prior to construction of the WWTP. Johnson Utilities will purchase and construct the WWTP at a total build-out capacity of approximately 5.5 MGD.

Drainage originates from the southeast portion of the development site, and flows to the northwest. The Sanokai Wash runs through the project and will be improved to accommodate storm water runoff through the site. Onsite runoff that does not drain into the comprehensive park and open space system will use designated facilities for detention. The proposed WWTP site is not within a 100 year flood zone.

This wastewater treatment plant proposed for the Circle Cross Ranch will bring several benefits to the area:

- Circle Cross will provide housing, recreational (golf course, public parks and equestrian facility), and employment opportunities for the residents of Pinal County.
- The development will provide a master planned development with a variety of residential opportunities and some limited local commercial uses. The project will allow the County to continue to grow in a manner compatible with the County's Comprehensive Plan.

- Circle Cross is located near Hunt Highway, a major transportation corridor which will allow for efficient use of the existing transportation infrastructure.

The population projection estimates for permanent and seasonal residents within Census Tract Two of Pinal county will increase from 21,747 to 51,620 from 1995 to 2010 (Pinal County Comprehensive Plan, Area 1, 1998). By the year 2010, 6,506 projected new housing units are required to meet future housing needs within the Census Tract Two area of Pinal County. These numbers were estimated using historic rural patterns of growth within Pinal County.

Landscaped open area parks and corridors throughout the developments, irrigated with properly treated effluent, will encourage and enhance outdoor recreational activities. The property contained within the required setbacks will be used for acceptable non-residential uses such as Golf Course corridors which will provide beneficial activities and services to the area residents. Additional uses will include equestrian facilities, RV storage and open activity areas.

## SECTION 4 - WASTEWATER FLOW PROJECTIONS

The following is an estimate of the wastewater flows projected for the plant site and the subdivisions it will provide service to. A more detailed flow breakdown by subdivision can be found in the CAAG 208 Amendment No. 4, Appendix E, Sewer Flow Projections. If the Flow Projection chart is not available for the specific subdivision, it means the subdivision is still in the development stage and no current PAD has been completed at this writing.

<b>WASTEWATER FLOW PROJECTIONS</b>				
		Year	Dwelling Units (DU)	Est Residential Flow at 234gal/unit/day
<b><i>CIRCLE CROSS SERVICE AREA</i></b>		2001-2005	3,485	815,490
		2006-2010	6,200	1,450,800
		2011-2015	6,420	1,502,280
		2016-2021	5,755	1,346,670
<b>TOTAL</b>			<b>21,860</b>	<b>5,115,240</b>

**NOTE:** The populations and residential flows are estimated based on all the subdivisions the WWTP will provide service to. Specific details on the individual sites, such as peaking flows can be found in Appendix E of Amendment No. 4, Sewer Basin Flows. If the Basin Flow for a subdivision is not available, that means it is still in the development phase and the PAD is pending.

Phase A of the sewage flows will be from the first 1,200 residential units, Phase B consists of 1,450 additional residential units, Phase C adds 1,700 residential units and, Phase D will include the final 946 residential units.

**Ware Farms:** Phases A, B, and C will service 400 residential units each; Phase D will service 642 residential units.

**Morning Sun Farms:** Phase A, B, and C will service 300 residential units each; Phase D will service 295 residential units.

**Johnson Farms:** Phase A will service 200 residential units; Phase B will service 800 residential units; Phase C will service 1,120 residential units; Phase D will service 798 residential units.

**Pecan Ranch:** Phase A will service 700 residential units; Phase B will service 1,500 residential units, Phase C will service 1,400 residential units; Phase D will service 1,100 residential units.

**Home Place:** Phases B and C will service 750 residential units each; Phase D will service 647 residential units.

**Skyline Ranch:** Phase A will service 285 residential units; Phases B and C will service 250 residential units.

**Future 560:** Phase B will service 1400 residential units.

**Country Thunder:** Phase A will service the entire 80-acre commercial parcel site

**Ram 400:** Phase B will service 1000 residential units.

**Castlegate:** Phases A and B will service 500 residential units each, Phase C will service 600 residential units;

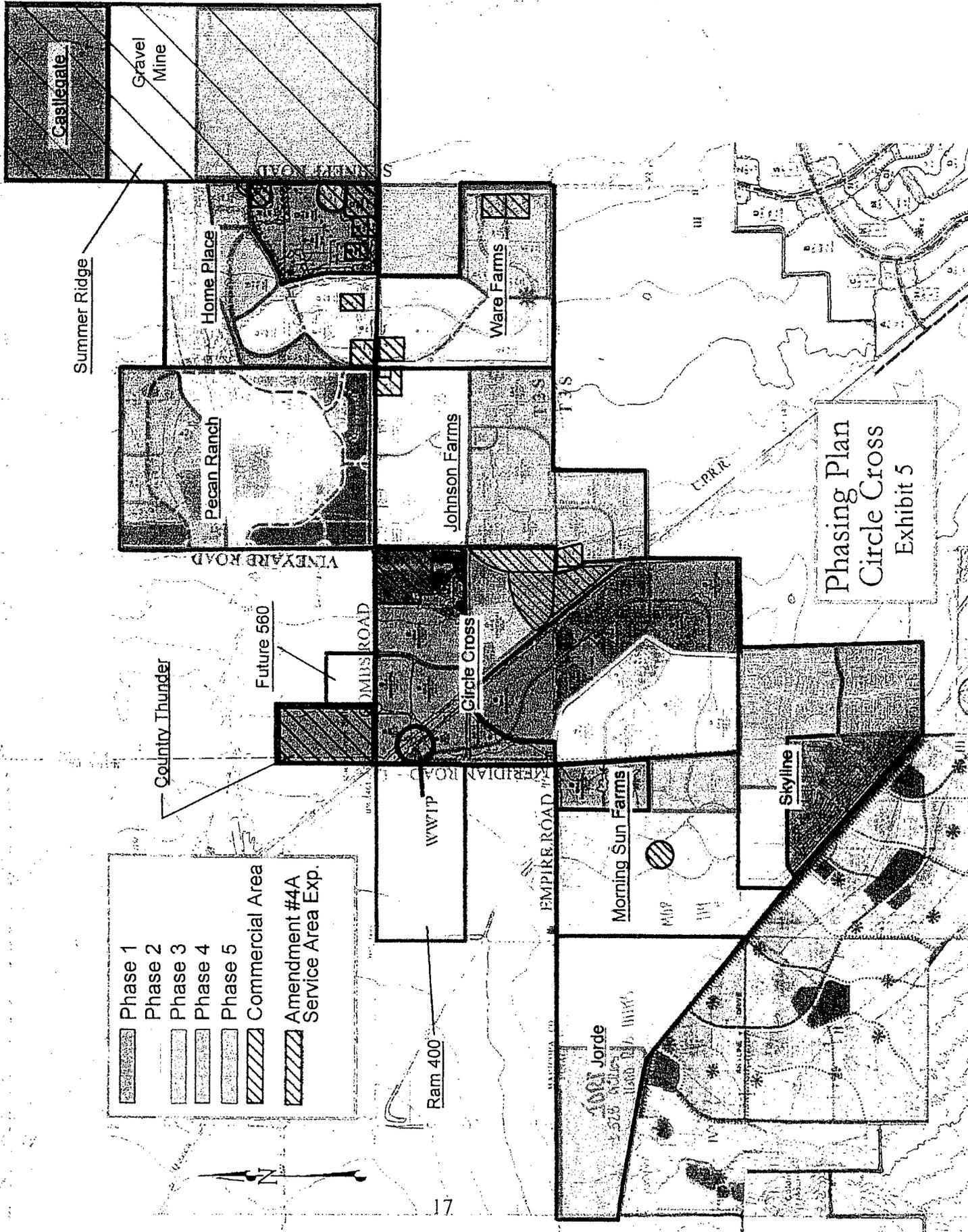
**Summer Ridge:** Phase B will service 350 residential units. Approximately 230 acres

**Section 27 PAD:** Phase C and D will service 480 residential units each.

In order to estimate the projected sewer flows for these areas of the Johnson Utilities service area, the criteria as outlined below was utilized. Flow estimates for family and adult retirement residential, commercial and school facilities were derived based upon historic flows near this area. The flows are based on the population and acreage per phase of each project. These flow projections have recently been accepted by ADEQ for this area of the valley (*Amendment No. 4, Appendix E*). The design criteria for the Johnson Utilities Company is as follows:

## SEWER PLANNING CRITERIA

- 90 Gallons Per Capita per Day (GPCD) for all residential areas requiring sewers
- 1.8 persons/Dwelling Units (DU) for all Adult Community Residences
- 2.6 persons/DU for all Family Community Residences
- 1,000 Gallons Per Area Development (GPAD) for all commercial and school areas [Average Daily Flow (ADF)]
- 3.0 Peaking Factor for all commercial and school areas [Peak Dry Weather Factor (PDWF)]
- 250 GPAD for wet weather flow infiltration



Phasing Plan  
Circle Cross  
Exhibit 5

- Phase 1
- Phase 2
- Phase 3
- Phase 4
- Phase 5
- Commercial Area
- Amendment #4A Service Area Exp.

## **SECTION 5 - WASTEWATER SYSTEM INFRASTRUCTURE REQUIREMENTS**

Circle Cross Ranch is located on agricultural land, a portion of which was used for a cattle feeding operation. The site is in the southeast quadrant of the intersection of Empire Boulevard (Hash Knife Draw Road) and Meridian (Gary) Road. Drainage originates from the southeast and flows to the northwest. The San Tan Mountains are three miles southwest of the property. The proposed sewer treatment plant site is located within the northwest part of Section 31 Township 2 South, Range 8 East, along the southwest side of the Southern Pacific Railroad (*Exhibit 6, page 19*).

Sanokai Wash runs through the project and will require improvement to accommodate offsite stormwater flow through the site.

The wastewater treatment facility will be primarily served by gravity sewer mains where possible and a force main where needed. The sewer lift stations will lift all flows from the gravity sewer collection system into the headworks of the treatment plant facility. The influent sewer lift stations will be constructed and upgraded to match the capacity increments of the future wastewater treatment plant as required. The sewer lift stations will be designed using duplex pumps, backup power, and all required facilities to meet the Arizona Administrative Code, Title 18, Chapter 9, Water Pollution Control and Aquifer Protection Permits. The actual timing and sizing of the wastewater collection system will depend on phased construction of the project. The wastewater generation estimates for family and adult residential and commercial uses were derived based on historic flows near these areas.

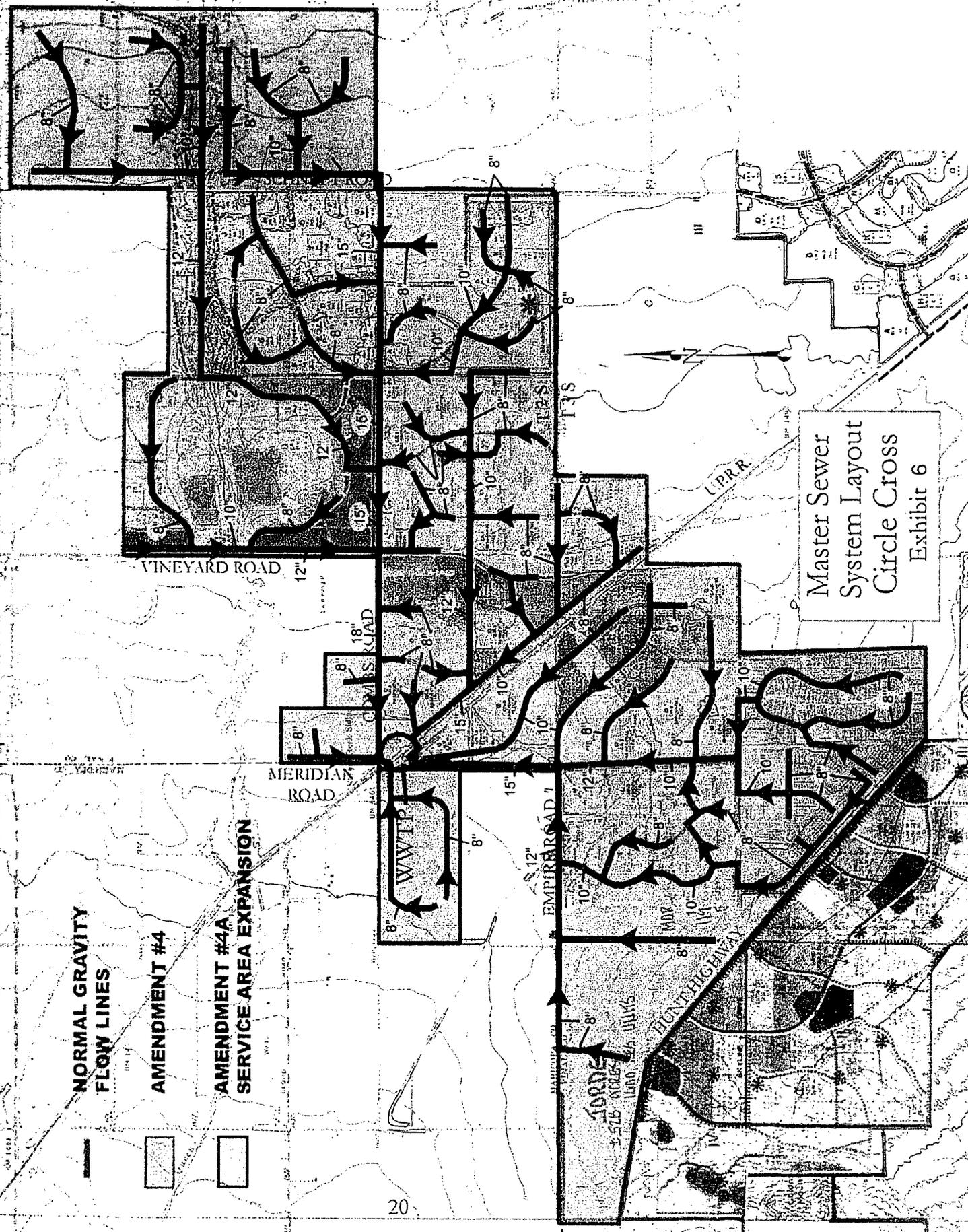
Historically, the land in these areas has been used for farming or cattle operations and there have been water quality problems in the past. Houses in this area have treated wastewater by using individual septic tanks. To prevent future nitrate problems, Johnson Utilities will not approve septic tanks, except for existing or previously approved septic tank systems for developments within the Johnson Utilities service area. By providing a high level of wastewater treatment and quality control methods, Johnson Utilities will work to improve the quality of the groundwater in this area.

The treatment plant facility will be sized to treat the average daily flow (ADF) and accept peak wet weather flows (PWWF) without disrupting the treatment plant process. The wastewater will be treated to "open access" reuse standards. The treated effluent will be pumped by a reclaimed pump station to the planned reuse areas which will include golf courses, parks, greenbelts and other turf irrigation. The utilities will be requesting a reuse permit approved by ADEQ to irrigate at an average rate of 5.5 MGD, based on the individual projects.

**NORMAL GRAVITY  
FLOW LINES**

**AMENDMENT #4**

**AMENDMENT #4A  
SERVICE AREA EXPANSION**



Master Sewer  
System Layout  
Circle Cross  
Exhibit 6

## **SECTION 6 - PROJECT FINANCING**

The cost for wastewater treatment plant facilities will be provided in part through line extension agreements between the developers and Johnson Utilities, and connection fees. The Company was formed as an Arizona limited liability company and has been approved by the Arizona Corporation Commission (ACC) to provide Certificates of Convenience and Necessity (CC&N) for water and wastewater service to this development. As a public service corporation, the Company is required to obtain prior approval of all long-term financing pursuant to A.R.S. 40-301 et.seq.

The long-term debt and the managing membership funds will be provided by the Utility, who is serving this project. The associate membership funds will be provided by substantial homebuilders who acquire given subdivisions within the development and who will also pay the costs associated with the utility facilities for that subdivision as part of the acquisition cost. Developer payments will cover all costs for onsite facilities, plus a portion of the common facilities needed to serve that subdivision. These expenses will be funded through the Corporation Commission's tariff, docket # U-2987, approved by decision #60223, on May 30, 1997. This public document is on file with the Corporation Commission.

As a condition of the Certificate of Convenience and Necessity, the Commission has established the rates at which the Company can charge customers for provisions of the utility services. Those rates include all pro forma costs associated with the operation and maintenance of the wastewater facilities. As operating costs change over the years, the Company will apply to the Commission for adjustments in those rates to cover all operation and maintenance expenses as well as a return on the investment the Company has made in the utility facilities.

A CC&N has been applied for in Sections 22 and 27, T2S, R8E, and is pending. With regard to the service area as described for the Castlegate and Summer Ridge PADs in Section 22 If this Section becomes a CC&N, it will be regulated by the tariff already established by the ACC for Johnson Utilities. If the area does not become a CC&N area for Johnson Utilities, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service.

**APPENDIX  
208 AMENDMENT CHECKLIST**

**AMENDMENT NO. 4  
208 AMENDMENT CHECKLIST  
SECTION 208, CLEAN WATER ACT**

**AUTHORITY**

1. **Requirement:** - Proposed Designated Management Agency (DMA) shall self-certify that it has the authorities required by Section 208(c)(2) of the Clean Water Act to implement the plan for its proposed planning and service areas. Self-certification shall be in the form of a legal opinion by the DMA or entity attorney.

**Summary:** Does not apply; Johnson Utility Company is not a DMA.

**Addressed on Page:** 10 (of Amendment No. 4).

**20-YEAR NEEDS**

2. **Requirement:** - Clearly describe the existing wastewater (WW) treatment facilities:  
- Describe the existing WWTP facilities.

**Summary:** Currently, there are no existing facilities on this site. A SBR treatment plant is proposed for the site. The Circle Cross WWTP will have a total capacity of 5.5MGD.

**Addressed on Page:** 1 (of Amendment No. 4).

3. **Requirement:** - Show WWTP certified and service areas for private utilities and sanitary district boundaries if appropriate.

**Summary:** Johnson Utilities Company has been formed as a utility company registered with the Arizona Corporation Commission to provide water and sewer service for the Johnson Ranch area. The current Franchise Areas are as shown in Exhibit 2. The existing CC&N boundaries and pending CC&N areas are as shown on Exhibit 5.

**Addressed on Page:** 4, 5 & 9

4. **Requirement:** Clearly describe alternatives and the recommended WWTP plan:

- Provide POPTAC population estimates (or COG-approved estimates only where POPTAC not available) over 20-year period.

Summary:

The Circle Cross service area will cover approximately 6,327 acres with an estimated 21,860 dwelling units. All projects will be developed in approximately four phases consisting primarily of family and adult residential property.

Addressed on Page: 12.

5. Requirement: - Provide wastewater flow estimates over the 20-year planning period.

Summary:

Wastewater flow estimates are: 2.6 per/D.U. x 90 GPCD = 234 Gal/D.U. It is anticipated that the wastewater treatment facilities will be at full capacity within the next 15 to 20 years.

Addressed on Page: 13 & 15

6. Requirement: - Illustrate the WWT planning and service areas.

Summary:

This WWTP will service Circle Cross's service area future developments adjacent to these projects within the CC&N areas.

Addressed on Page: 7-9, and Exhibit 5 & 6.

7. Requirement: - Describe the type and capacity of the recommended WWTP Plant.

Summary:

The WWTP will be sized for a total capacity of 5.5 MGD. The plant will be a SBR mechanical extended aeration plant with effluent reuse on turf areas.

Addressed on Page: 8, 10 - 11.

8. Requirement: - Identify water quality problems, consider alternative control measures, and recommend solution for implementation.

Summary:

Johnson Utilities service area. Johnson Utilities will work to improve the quality of the groundwater in this area by meeting effluent reuse standards for open-access golf courses and meeting Class D reclaimed water requirements, which is equivalent to secondary treatment and disinfection. To prevent future nitrate problems, Johnson Utilities will not approve septic tanks, except for existing or previously approved septic tank systems for developments within the the Johnson Utilities service area.

Addressed on Page: 9, 12, 17 - 18.

9. **Requirement:** - If private WWTP utilities with certificated areas are within the proposed regional service area, define who (municipal or private utility) serves what area and when. Identify whose sewer lines can be approved in what areas and when?

**Summary:** The Circle Cross project is located within the existing sewer and water certificated areas of Johnson Utilities, L.L.C. Sections 22 and 27 are pending CC&N areas to be approved for sewer service.

Addressed on Page: 9, 20, and Exhibits 2 and 3.

10. **Requirement::** - Describe method of effluent disposal and reuse sites (if appropriate).

**Summary:** The treated effluent will be used for irrigation of the golf courses that have been constructed within the PADs as well as irrigation uses within other open spaces and landscaping within the developments.

Addressed on Page: 12, 17, & 18.

11. **Requirement::** - If Sanitary Districts are within a proposed planning or service area, describe who serves the Sanitary Districts and when.

**Summary:** There are no existing Sanitary Districts in the proximity of Circle Cross project, other than Johnson Utilities, L.L.C.

Addressed on Page: 1 (of Amendment No. 4).

12. **Requirement::** - Describe the ownership of land proposed for plant sites and reuse areas.

**Summary:** The property is currently owned by an affiliate of El Dorado Holdings, but will be deeded to Johnson Utilities. The reuse areas (golf course, open space, etc.) is currently owned by the corresponding entity. George H. Johnson, is the owner of Johnson Utilities Co., L.L.C.

Addressed on Page: 9, 11 & 20.

13. **Requirement::** - Address time frames in the development of the treatment works.

**Summary:** The first phase of the WWTP will initially commence operation in 2002. The project is expected to be completed within the next 5 years.

Addressed on Page: 10 & 13.

14. **Requirement:** - Address financial constraints in the development of the treatment works.

Summary: The project financing for Johnson Utilities is described within Project Financing, Section 6. (And also CAAG Amendment #4, Section 8).

Addressed on Page: 20 (60 and Exhibit 9 of Amendment #4)

15. **Requirement:** - Describe how discharges will comply with EPA municipal and industrial stormwater discharge regulations (Section 405, CWA).

Summary: All runoff will be directed through landscaped retention basins along with sediment removal and bio-filtration. (*Described in CAAG Amendment #4, Permitting Requirements*).

Addressed on Page: 47 & 59 (of Amendment #4).

16. **Requirement:** - Describe how open areas and recreational opportunities will result from improved water quality and how those will be used.

Summary: Effluent treated to the required standards will be used to irrigate the golf course, neighborhood parks, trails and other open activity areas, thus encouraging recreational opportunities for the area residents.

Addressed on Page: 2, 7, 11, 12 & 18.

17. **Requirement:** - Describe potential use of lands associated with treatment works and increased access to water-based recreation, if applicable.

Summary: The property contained within the required setbacks will be used for acceptable non-residential uses such as Golf Course corridors which will provide beneficial activities and services to the area residents. Additional uses will include equestrian facilities, RV storage and open activity areas.

Addressed on Page: 2, 7, 11, 12 & 18.

## **REGULATIONS**

18. **Requirement:** - Describe types of permits needed, including NPDES, APP and reuse.

Summary: Permits required for the project include an Individual Aquifer Protection Program Permit (APP), and a Reclaimed Water Permit. The APP and Reclaimed Permit will be applied for starting in **2002**. The permit will be applied for as part of the phasing plan for the WWTP. A Stormwater Pollution Permit will be applied for as part of the grading permit application. (*Discussed in CAAG Amendment # 4, Section 7*)

Addressed on Page: *Section 7, 57-59 (of Amendment #4)*

19. **Requirement::** - Describe restrictions on NPDES permits, if needed, for discharge and sludge disposal.

Summary: No NPDES Permit for discharge will be required for the Circle Cross WWTP. (*Discussed in CAAG Amendment # 4, Section 7*)

Addressed on Page: *58. (of Amendment #4)*

20. **Requirement::** - Provide documentation of communication with ADEQ Permitting Section 30 to 60 days prior to public hearing regarding the need for specific permits. (*Discussed in CAAG Amendment # 4*).

Summary: Meetings have been held with representatives from the ADEQ Permitting Section, and representatives of CAAG throughout the development of this plan. WLB has been in regular contact with ADEQ engineering department, and an ADEQ meeting was attended by WLB staff on 6/5/01 to discuss modifications to the APP permit.

Addressed on Page: *Appendix F (of Amendment #4)*

21. **Requirement::** - Describe pre-treatment requirements and method of adherence to requirements (Section 208 (b)(2)(D), CWA).

Summary: A pre-treatment program has been proposed in conformance with the Clean Water Act for Non-Domestic Waste. (*Discussed in CAAG Amendment # 4, Section 7*)

Addressed on Page: *58. (of Amendment #4)*

22. **Requirement::** - Identify, if appropriate, specific pollutants that will be produced from excavations and procedures that will protect ground and surface water quality (Section 208 (b)(2)(K) and Section 304, CWA).

Summary: A NPDES Stormwater Pollution Prevention Permit will be obtained by the contractor prior to all construction of facilities within the

proposed construction sites. (*Discussed in CAAG Amendment # 4, Section 7*)

Addressed on Page: 59. (*of Amendment #4*)

23. **Requirement:** - Describe alternatives and recommendation in the disposition of sludge generated. (Section 405 CWA)

Summary: Sludge will be disposed of at a landfill which is state certified to accept wastewater sludge. Butterfield Station, located in Mobile, Arizona, will accept sludge from the wastewater treatment plant for disposal. (*Discussed in CAAG Amendment # 4, Section 7*).

Addressed on Page: 58. (*of Amendment #4*)

24. **Requirement:** - Define any non-point issues related to the proposed facility and outline procedures to control them.

Summary: The only opportunity for non-point discharges is from the golf courses. The courses have been designed to retain runoff within the fairways and corridors. (*Discussed in CAAG Amendment # 4, Section 7*).

Addressed on Page: 59. (*of Amendment #4*)

25. **Requirement:** - Define the process to handle all mining runoff, orphan sites and underground pollutants, if applicable.

Summary: There is an active commercial industrial gravel mine in the southeast corner of Section 22. No runoff occurs; the operation re-uses all the runoff. The chemicals used in the operation are regulated under ADEQ and Pinal County. Dust regulations are in place. There are no problems anticipated with this mine.

Addressed on Page: 8.

26. **Requirement:** - If mining related, define where collection of pollutants has occurred, and what procedures are going to be initiated to contain contaminated areas.

Summary: There is an active commercial industrial gravel mine in the southeast corner of Section 22. No runoff occurs; the operation re-uses all the runoff. The chemicals used in the operation are regulated under ADEQ and Pinal County. Dust regulations are in place. There are no problems anticipated with this mine.

Addressed on Page: 8.

27. **Requirement:** - If mining related, define what specialized procedures will be initiated for orphan sites, if applicable.

Summary: There is an active commercial industrial gravel mine in the southeast corner of Section 22. No runoff occurs; the operation re-uses all the runoff. The chemicals used in the operation are regulated under ADEQ and Pinal County. Dust regulations are in place. There are no problems anticipated with this mine.

Addressed on Page: 8.

### **CONSTRUCTION**

28. **Requirement:** - Define construction priorities and time schedules for initiation and completion.

Summary: The WWTP will be built starting in 2002.

Addressed on Page: 9 - 12

29. **Requirement:** - Identify agencies who will construct, operate and maintain the facilities and otherwise carry out the plan.

Summary: Johnson Utilities will provide sewer service for the Johnson Ranch Project. Johnson Utilities will construct, operate and maintain the sewer facilities.

Addressed on Page: 1, 9, 11 & 20

30. **Requirement:** - Identify construction activity-related sources of pollution and set forth procedures and methods to control, to the extent feasible, such sources. (*Discussed in CAAG Amendment # 4, Section 7*)

Summary: The contractor shall comply with NPDES and OSHA Permit regulations as they apply to construction activities and materials.

Addressed on Page: 59. (*of Amendment #4*)

## **FINANCING AND OTHER MEASURES NECESSARY TO CARRY OUT THE PLAN**

31. **Requirement::** - If plan proposes to take over certificated private utility, describe how, when and financing will be managed.

**Summary:** This item is not applicable. Johnson Utilities is the utility company approved by ACC. If the area does not become a CC&N area for Johnson Utilities, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service. *(Also discussed in CAAG Amendment # 4, Section 8).*

**Addressed on Page:** 9 & 20 (pg 60 of Amendment #4)

32. **Requirement::** - Describe any significant measure necessary to carry out the plan, e.g., institutional, financial, economic, etc.

**Summary:** The project financing for Johnson Utilities is described within Section 6, Project Financing. The CC&N has been approved by the ACC. If the area does not become a CC&N area for Johnson Utilities, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service. *(Also discussed in CAAG Amendment # 4., Section 8)*

**Addressed on Page:** 9 & 20 (pg 60 and Exhibit 9 of Amendment #4)

33. **Requirement::** - Describe proposed method(s) of community financing.

**Summary:** The project financing for Johnson Utilities is described within Section 6, Project Financing. If the area does not become a CC&N area for Johnson Utilities, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service. *(Also discussed in CAAG Amendment # 4., Section 8).*

**Addressed on Page:** 20 (60, and Exhibit 9. of Amendment #4)

34. **Requirement::** - Provide financial information to assure DMA has financial capability to operate and maintain wastewater system over its useful life.

**Summary:** Although Johnson Utilities is not a DMA, the project financing for Johnson Utilities is described within Section 6, Project Financing. *(Also discussed in CAAG Amendment # 4., Section 8).*

**Addressed on Page:** 20 (60. of Amendment #4)

35. **Requirement:** - Provide a time line outlining period of time necessary for carrying out plan implementation.

**Summary:** The Builders have estimated 5 years for the project to be built out. At full buildout, the wastewater treatment plant will have a capacity of 5.5 MGD to serve the needs of the service area. Treatment and collection capacity will be built in phases to match the growth of each facility. It is anticipated that these plants will be operating at 100% efficiency within the next 15 to 20 years.

**Addressed on Page:** 8 -11 & 13.

36. **Requirement:** -Provide financial information indicating the method and measures necessary to achieve project financing. (Section 201 CWA or Section 604 may apply.)

**Summary:** The project financing for Johnson Utilities is described within Section 6, Project Financing. (Also discussed in CAAG Amendment # 4., Section 8).

**Addressed on Page:** 20 (60, and Exhibit E. of Amendment #4)

### **IMPLEMENTABILITY**

37. **Requirement:** Describe impacts and implementability of Plan:

- Describe impacts on existing wastewater (WW) facilities, e.g., sanitary district, infrastructure/facilities and certificated areas.

**Summary:** There are no sanitary districts within the area, and the proposed wastewater treatment facility will be owned and operated by Johnson Utilities Co., L.L.C. Johnson Utilities is currently serving a portions of its certificated area, and the proposed WWTP will provide service for the PADs proposed for the immediate area. The Homeowners Association will collect dues to receive services from Johnson Utilities

**Addressed on Page:** 1, 9, 11, 12, 20 and Exhibits 2 and 3.

38. **Requirement:** - Describe how and when existing package plants will be connected to a regional system.

**Summary:** There are no existing regional wastewater treatment plants within the area of Circle Cross, and the system will therefore not be connected to one.

Addressed on Page: 1(of Amendment No. 4)

39. **Requirement:** - Describe the impact on communities and businesses affected by the plan.

Summary: The proposed wastewater treatment plant will have a beneficial affect on the area by providing better treatment of wastewater, eliminating a potential source of groundwater contamination, creating capacity for growth by providing the necessary infrastructure and creating recreational areas by the reuse of treated effluent as an irrigation source. The facilities also make housing available for the work force in the Florence area and creates employment opportunities in the southeast valley area.

Addressed on Page: 11 - 12, & 17.

40. **Requirement:** - If a municipal wastewater (WWT) system is proposed, describe how WWT service will be provided until the municipal system is completed; i.e., will package plants and septic systems be allowed and under what circumstances. (Interim services.)

Summary: During the initial phases, the SBR mechanical treatment facility will be operational before the proposed subdivisions are developed.

Addressed on Page: 8 - 10, 17

### **PUBLIC PARTICIPATION**

41. **Requirement:** - Submit copy of mailing list used to notify the public of the public hearing on the 208 amendment. (40 CFR, Chapter 1, Part 25.5)

Summary: Provided by CAAG.

Addressed on Page: N/A.

42. **Requirement:** - List location where documents are available for review at least 30 days before public hearing.

Summary: Provided by CAAG.

Addressed on Page: N/A.

43. **Requirement:** - Submit copy of the public notice of the public hearing as well as an official affidavit of publication from the area newspaper. Clearly show the announcement appeared in the newspaper at least 45 days before the hearing.

Summary: Provided by CAAG.

Addressed on Page: N/A.

44. **Requirement:** - Submit affidavit of publication for official newspaper publication.

Summary: Provided by CAAG.

Addressed on Page: N/A.

45. **Requirement:** - Submit responsiveness summary for public hearing.

Summary: Provided by CAAG.

Addressed on Page: N/A.

**ADDENDUM**

**CAAG 208 WATER QUALITY  
PLAN AMENDMENT NO. 4A FOR  
JOHNSON UTILITIES COMPANY, L.L.C.  
CIRCLE CROSS RANCH SERVICE AREA EXPANSION**

**PINAL COUNTY, ARIZONA**

**July 10, 2002**

**PREPARED BY:**

**CENTRAL ARIZONA ASSOCIATION  
OF GOVERNMENTS  
Historic Belmont Building  
271 Main Street  
Superior, AZ 85273**

PART 1

PUBLIC COMMENTS

FOR THE

CAAG 208 WATER  
QUALITY PLAN AMENDMENT No. 4 A  
FOR  
JOHNSON UTILITIES COMPANY, L.L.C.

CIRCLE CROSS RANCH SERVICE AREA  
EXPANSION

PINAL COUNTY, ARIZONA



unsure how it would relate to the Public Hearing documents. Mr. Schaner said he understood and that he would send a copy of the Town's General Plan to CAAG and to WLB Group as soon as it had been finalized.

- 2) General discussion followed. Mr. Maurice Lee with Arizona Utility Supply and Service (AUSS) stated he had comments he wished to be formally addressed in the minutes of the public hearing. He stated that Section 22 of Johnson Utilities Amendment No. 4A lies within the Certificate of Convenience and Necessity (CC&N) area of AUSS. He added that a proposed agreement between he, Mr. Johnson, Pinal County and all parties involved is "in the works" to change the service area from AUSS and Johnson. If the agreement is consummated, AUSS would have no objections to Johnson Utilities Amendment No. 4A, however, if the agreement does not become consummated, then AUSS and Mr. Lee will have a problem with the Amendment concerning the CC&N for Section 22.

**Conclusion:**

There being no further discussion, Ms. Leather closed the public hearing at 10:19 AM.

**PART II**

**PUBLIC NOTIFICATION**

**FOR THE**

**CAAG 208 WATER  
QUALITY PLAN AMENDMENT NO. 4A  
FOR  
JOHNSON UTILITIES COMPANY, L.L.C.**

**CIRCLE CROSS SERVICE AREA  
EXPANSION**

**PINAL COUNTY, ARIZONA**

**NOTICE OF PUBLIC HEARING ON THE DRAFT CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS' (CAAG) 208 AREAWIDE WATER QUALITY MANAGEMENT PLAN UPDATE AMENDMENT NO. 4A SERVICE AREA EXPANSION OF CIRCLE CROSS RANCH WASTEWATER TREATMENT PLANT (WWTP), FOR JOHNSON UTILITIES COMPANY, L.L.C. THE NEW PROPOSED SERVICE AREA WILL INCLUDE CASTLEGATE SUBDIVISION AND SUMMER RIDGE A PLANNED DEVELOPMENT LOCATED IN PINAL COUNTY, ARIZONA.**

The Central Arizona Association of Governments (CAAG) will conduct a public hearing on:

**DATE:** June 18, 2002  
**TIME:** 10:00 AM  
**PLACE:** Pinal County Board of Supervisors Hearing Room  
31 N. Pinal Street, Building A  
Florence, Arizona 85232

The purpose of this hearing is to discuss and comment on the Draft CAAG 208 Areawide Water Quality Management Plan Update Amendment No. 4A for Johnson Utilities Company, L.L.C. to expand the service area of Circle Cross Ranch WWTP to include two additional sections: Section 22, Castlegate Subdivision and Summer Ridge, Section 27, a proposed planned community in Township 2 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona; Gila and Salt River Meridian, (G&SRM).

The addition of Sections 22 and 27 will increase the amount of single family homes by approximately 3,600 dwelling units. The addition of this service area will not compromise the capacity of the Circle Cross WWTP. The total volume will not increase significantly nor compromise the service area. The Circle Cross WWTP will be sized and developed to serve Circle Cross and the surrounding subdivisions with an initial start-up capacity of 1.5 MGD. It is planned the WWTP will be constructed in four phases with a build-out capacity of 5.5 MGD.

The proposed plan amendment addresses issues related to wastewater collection and treatment for Johnson Utilities Company, L.L.C. as it prepares for development and anticipated growth. The Draft 208 Plan Amendment consists of a description of the above listed information including flow projections and wastewater system infrastructure requirements.

Written comments may be submitted to CAAG no later than 2:00 PM on June 18, 2002. A summary of the public comments received will be submitted as part of the Amendment package to the Arizona Department of Environmental Quality (ADEQ) for further consideration.

Written and verbal comments are welcome at the public hearing. A copy of the Draft 208 Plan Amendment No. 4A for Johnson Utilities Company, L.L.C., Circle Cross WWTP in Pinal County, Arizona will be available for public review at the CAAG office building, located at 271 Main Street, Superior, Arizona 85273, from 8:00 AM to 5:00 PM, Monday through Friday, beginning Wednesday, May 15, 2002.

For further information, or to submit written comments on the Draft 208 Amendment prior to the hearing, contact Maxine Leather, CAAG, 271 Main Street, Superior, Arizona 85273 or call at 520-689-5004 or toll free at 1-800-782-1445.

Tri-Valley Dispatch: Publish once as a legal ad during the week of April 29, 2002.

## PART III

### **CAAG COMMITTEES:**

- Committee/Council Memberships
- Meeting agendas of Committees/Council

### **ENVIRONMENTAL PLANNING COMMITTEE**

- Amendment Review Date: *June 18, 2002*

### **MANAGEMENT COMMITTEE**

- Amendment Review Date: *June 14, 2002*

### **REGIONAL COUNCIL**

- Amendment Review Date: *July 10, 2002*

**CAAG  
Environmental Planning Committee  
2002-2003**

**Mr. Donald Gabrielson, Director  
Pinal County Air Quality  
P.O. Box 987  
Florence, AZ 85232**

**Mr. Reg Glos, Director  
Dept. Of Environmental Health  
P.O. Box 2517  
Florence, AZ 85232**

**Mr. Clint Arndt  
Town of Florence  
P.O. Box 2670  
Florence, AZ 85232**

**Mrs. Edwina Vogan  
Regional WQP Coordinator  
U.S. Dept. of Environmental Quality  
Phoenix, AZ 85012-2806**

**Mr. Doug Mason  
San Carlos Irrigation  
P.O. Box 218  
Coolidge, AZ 85228**

**Mr. Richard Gibson  
Cooperative Extension Serv.  
820 E. Cottonwood, Bldg. C  
Casa Grande, AZ 85222**

**Mr. Kevin Stein  
USDA NRCS  
115 E. First Street, Ste. D  
Casa Grande, AZ 85222**

**Mr. John Breninger  
P.O. Box 2096  
Pine, AZ 85544-2096**

George Hoffman  
City of Apache Junction  
1001 N. Idaho Rd.  
Apache Junction, AZ 85219

Ken Buchanan  
City of Casa Grande  
510 E Florence Boulevard  
Casa Grande, AZ 85222

Robert F. Flatley  
City of Coolidge  
130 W. Central Ave.  
Coolidge, AZ 85228

Tan Griffis  
Gila County  
P.O. Box 827  
Florence, AZ 85232

Delbert Self  
Town of Miami  
500 Sullivan St.  
Miami, AZ 85539

Steve Besich  
Gila County  
1400 E Ash St.  
Globe, AZ 85501

Terry Doolittle  
Gila County  
P.O. Box 827  
Florence, AZ 85232

Gary Eide  
Town of Kearny  
912-C Tilbury Rd., Box 639  
Kearny, AZ 85237

Himanshu Patel  
Town of Florence  
PO Box 2670  
Florence, AZ 85232

Sylvia Kerlock  
Town of Winkelman  
106 Giffin Ave., Box 386  
Winkelman, AZ 85292

Patsy Large  
Town of Mammoth  
125 N. Clark St., Box 30  
Mammoth, AZ 85618

John C. Geib  
Town of Florence  
PO Box 2670  
Florence, AZ 85232

Kelly Udall  
Town of Payson  
133 N. Beeline Hwy  
Payson, AZ 85541

Cynthia Seelhammer  
Town of Queen Creek  
22350 S. Ellsworth Rd.  
Queen Creek, AZ 85242

Roy Chavez  
Town of Superior  
734 Main St.  
Superior, AZ 85273

John McFellin  
City of Eloy  
528 N. Main St.  
Eloy, AZ 85231

Manoj Vyas  
City of Globe  
150 N. Pine St.  
Globe, AZ 85501

Gina Garcia  
Town of Hayden  
520 Velasco Ave., Box B  
Hayden, AZ 85235

MANAGEMENT COMMITTEE MEMBERSHIP

**X. RECOGNITIONS - Maxine Leather**

**XI. LEGISLATIVE UPDATE**

**XII. DATE - TIME - LOCATION** of the Next Meeting  
September 25, 2002 - Hosted by the City of Eloy

**XIII. CALL TO THE PUBLIC**

**XIV. ADJOURNMENT**

  
Approved by

*THIS FACILITY DOES FULLY ACCOMMODATE PERSONS WITH DISABILITIES, HOWEVER, PERSONS WITH DISABILITIES REQUIRING ACCOMMODATION MAY CONTACT LARRY VILLALOBOS, CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS, (520)689-5004, (800)782-1445 V/TDD, (520) 689-5009 TDD. IF POSSIBLE, SUCH REQUESTS SHOULD BE MADE 72 HOURS IN ADVANCE.*

# CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS

HISTORIC BELMONT BUILDING • 271 MAIN STREET • SUPERIOR, AZ 85273

Regional Council Meeting  
 Wednesday July 10, 2002  
 Apache Gold Casino  
 Highway 70  
 San Carlos, Arizona

LOCAL:  
 (520) 689-5004

TOLL-FREE & V/TTY:  
 1-800-782-1445

TDD:  
 (520) 689-5009

FAX:  
 (520) 689-5020

## REVISED AGENDA

**I. CALL TO ORDER** - Chair Joe Sanchez

**II. PLEDGE OF ALLEGIANCE**

**III. ROLL CALL & INTRODUCTION OF GUESTS**

**IV. CONSENT ITEMS:**

All items indicated by an asterisk (\*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or the Executive Director objects at the time of this vote. (Reports & updates on the consent agenda may be accepted as written without verbal presentation.)

P-F-T

**V. APPROVAL OF MINUTES** - May 1, 2002

P-F-T

**VI. FINANCIAL REPORT** - Yvonne Kube

P-F-T

**VII. DIRECTOR'S REPORT** - Maxine Leather

**VIII. NEW BUSINESS** - Regional Council

A. FY 2001-02 Budget Amendment Resolution # 2002-1 - Maxine Leather

P-F-T

B. FY 2002-03 Assessment - Maxine Leather

P-F-T

C. FY 2002-2003 Special Assessment for RSVP - Maxine Leather

P-F-T

D. FY 2002-03 Budget Adoption - Maxine Leather

P-F-T

E. 208 Areawide Water Quality Management Plan Update Amendment No. 4A for Johnson Utility  
 - Maxine Leather

P-F-T

F. City of Globe 2002 CDBG Application Approval - Larry Villalobos

Info.

G. Approval of FY 2002 Applications due to CAAG, and FY 02 Applications due to the Arizona Department of Commerce

P-F-T

\*H. Confirmation of the EPC (Environmental Planning Committee) membership - Maxine Leather

P-F-T

I. Approval of CAAG Resolution 2002-3 Opposing the Draft 2002 FHWA Proposal - Brent Billingsley

P-F-T

J. CAAG FY 2001-02 Annual Report - Maxine Leather

Info.

\*K. Transportation Planning Update - Bill Leister

Info.

\*L. CDBG Update - Larry Villalobos

Info.

GILA-PINAL  
 COUNTIES



REGION V

GILA COUNTY

■ GLOBE

HAYDEN

MIAMI

PAYSON

WINKELMAN

PINAL COUNTY

■ APACHE JUNCTION

CASA GRANDE

COOLIDGE

ELOY

FLORENCE

KEARNY

MAMMOTH

QUEEN CREEK

SUPERIOR

Posted  
 7/2/02  
 9:55 am  
 mlf

# CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS

## Request for Regional Council Action

<u>Date Submitted:</u> May 31, 2002 June 18, 2002 (Updated) <u>Date Action Requested:</u> June 28, 2002	<u>Type of Action(s) Requested:</u> <input checked="" type="checkbox"/> Formal Action/Motion <input type="checkbox"/> Information Only <input type="checkbox"/> Resolution <input type="checkbox"/> Other _____	<u>Subject:</u> 208 Areawide Water Quality Management Plan Update Amendment for Johnson Utilities Amendment No. 4A
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**TO:** CHAIRMAN AND REGIONAL COUNCIL MEMBERS

**FROM:** Maxine L. Leather

**RECOMMENDATION:**

Request to Review and Approve: CAAG 208 Areawide Water Quality Management Plan Amendment No. 4A for Johnson Utilities Company, L.L.C. to expand the Circle Cross Ranch service area (Please see actual EPC and Management Committee motion under Discussion, Second Paragraph.)

**DISCUSSION:**

In 1978 CAAG was designated the 208 Areawide Water Quality Management Planning Agency (under Section 208 of the Clean Water Act) for Gila and Pinal Counties. CAAG's 208 Areawide Water Quality Management Plan was passed by Regional Council in 1978 and updated in September 1994. The Plan lists local wastewater treatment facilities and problems which might affect water quality in the CAAG region. The Plan also allows for amendments to be made through a regional process which includes public notice, distribution of the proposed amendments, a public hearing and committee process. The proposed amendment for Johnson Utilities went through the public hearing process on June 18, 2002; before members of CAAG's Environmental Planning Committee on June 10, 2002; and Management Committee on June 14, 2002.

The Environmental Planning Committee (three in favor and one opposed) and the Management Committee (unanimously) voted: "To recommend approval of the amendment to the CAAG Regional Council subject to Johnson Utilities Company, L.L.C. receiving a Certificate of Convenience and Necessity (CC&N) on Section 27 and receiving a CC&N, if necessary, and/or complying with any other requirements of the Arizona Corporation Commission on Section 22.

Management Committee also unanimously recommended: That the Executive Director head a committee that would include members of the EPC and other entities including municipal managers, planning and zoning members, and other appropriate members, to create the time lines for CAAG' review of the 208 Plan Amendments.

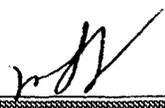
**FISCAL IMPACT:**

CAAG: None  
The proposal includes expansion of the Circle Cross Ranch Wastewater Treatment Plant (WWTP) Service Area; to serve two additional sections which are Section 22, Castlegate Subdivision and Summer Ridge, and Section 27, a proposed PAD in Township 2 South, Range 8 East, of the Gila & Salt River Base & Meridian (G&SRM), Pinal County, Arizona.

**ALTERNATIVES:**

- 1) Modify the recommendation
- 2) Deny request
- 3) Send the proposal back to committee

**PREPARED BY:** Maxine L. Leather

**REVIEWED BY:** 

**CONCURRENCE:** \_\_\_\_\_

Action Taken: P - F - T - None

PINAL COUNTY  
BOARD OF SUPERVISORS

LIONEL D. RUIZ, District 1  
Mammoth

SANDIE SMITH, District 2  
Apache Junction

JIMMIE B. KERR, District 3  
Casa Grande



STANLEY D. GRIFFIS, Ph.D.  
County Manager

Ms. Maxine Leathers  
Director  
Central Arizona Association of Governments  
271 Main Street  
Superior, Az. 85273

14 Mar 02

Dear Ms. Leathers

The Approval of Johnson Utilities Company, LLC, 208 Plan Amendment No. 4A-Service Area Expansion is vitally important to both Pinal County and the new school being built in the Combs School District. Additionally, this will allow for the continuation of the Castlegate subdivision which is in the service area included in the requested expansion.

On behalf of the Pinal County Board of Supervisors, I am requesting that CAAG approve the Johnson Utilities Company, L.L.C. 208 Plan Amendment No.4A-Service Area Expansion.

If you have any questions, I plan to have either myself or a member of staff present at the Regional Council meeting.

Sincerely

  
Stanley D. Griffis, Ph.D.  
County Manager

# **EXHIBIT**

**7**

**Laredo Ranch  
Wastewater Collection System Design Report**

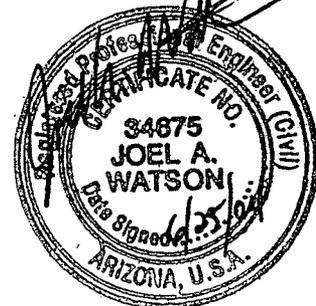
**For**

**Laredo Ranch, LLC  
699 S. Mill Ave. #320  
Tempe, AZ 85281  
(480) 929-0444**

**by**

**Sunrise Engineering, Inc.  
2152 South Vineyard, Suite 123  
Mesa, AZ 85210  
(480) 768-8600**

**June 2004**



# INTRODUCTION

---

Laredo Ranch, L.L.C. is proposing the construction and development of Laredo Ranch, a new subdivision located in Pinal County, Arizona on the northeast corner of Schnepf and Combs Roads. Sunrise Engineering, Inc. has been contracted by Laredo Ranch, L.L.C. to perform the wastewater collection system design and analysis for this site. The design and analysis is based on Arizona Department of Environmental Quality (ADEQ) Unified Water Quality Permit Rules and Johnson Utilities Company Design Guide and Standard Details.

## **Site location**

The proposed development is located in Pinal County, Arizona, north of Combs Road and East of Schnepf Road, the North half of Section 27, Township 2 South, Range 8 East. The site is approximately 250-acres. See the Appendix for the Vicinity/FIRM map of the site.

## **Wastewater Collection System Description**

There are two components to the wastewater collection system for this project. The first component is the on-site sewer, which services each lot within the subdivision. The second component is the off-site sewer, which is an extension of Johnson Utilities Wastewater Collection System. A brief description of the on and off site sewer is as follows:

### **On-Site Sewer**

All 966 lots in Laredo Ranch are served by the proposed wastewater collection system. The collection system consists of 8-inch PVC sewer line throughout the entire subdivision with one 12" PVC line extending from the intersection of Alamo Street and Lagrange Lane to the lift station. No future connections will be permitted outside of the subdivision. 4-inch sewer service lateral pipe has been provided for each individual lot within the subdivision. See the Appendix for the wastewater collection system layout.

### **Off-Site Sewer**

The development of the Laredo Ranch subdivision requires the construction of a lift station and a force main sewer line, which will become part of Johnson Utilities Wastewater Collection System.

The lift station shall have an approximate depth of 23 feet and pump approximately 230,000 gallons per day upon completion of all three Phases of Laredo Ranch. An 8" HDPE force main will carry wastewater to an existing Johnson Utilities' manhole approximately 4,000 feet north of Laredo Ranch on Schnepf Road. The force main will cross Queen Creek Wash at a depth of approximately 8' to connect to this existing manhole.

# COLLECTION SYSTEM DESIGN

---

## Design Criteria

The design criteria used for the on and off site sewer complies with ADEQ and Johnson Utilities Standards. All gravity sewer lines are designed with at least five feet of cover. The minimum cover for sewer lines that collect directly from lots is determined based upon Johnson Utilities' Sewer Service Lateral detail. A Manning's n value of 0.013 is used in all applicable pipe capacity calculations.

The minimum slope is based upon ADEQ requirements of a minimum 2 feet per second and maximum 10 feet per second velocity, at full flow as per R18-9-E301.D.2.e.

The design flow calculations are based upon Johnson Utilities Company Design Guide and Standard Details as follows:

966 lots  
2.6 people per lot  
 $966 \times 2.6 = 2,512$  Total Population  
Peaking Factor 2.15 (Table 1 in Appendix)  
Average Flow = 90 gallons per person per day  
Average flow =  $90 \times 2.6 \times 966 = \underline{226,044}$  gallons per day  
Peak Flow =  $90 \times 2.6 \times 966 \times 2.15 = 485,995$  gallons per day  
(337.50 gallons per minute)

These flow calculations have been used in the design of the on-site sewer collection system, lift station and offsite force main.

The ADEQ requirement for minimum manhole spacing is 500 feet for pipe diameters 8" to less than 15". Manholes have also been placed at all junctions and bends as required. Cleanouts have been used within the subdivision in cul-de-sac streets and dead-end lines with lengths less than 300 feet.

## Force Main

The force main shall maintain a minimum flow velocity of 3 feet per second. The actual design velocity is estimated at 4.7 feet per second. The force main has been designed with appropriate valves and controls to prevent flows from draining back and air accumulation in the line. The force main is designed to withstand at least 50psi above the designed working pressure. Acceptance testing shall require the same. The force main shall have eight feet (8') of cover through the Queen Creek Wash Crossing.

Johnson Utilities' manhole drains to an existing 12" gravity sewer line. Flows from this line are conveyed to Pecan Wastewater Treatment Plant. This treatment plant, located in Queen Creek, has the capacity to treat additional flows from all three Phases of Laredo Ranch.

**Lift Station**

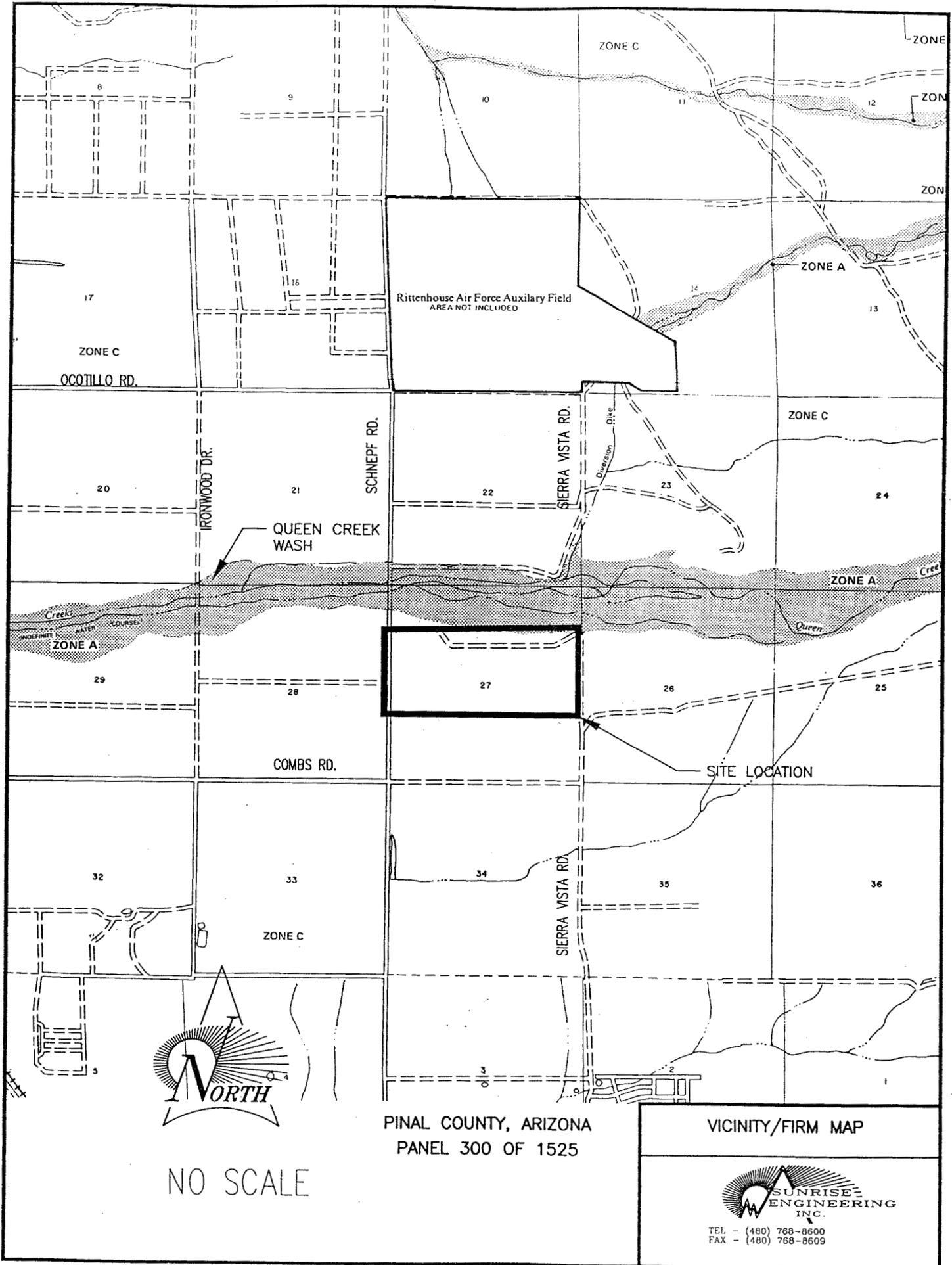
The lift station shall be constructed at the northwest corner of the subdivision, outside of the Queen Creek Wash Floodway. Refer to the Vicinity/FIRM map in the Appendix.

The lift station shall be eight feet (8') in diameter and approximately 23 feet deep. The wet well is designed such that the sewage retention time shall not exceed 30 minutes for complete build-out conditions. The pump settings shall be evaluated and adjusted for flow conditions during all three Phases of construction.

Two pumps shall operate independently. Each pump is capable of passing a 2.5" sphere. Each pump is designed for flow volumes from all three Phases. A standby power source shall be provided as part of the electrical design for the lift station.

Refer to the Appendix for Lift Station Calculations.

# APPENDIX



Rittenhouse Air Force Auxiliary Field  
AREA NOT INCLUDED

ZONE C  
OCOTILLO RD.

ZONE A

IRONWOOD DR.

SCHNEPF RD.

SIERRA VISTA RD.

QUEEN CREEK WASH

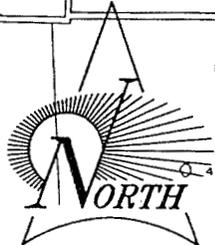
ZONE C

ZONE A

ZONE A

SITE LOCATION

COMBS RD.



NO SCALE

PINAL COUNTY, ARIZONA  
PANEL 300 OF 1525

VICINITY/FIRM MAP



TEL - (480) 768-8600  
FAX - (480) 768-8609

Table 1  
 Peak Dry Weather Flow Factor Ratios for Wastewater Basin Study  
 Pima County Wastewater Management

POPULATION	PEAKING FACTOR
100	3.62
200	3.14
300	2.90
400	2.74
500	2.64
600	2.56
700	2.50
800	2.46
900	2.42
1000	2.38
1500	2.28
2000	2.20
2500	2.15
3000	2.10
4000	2.02
5000	1.98
6000	1.93
7000	1.92
7000	1.92
8000	1.89
9000	1.87
10000	1.85
15000	1.80
20000	1.74
25000	1.71
30000	1.69



Lift Station Calculations

Estimated Service Area & Population

Subdivision/Parcel	Dwelling Units (DU)	Density (People/DU)	Estimated Population	Comments
Laredo Ranch	966	2.6	2,512	Density per Johnson Utilities requirements
<b>Total</b>	<b>966</b>		<b>2,512</b>	

Flow Rate Calculations

Flow Rates	Flow Rates	Units	Comments
Service Population	2,512	people (p)	Based on Service Area
Average Daily Flow	90	gal/capita/day	Average Daily Flow per Johnson Utilities requirements
Average Daily Flow	226,080	gal/day	Per Arizona Administrative Code Title 18 Chapter 9
Average Daily Flow	157	gpm	Per Arizona Administrative Code Title 18 Chapter 9
Maximum Daily Flow	335	gpm	Avg Daily Flow * (PF = 6.330xp^(-0.231))+1.094
Minimum Daily Flow	105	gpm	Avg Daily Flow * (2/3)

Lift Station Calculations

**Wet Well Design**

	Units	Comments
Wet Well Diameter	8 feet	Enter Desired Wet Well Diameter
Wet Well Operating Range	5 feet	Enter Desired Operating Range
Operating Wet Well Volume	251 cu-ft	
Operating Wet Well Volume	1,879 gal	
Time to Fill Wet Well @ Min Daily Flow	18 min	Based on Incoming Flow Only
Time to Fill Wet Well @ Max Daily Flow	5.6 min	Based on Incoming Flow Only
Time to Fill Wet Well @ Average Daily Flow	12.0 min	Based on Incoming Flow Only
Estimated Pump Capacity	660 gpm	Enter Estimated Pump Capacity
Time to Empty Wet Well @ Min Daily Flow	3.4 min	Based on Estimated Pumping Capacity
Time to Empty Wet Well @ Max Daily Flow	5.8 min	Based on Estimated Pumping Capacity
Time to Empty Wet Well @ Avg Daily Flow	3.7 min	Based on Estimated Pumping Capacity
Total Time to Fill & Empty Wet Well @ Min Daily Flow	21.3 min	30 Minute Maximum Sewage Retention Per AAC Title 18 Chapter 9
Total Time to Fill & Empty Wet Well @ Max Daily Flow	11.4 min	Min Cycle Time
Total Time to Fill & Empty Wet Well @ Avg Daily Flow	15.7 min	
ADEQ Wet Well Volume Check	1,880 gal	Vmin = (1/4)*Min Cycle Time*Pump Capacity
Volume Check Differential	-0.37 gal	OK

**Additional Emergency Design Volume**

Minute of Emergency Storage @ Average Daily Flow	10 min	Above "Pump On" Elevation
Emergency Storage Volume Required	1,570 gal	Above "Pump On" Elevation
Emergency Storage Volume Required	210 cu-ft	Above "Pump On" Elevation
Emergency Storage Height	4.2 ft	Above "Pump On" Elevation Based on Wet Well Diameter

Lift Station Calculations

**Force Main Design**

Force Main Design	Units	Comments
Pipe Design	HDPE	PE3408 HDPE DR17 (100psi)
Pipe Material	8 inches	Enter Desired Force Main Diameter
Nominal Force Main Diameter	7.57 inches	Source - HDPE Pipe Chart (IPS)
Force Main Inside Diameter	660 gpm	
Estimated Pump Capacity	1.47 cfs	
Estimated Pump Capacity	4.7 fps	Min 3fps - Max 7fps Per AAC Title 18 Ch 9
Force Main Velocity		

**Head Loss Calculations**

Hazen William Coefficient (Ch)	140 unitless	New HDPE Pipe
Nominal Pipe Length	4,000 feet	Lift Station to Existing Manhole
Equivalent Pipe Length	163.6 feet	Hazen Williams - See Chart Below
Hazen Williams Equivalent Length	4,164 feet	
Total Head Loss	40.48 feet	Hazen Williams Equation for Head Loss (HL = 3.02LD <sup>5</sup> -1.167*(V/Ch) <sup>1.85</sup> )

**Fittings/Minor Losses**

Type	Number of Fittings	Unit Equivalent Length	Total
90 deg Bend	3	9.8	29.4 feet
45 deg Bend	4	5.7	22.8 feet
Swing Check Valve	1	90	90 feet
Air Release Valve	1	5	5 feet
Gate Valve	2	8.2	16.4 feet
<b>Total Equivalent Length</b>			<b>163.6 feet</b>

Lift Station Calculations

<b>Pump Design</b>	<b>Units</b>	<b>Comments</b>
Existing Sewer Invert Elevation	1,514.86	Castlegate Manhole?
Static Head	17.18 feet	Top of Headworks Elevation minus Pump "Off" Elevation
Dynamic Head	40.48 feet	From Force Main Design
Total Design Head	57.65 feet	
Estimated Design Flow	660 gpm	

Pump Selection Flygt Pump (See Johnson Utilities Design & Contact Supplier for Pump Curves)

rim elevation 1532.71 Schnepf Rd and Southwood Rd

Lift Station Calculations

Operating Elevations		Comments
Approximate Ground Surface Elevation	1535.00	See Topographic Survey
Wet Well Access Cover Elevation	1536.00	12" Above Ground Surface Elevation
Top of Valve Vault Piping	1532.00	Wet Well Access Cover minus 4 feet
Incoming Sewer Invert Elevation	1524.00	See Collection System Design
Drop Invert Elevation	1520.32	Equal to the Lag Pump "On" Elevation
Lead Pump "On" Elevation	1519.82	Incoming Sewer Invert Minus Emergency Volume Depth
Lag Pump "On" Elevation	1520.32	6" Above Lead Pump "On" Elevation
High Water Alarm Elevation	1520.82	6" Above Lag Pump "On" Elevation
Pump "Off" Elevation	1514.82	Lag Pump "On" Elevation Minus Operating Depth
Low Level Alarm Elevation	1514.32	6" below Pump "Off" Elevation
Wet Well Invert	1512.82	18" below Low Level Alarm Elevation
<b>Total Wet Well Depth</b>	<b>23.18</b>	

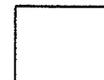
# **EXHIBIT**

**8**

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

WS-02987A SEWER  
JOHNSON UTILITIES LLC  
5320 E SHEA BLVD  
SCOTTSDALE, AZ 85254



**ANNUAL REPORT**

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

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## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>JOHNSON UTILITIES, LLC</u>			
Mailing Address <u>5320 E. SHEA BLVD #200</u>			
(Street)			
<u>SCOTTSDALE</u>		<u>AZ</u>	<u>85254</u>
(City)		(State)	(Zip)
<u>480-998-3300</u>		<u>480-483-7908</u>	
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____			
Local Office Mailing Address <u>SAME</u>			
(Street)			
(City)		(State)	(Zip)
<u>480-998-3300</u>		<u>480-483-7908</u>	
Local Office Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>GEORGE JOHNSON</u>			
		(Name)	(Title)
<u>5320 E. SHEA BLVD #200</u>		<u>SCOTTSDALE</u>	<u>AZ</u>
(Street)		(City)	(State)
			<u>85254</u>
			(Zip)
<u>480-998-3300</u>		<u>480-483-7908</u>	
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____			
<b>On Site Manager:</b> <u>BRIAN P TOMPSETT</u>			
(Name)			
<u>SAME</u>			
(Street)			
(City)		(State)	(Zip)
<u>SAME</u>			
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____			

**Statutory Agent:** RICHARD SALLQUIST

(Name)

2525 E. AZ BILTMORE CIR #117

(Street)

PHOENIX

(City)

AZ

(State)

85016

(Zip)

(602)224-9222

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** SAME

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |  |   |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)     | <input type="checkbox"/> Subchapter S Corporation (Z)                     |
| <input type="checkbox"/> Bankruptcy (B)      | <input type="checkbox"/> Association/Co op (A)                            |
| <input type="checkbox"/> Receivership (R)    | <input checked="" type="checkbox"/> Limited Liability Company             |
| <input type="checkbox"/> Other (Describe)    |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |                                   |   |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO         |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE         |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE           |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA     | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA             |
| <input type="checkbox"/> STATEWIDE  |                                   |   |

**COMPANY NAME****JOHNSON UTILITIES, LLC****UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
351	Organization			
352	Franchises			
353	Land and Land Rights	910,000		910,000
354	Structures and Improvements	453,663	38,181	415,482
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers	17,432,240	1,007,341	16,424,899
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment	5,455	68	5,387
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>TOTALS</b>	<b>18,801,358</b>	<b>1,045,590</b>	<b>17,755,768</b>

This amount goes on the Balance Sheet Acct. No. 108

<b>COMPANY NAME</b> <b>JOHNSON UTILITIES, LLC</b>
--

**CALCULATION OF DEPRECIATION EXPENSE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
351	Organization			
352	Franchises			
353	Land and Land Rights	910,000		
354	Structures and Improvements	453,663	2.5%	11,342
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers	17,432,240	2.5%	368,911
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment	5,455	1.25%	68
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>SUBTOTAL</b>	<b>18,801,358</b>		<b>380,321</b>
	CIAC Amortization			(210,899)
	<b>TOTALS</b>	<b>18,801,358</b>		<b>169,422</b>

This amount goes on Comparative Statement of Income and Expense Acct. 403

**ULLMANN**  
**& COMPANY P.C.**  
Certified Public Accountants

To the Board of Directors of  
The Sewer Division of Johnson Utilities, L.L.C.  
Scottsdale, Arizona

We have compiled the balance sheets (as restated) of The Sewer Division of Johnson Utilities, L.L.C. as of December 31, 2003 and 2002, and the comparative statements of income and expenses (as restated) for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

*Ullmann & Company*

ULLMANN & COMPANY, P.C.  
Certified Public Accountants

March 31, 2004

<b>COMPANY NAME</b> <b>JOHNSON UTILITIES, LLC</b>
--

**BALANCE SHEET**

<b>Acct. No.</b>	<b>ASSETS</b>	<b>BALANCE AT BEGINNING OF TEST YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 410,535	\$ 164,235
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	136,735	354,247
146	Notes/Receivables from Associated Companies	49,743	9,120
151	Plant Material and Supplies		
162	Prepayments		3,041
174	Miscellaneous Current and Accrued Assets	117,842	132,848
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 714,855</b>	<b>\$ 663,491</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	13,444,334	18,801,358
103	Property Held for Future Use		70,257
105	Construction Work in Progress		5,502,892
108	Accumulated Depreciation - Utility Plant	665,269	1,045,590
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 12,779,065</b>	<b>\$ 23,328,917</b>
	<b>TOTAL ASSETS</b>	<b>\$ 13,493,920</b>	<b>\$ 23,992,408</b>

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

<b>COMPANY NAME</b> <b>JOHNSON UTILITIES, LLC</b>
--

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF TEST YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 583,407	\$ 101,712
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	28,312	171,798
235	Customer Deposits		
236	Accrued Taxes	110,682	42,234
237	Accrued Interest	50,316	1,690
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 772,717	\$ 317,434
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 236,585	\$ 220,280
	<b>DEFERRED CREDITS</b>		
252	Advances in Aid of Construction	\$ 5,433,041	\$ 10,242,183
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	5,208,322	11,663,622
272	Less: Amortization of Contributions	167,479	378,378
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 10,473,884	\$ 21,527,427
	<b>TOTAL LIABILITIES</b>	\$ 11,483,186	\$ 22,065,141
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ -	\$ -
211	Other Paid in Capital		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	2,010,734	1,927,267
	<b>TOTAL CAPITAL</b>	\$ 2,010,734	\$ 1,927,267
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 13,493,920	\$ 23,992,408

COMPANY NAME <b>JOHNSON UTILITIES, LLC</b>
---

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>TEST YEAR</b>
521	Flat Rate Revenues	\$ 576,672	\$ 1,237,464
522	Measured Revenues		
536	Other Wastewater Revenues	39,700	
	<b>TOTAL REVENUES</b>	\$ 616,372	\$ 1,237,464
	<b>OPERATING EXPENSES</b>		
701	Salaries and Wages	\$ -	\$ -
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	851	2,685
715	Purchased Power	67,036	69,935
716	Fuel for Power Production		
718	Chemicals	661	
720	Materials and Supplies	8,400	2,904
731	Contractual Services - Professional	177,894	288,797
735	Contractual Services - Testing		
736	Contractual Services - Other		
740	Rents		28,236
750	Transportation Expense		134
755	Insurance Expense		6,951
765	Regulatory Commission Expense		
775	Miscellaneous Expense	3,911	9,994
403	Depreciation Expense	192,300	16,422
408	Taxes Other Than Income		501
408.11	Property Taxes	30,692	17,215
409	Income Taxes		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 481,745	\$ 443,774
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 3,492	\$ 4,479
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	29,502	19,011
	<b>TOTAL OTHER INCOME/EXP</b>	\$ (26,010)	\$ (14,532)
	<b>NET INCOME/(LOSS)</b>	\$ 108,617	\$ 779,158

COMPANY NAME JOHNSON UTILITIES, LLC

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	Various	4/9/03		
Source of Loan	Member	Grissom		
ACC Decision No.				
Reason for Loan	Capital Impr.	Land Purchase		
Dollar Amount Issued	\$233,280	\$35,000	\$	\$
Amount Outstanding	\$185,280	\$35,000	\$	\$
Date of Maturity	Demand	4/15/05		
Interest Rate	8%	8%	%	%
Current Year Interest	\$18,589	\$0	\$	\$
Current Year Principle	\$48,000	\$0	\$	\$

<b>COMPANY NAME</b> JOHNSON UTILITIES, LLC
--

**WASTEWATER COMPANY PLANT DESCRIPTION**

**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	EXTENDED AERATION, AEROBIC LAGOONS
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	1.6 MGD

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
MAIN PUMP STATION	2	30	325	7500
REUSE PUMP STATION	2	30	420	1879
UNIT 4A PUMP	2	75	400	380
UNIT 4D/4F PUMP STATION	2	18	656	1184
UNIT 6 PUMP STATION	2	3	100	440
OASIS @ MAGIC RANCH PUMP STATION	2	7.5	593	887
SUPERSTITION VIEWS	2	7.5	90	440
OASIS SUNRISE	2	15	500	2162
SAN TAN PUMP STATION	2	75	500	7500
COPPER BASIN PUMP STATION	2	30	380	7780
CIRCLE CROSS PUMP STATION	2	50	500	2256
PECAN RANCH PUMP STATION	2	75	500	2162
AD & AF	2	45	440	1879
COPPER BASIN #2	2	88	500	1879
RANCHO BELLA VISTA	2	47	500	1879
RANCHO BELLA VISTA #2	2	45	500	1879

**FORCE MAINS**

Size	Material	Length (Feet)
4-inch	PVC	2,704
6-inch	PVC	6,610
8-inch	PVC	100,042
15-inch	PVC	1,126
12-inch	PVC	4,770
10-inch	PVC	1,973

**MANHOLES**

**CLEANOUTS**

Type	Quantity
Standard	1183
Drop	5

Quantity
256

**COMPANY NAME**      JOHNSON UTILITIES, LLC

**WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED**

**COLLECTION MAINS**

**SERVICES**

Size (in inches)	Material	Length (in feet)
4		
6		9467
8		251061
10		19309
12		22620
15		1126
18		2800
21		
24		
30		

Size (in inches)	Material	Quantity
4		6006
6		2
8		
12		
15		

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY**

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	NONE
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	6 CHLORINATORS
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	NONE
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	FENCES – 12 WELL SITES, 6 WATER PLANTS, 11 LIFT STATIONS. 1 WWTP.
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	3 GENERATORS, 1 BACKHOE, 1 BULL DOZER

COMPANY NAME JOHNSON UTILITIES, LLC

**WASTEWATER FLOWS**

<b>MONTH/YEAR (Most Recent 12 Months)</b>	<b>NUMBER OF SERVICES</b>	<b>TOTAL MONTHLY SEWAGE FLOW</b>	<b>SEWAGE FLOW ON PEAK DAY</b>
January 2003	1769	4,528,000	160,000
February 2003	1900	4,645,000	167,000
March 2003	2054	4,977,000	196,000
April 2003	2226	4,655,000	170,000
May 2003	2384	4,908,000	196,000
June 2003	2595	5,262,000	192,000
July 2003	2699	5,806,000	195,000
August 2003	2960	10,200,000	350,000
September 2003	3140	10,717,000	360,000
October 2003	3400	11,408,000	408,000
November 2003	3461	11,526,000	603,000
December 2003	3719	12,199,000	597,000

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE**

<b>Method Of Effluent Disposal</b> (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Recharge Evaporation
<b>Wastewater Inventory Number</b> (all wastewater systems are assigned an inventory number)	103081
<b>Groundwater Permit Number</b>	58-106857.0005, 58-113322.0004
<b>ADEQ Aquifer Protection Permit Number</b>	P103081
<b>ADEQ Reuse Permit Number</b>	R103081
<b>EPA NPDES Permit Number</b>	N/A

## STATISTICAL INFORMATION

Total number of customers 3719

Total number of gallons treated 90,831,000 gallons

**JOHNSON UTILITIES COMPANY  
PLANT INVENTORY  
WASTEWATER**

**BACKBONE MAINS**

Project	18" Mains	15" Mains	12" Mains	10" Mains	8" Main	6" Main	8" F.M	6" F.M	4" F.M	Total Mains	4" M.H.	5" M.H.	C.O	30" Stv
Main Pump Station							25,500							
Main WWTP		860	1,120		605	1,670	3,300				4		2	
JR Trunk Sewer		136	3,650								13			
4A Station						4,660							0	
San Tan Force LR Sta & Force Mn							18,477				3			
Section 11 Reuse							6,750							
Sec 11 WWTP					510	60								
Pecan Ranch Pump Sta & Force Mn							29,200				2			285
Superstition Views Pump Sta & F. M.					22				298					
Circle Cross Pump Sta and force Mn							5,104							
Copper Basin Pump Sta and force Mn							3,071							
Oasis at Magic Pump sta & Force Mn							5733							
Oasis Sunrise Pump Sta & Force Mn							2907							
4D/4F Pump Station & Force Main									1348					
JR Unit 29 pump sta and Force Main				1973										
Total		1,128	4,770	1,973	1,137	6,610	100,042	-	1,647 Miles	-	22	-	11	285

**JOHNSON UTILITIES COMPANY  
PLANT INVENTORY  
WASTEWATER**

**TREATMENT PLANTS**

Name	GPD	Lot Size	Decided to JUC?	Tax Parcel
Johnson Ranch Main WWTP	1.6M	87 Acres		
Precision	3M	37 AC	Gen Hunt	200-24-003D5 (?? 287 Ac ??)
Manwood	Retired	N/A	2 Lanes to O.C.	1949 25 20012 210 25 21111

**LIFT STATIONS**

Name	Location	Number Pumps	Horsepower	GPM each	Wet Well Capacity	Decided to JUC?	Tax Parcel
Main Station	Water Plant #1	2	30	325	7500		
Station 4A	JR Unit 4	2	7.5	156	380		
Station 6	JR Unit 6	2	3	100	440		
San Tan Station	San Tan Unit XX	2	25	500	7500		
Pecan Station	Pecan Ranch Unit XX	2	75	500	1879		
Reuse Station	Main WWTP	2	30	420			
Superstation Views	Superstation Views	2	7.5	90	440		
4D/4F	JR Unit 4D/4F	2	3				
Copper Basin	Copper Basin Devel	2	30	380	1688		
Copper Basin	Copper Basin Devel	2	88	380	3750		
Circle Cross	Circle Cross Devel	2	50	500	1879		
Magic Ranch Phase 1	Magic Ranch Phase 1	2	7.5	593			
Oasis Sunrise	Oasis Sunrise Devel	2	15	500	1879		
Morning Sun Farms	Morning Sun Farms	2	47				

JOHNSON UTILITY COMPANY PLANT INVENTORY - WASTEWATER

Subdivision	14" Mains	15" Mains	12" Mains	10" Mains	8" DDP	6" Mains	4" Mains	Est. Mins	4' M.H.	5' M.H.	C.O.	30" Shiv
JR Unit 1			1,200			5,135			28		6	
JR Unit 2			465			4,120			18			
JR Unit 3A			2,484			4,035			20			
JR Unit 3B			710			1,966			8		1	
JR Unit 4A						9,283			35		8	
JR Unit 4B						5,830			19		8	
JR Unit 6						3,569			11	1	3	
JR Unit 7			1,035			6,447			55		10	
JR Unit 8			1,034			4,900			22		6	
JR Unit 12			1,212			6,370			35		10	
JR Unit 13						8,887			33		8	
Lakeview Gardens						2,273			14			
JR Units 4D & F						14,416			47	18	13	
JR Unit 15						5,000			20			
JR Unit 18 1, 2, 3			61	45		8,148			21	5		
JR Unit 1452 1, 2					1,835	6,378			25	13	6	
JR Unit 20/21						7,544			38	8	5	
JR Unit 22A						3,327			13			
JR Unit 22B						5,025			15			
JR Unit 23A						3,982			13	10	3	
JR Unit 29					137	5,075			14	8	5	
JR Unit 35 & 36						3,400			20			
JR Unit 41 & 47						4,500			20			
JR Unit 40A, 48 & 48						2,546			7		1	
JR Unit 34						5,543			10	21		
JR Golf Course						3,760			9	4	15	
San Tan OS Min Parcels A & B	1,220		620	1,640		4,220			14	2	2	
San Tan Parcel A					180	1,140			15		2	
San Tan Parcel B					180	4,386			11	5	16	
San Tan OS Min Parcels C, D, & E	1,580				105	3,400			10	1	11	
San Tan Parcel C					242	4,207			17		17	
San Tan Parcel D						2,120			9			
San Tan Parcel E				920		4,840			9	4		
San Tan Parcel F						4,900			9	8		
San Tan Parcel I						4,360			9	4		
San Tan Parcel J						4,484			21			
San Tan Parcel K						634			3			
San Tan Parcel L						2,344			10	1		
Johnson Holdings/Tosco						3,708			26	1		
Circle Cross Parcel 2			159	1,412		2,788			14	1		
Circle Cross Parcel 3			361	2,554		3,500			18			
Circle Cross Parcel 5			155			2,914			11	5	1	
Circle Cross Parcel 6			1,471	915		1,536			17	1	3	
Circle Cross Parcel 1			202	3,007		4,489			19	8	3	
Circle Cross Parcel 2			361	2,211		3,802			15	1		
Circle Cross Parcel 4			206			3,775			19			
Circle Cross Parcel 5						7,704			22	5		
Copper Basin Unit 2					328	5,485			28		6	
Cross at Magic Ranch				1,459								
Cross at Sunrise				362								
Midgate at Magic				1,829	9,546				22			
School			728									
Circle Cross Coll Rd			1,752	340		740			7	3	7	
Morning Sun Farms MC						841			4	1		
Morning Sun Farms Ph 1	280				46	13,584			45	25		2
Trunk Sewer		167	3,634						13			
Superstition Views						1,860	2,006		6	4	16	
Total	3,060	167	17,850	19,308	6,790	251,061	9,467		1,044	170	194	2

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>N/A (LLC)</u>
Estimated or Actual Federal Tax Liability	<u>N/A (LLC)</u>
State Taxable Income Reported	<u>N/A (LLC)</u>
Estimated or Actual State Tax Liability	<u>N/A (LLC)</u>

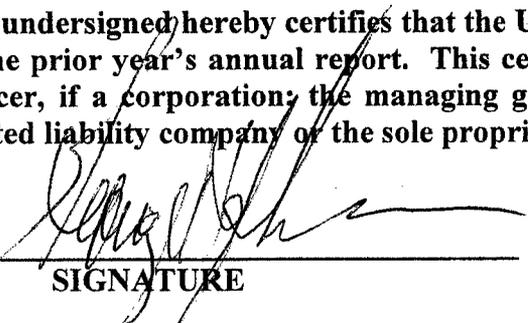
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
 \_\_\_\_\_  
 SIGNATURE

4.15.2004  
 \_\_\_\_\_  
 DATE

GEORGE H. JOHNSON  
 \_\_\_\_\_  
 PRINTED NAME

MANAGER  
 \_\_\_\_\_  
 TITLE

COMPANY NAME JOHNSON UTILITIES, LLC YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 251,456

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

VERIFICATION  
STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <b>MARICOPA</b>
NAME (OWNER OR OFFICIAL) TITLE <b>GEORGE H. JOHNSON</b>
COMPANY NAME <b>JOHNSON UTILITIES L.L.C. - SEWER DIVISION</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2003
-------------	-----------	--------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)  \$ <u>1,324,012</u>
--

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 86,548  
IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

*George H. Johnson*  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
**(480) 998-3300**  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS \_\_\_\_\_ DAY OF

COUNTY NAME <b>MARICOPA</b>
MONTH <b>APRIL</b> YEAR <b>2004</b>

NOTARY PUBLIC - ARIZONA  
NANCIE P. IRWIN  
OFFICIAL SEAL  
(SEAL)

*Nancie P. Irwin*  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 20, 2005

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	MARICOPA	
NAME (OWNER OR OFFICIAL)	GEORGE H. JOHNSON	TITLE PRESIDENT
COMPANY NAME	JOHNSON UTILITIES L.L.C. - SEWER DIVISION	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>1,312,740</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 85,811 IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

X

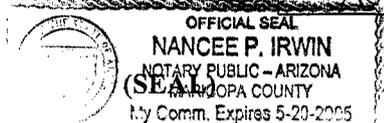
*George H. Johnson*  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15<sup>th</sup> DAY OF

NOTARY PUBLIC NAME	NANCEE P. IRWIN	
COUNTY NAME	MARICOPA	
MONTH	April	20 04



MY COMMISSION EXPIRES

*May 20, 2005*

X *Nancee P. Irwin*  
SIGNATURE OF NOTARY PUBLIC

# EXHIBIT

9

RECEIVED MAY 11 2004



Janet Napolitano  
Governor

ARIZONA DEPARTMENT  
OF  
ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • [www.adeq.state.az.us](http://www.adeq.state.az.us)



Stephen A. Owens  
Director

May 7, 2004

Mr. George H. Johnson  
Johnson Utilities  
5230 E. Shea Blvd.  
Phoenix, AZ 85254  
(480) 998-3300

RE: Pecan Wastewater Treatment Plant (WWTP)  
Aquifer Protection Permit (APP) 105324 LTF No. 29510

Dear Mr. Johnson:

Enclosed are the signed Aquifer Protection Permit (APP) # 105324 and the Fact Sheet for the above referenced facility. The permit conditions shall apply from May 7, 2004, which is the date of the Water Quality Division Director's signature, and shall be valid for the life of the facility. Thank you for your cooperation in protecting the water quality of the State of Arizona. If you have any questions about the permit or need further assistance, please contact me at (800) 234-5677 ext. 771-4578 or (602) 771-4578 or at [khp@ev.state.az.us](mailto:khp@ev.state.az.us) on email.

Sincerely,

Kaumil H. Parghi, E.E.  
Wastewater, Recharge, & Reuse Unit  
Water Permits Section, Water Quality Division

Attachments(2): Signed Permit and Fact Sheet

c: Asif Majeed, Supervisor, Wastewater, Recharge, & Reuse Unit  
Marcy Mullins, Wastewater, Recharge, & Reuse Unit (letter only)  
Tito Comparan, Wastewater, Recharge, & Reuse Unit (letter only)  
Diane Reed, ADEQ Biosolids Coordinator  
Lynne Dekarske, Water Permits Section  
Don Shroyer, Water Quality Compliance  
Bill Hare, Water Quality Compliance  
Brian Tompsett, Johnson Utilities  
Maurice Lee, Sunbelt Utilities  
Terry Moore, Moore & Associates, Inc.  
Greg Brown, Specific Engineering, L.L.C.

WRR04:0357

Northern Regional Office  
1515 East Cedar Avenue • Suite F • Flagstaff, AZ 86004  
(928) 779-0313

Southern Regional Office  
400 West Congress Street • Suite 433 • Tucson, AZ 85701  
(520) 628-6733



# FACT SHEET

## Aquifer Protection Permit # 105324, LTF # 29510 Place ID # 18583 Pecan Water Reclamation Plant (WRP)

The Arizona Department of Environmental Quality (ADEQ) proposes to issue an aquifer protection permit for the subject facility that covers the life of the facility, including operational, closure, and post-closure periods unless suspended or revoked pursuant to A.A.C. R18-9-A213. This document gives pertinent information concerning the issuance of the permit. The requirements contained in this permit will allow the permittee to comply with the two key requirements of the Aquifer Protection Program: 1) meet Aquifer Water Quality Standards at the Point of Compliance; and 2) demonstrate Best Available Demonstrated Control Technology (BADCT). BADCT's purpose is to employ engineering controls, processes, operating methods or other alternatives, including site-specific characteristics (i.e., the local subsurface geology), to reduce discharge of pollutants to the greatest degree achievable before they reach the aquifer or to prevent pollutants from reaching the aquifer.

### I. FACILITY INFORMATION

#### Name and Location

Permittee's Name:	Johnson Utility Company
Mailing Address:	5230 E. Shea Blvd., Phoenix, AZ 85254
Facility name and location:	Pecan Water Reclamation Plant (WRP) 38539 North Gantzel Road, approximately 1/2 mile north of Combs Road, southeast of Queen Creek, Pinal County

#### Regulatory Status

This is a new facility. An application for an Aquifer Protection Permit (APP) was received on April 1, 2003.

There are no known dry wells at the WRP site.

#### Facility Description

The Pecan Water Reclamation Plant (WRP) Phase I, has the capacity to collect and treat a maximum average monthly flow of 999,998 gallons per day (gpd) wastewater from ADEQ approved service area. The total planned capacity at build-out of the WRP is 4.0 million gallons per day (MGD). The WRP treatment process consists of an influent lift station, headworks with barscreen, extended aeration with nitrification-denitrification, clarifiers, filters, ultraviolet (UV) disinfection, sludge digesters, sludge dewatering belt filter press, and an effluent pump station. All the WRP units are constructed of either reinforced

**Fact Sheet – Page 2**  
**Aquifer Protection Permit # 105324, LTF # 29510 Place ID # 18583**  
**Pecan Water Reclamation Plant (WRP)**

concrete or steel. All the odor and noise producing units which include the headworks, the extended aeration process including the blower room, and the sludge dewatering belt filter press are enclosed inside a metal building with odor control scrubbers installed on all vents. The entire WRP is surrounded by an aesthetic, 6 foot tall, chain link or concrete block wall, fence. All the effluent generated is discharged for reuse as regulated under valid Reclaimed Water Reuse Permits. All the sludge, including the screenings, grit, and scum, is hauled off site for disposal at a landfill.

**Amendment Description**

Not Applicable.

**II. BEST AVAILABLE DEMONSTRATED CONTROL TECHNOLOGY (BADCT)**

The WRP is designed to meet the treatment performance criteria for new facilities as specified in Arizona Administrative Code R18-9-B204.

**III. COMPLIANCE WITH AQUIFER WATER QUALITY STANDARDS**

**Monitoring and Reporting Requirements**

The WRP is located in the Phoenix Active Management Area (AMA). Groundwater is flowing northwest at approximately 377 feet below the WRP. Historically, groundwater has been documented as flowing southwestward due to groundwater pumping of nearby agricultural wells.

To ensure that the site operations do not impact either the surface water or the groundwater, the facility will be required to meet the AWQS in the discharge. The applicant will also be reusing effluent at an agronomic rate, therefore, the facility is not likely to exceed AWQS at the Point of Compliance (POC).

Effluent is monitored at the effluent pump station. Since the only method of disposal is reuse, discharge monitoring is required for Class A+ reclaimed water for which the WRP is classified. Metals and Volatile Organic Compounds (VOCs) discharge monitoring tables are also included in the permit as per the unit policy.

Groundwater monitoring is not required at the point of compliance.

**Fact Sheet – Page 3**  
**Aquifer Protection Permit # 105324, LTF # 29510 Place ID # 18583**  
**Pecan Water Reclamation Plant (WRP)**

**Point of Compliance (POC)**

The POC is designated at the northwest corner of the WRP at the property boundary on Gantzel Road.

**IV. STORM WATER and SURFACE WATER CONSIDERATIONS**

The WRP is located on the south side of ephemeral Queen Creek, within the 100-year flood plain. However, the WRP has been constructed so that it is protected from a 100-year flood and has been approved by the Pinal County Flood Control Office for operating inside the 100-year flood plain.

**V. COMPLIANCE SCHEDULE**

The water balance submitted indicates that the facility only has sufficient disposal capacity for approximately 0.5 million gallons per day (MGD) of effluent at the time of permit issuance. This effluent will be reused on two golf courses and some pecan trees. Since the design of the WRF is 0.999,998 MGD, the following compliance schedule has been included in the permit.

The Compliance Schedule requires documentation that there will be sufficient disposal capacity in order to discharge flows greater than 0.5 MGD when the flows reach 0.475 MGD or prior to that. A status update letter is required to be sent every six (6) months until the time the above documentation is submitted.

**VI. OTHER REQUIREMENTS FOR ISSUING THIS PERMIT**

**Technical Capability**

Johnson Utility Company has demonstrated the technical competence necessary to carry out the terms and conditions of the permit in accordance with A.R.S. § 49-243(N) and A.A.C. R18-9-A202(B). The WRP was designed as per the design report prepared by Terry Moore, P.E., Moore and Associates, Inc., dated September 26, 2003 and finalized by Greg Brown, P.E., Sunbelt Utility Services, L.L.C.

The permit requires that appropriate documents be sealed by an Arizona registered geologist or professional engineer. This requirement is a part of an on-going demonstration of technical capability. The permittee is expected to maintain technical capability throughout the life of the facility.

**Fact Sheet – Page 4**  
**Aquifer Protection Permit # 105324, LTF # 29510 Place ID # 18583**  
**Pecan Water Reclamation Plant (WRP)**

**Financial Capability**

Johnson Utility Company has demonstrated the financial responsibility necessary to carry out the terms and conditions of the permit in accordance with A.R.S. § 49-243(N) and A.A.C. R18-9-A203. The permittee is expected to maintain financial capability throughout the life of the facility.

The National Bank of Arizona provided an Irrevocable Standby Letter of Credit to Johnson Utility Company to operate, maintain, and if necessary, close the WRP.

**Zoning Requirements**

The WRP has been properly zoned for the permitted use and the permittee has complied with all Pinal County zoning ordinances in accordance with A.R.S. § 49-243(O) and A.A.C. R18-9-A201(A)(2)(c).

**VII. ADMINISTRATIVE INFORMATION**

**Public Notice (A.A.C. R18-9-108(A))**

The public notice is the vehicle for informing all interested parties and members of the general public of the contents of a draft permit or other significant action with respect to a permit or application. The basic intent of this requirement is to ensure that all interested parties have an opportunity to comment on significant actions of the permitting agency with respect to a permit application or permit. This permit will be public noticed in a local newspaper after a pre-notice review by the applicant and other affected agencies.

**Public Comment Period (A.A.C. R18-9-109(A))**

The aquifer protection program rules require that permits be public noticed in a newspaper of general circulation within the area affected by the facility or activity and provide a minimum of 30 calendar days for interested parties to respond in writing to ADEQ. After the closing of the public comment period, ADEQ is required to respond to all significant comments at the time a final permit decision is reached or at the same time a final permit is actually issued.

**Public Hearing (A.A.C. R18-9-109(B))**

A public hearing may be requested in writing by any interested party. The request should state the nature of the issues proposed to be raised during the hearing. A public hearing will be held if the Director determines there is a significant amount of interest expressed during the 30-day

**Fact Sheet – Page 5**  
**Aquifer Protection Permit # 105324, LTF # 29510 Place ID # 18583**  
**Pecan Water Reclamation Plant (WRP)**

public comment period, or if significant new issues arise that were not considered during the permitting process.

**VIII. ADDITIONAL INFORMATION**

Additional information relating to this proposed permit may be obtained from:

Arizona Department of Environmental Quality  
Water Quality Division – Wastewater, Recharge, & Reuse Unit  
Attn: Kaamil H. Parghi  
1110 W. Washington St., Mail Code 5415B-3  
Phoenix, Arizona 85007  
Phone: (602) 771-4578

RECEIVED MAY 11 2004

STATE OF ARIZONA  
AQUIFER PROTECTION PERMIT NO. P-105324  
PLACE ID 18583, LTF 29510

1.0 AUTHORIZATION

In compliance with the provisions of Arizona Revised Statutes (A.R.S.) Title 49, Chapter 2, Articles 1, 2 and 3, Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, Articles 1 and 2, A. A. C. Title 18, Chapter 11, Article 4 and amendments thereto, and the conditions set forth in this permit, Johnson Utility Company is hereby authorized to operate the Pecan Water Reclamation Plant located at 38539 North Gantzel Road, approximately 1/2 mile north of Combs Road southeast of Queen Creek, Pinal County, Arizona, over groundwater of the Phoenix Active Management Area (AMA) in Township 2 S, Range 8 E, Section 29, NW 1/4, of the Gila and Salt River Base Line and Meridian.

This permit becomes effective on the date of the Water Quality Division Director's signature and shall be valid for the life of the facility (operational, closure, and post-closure periods), unless suspended or revoked pursuant to A.A.C. R18-9-A213. The permittee shall construct, operate and maintain the permitted facilities:

1. Following all the conditions of this permit including the design and operational information documented or referenced below, and
2. such that Aquifer Water Quality Standards (AWQS) are not violated at the applicable point(s) of compliance (POC) set forth below, or if an AWQS for a pollutant has been exceeded in an aquifer at the time of permit issuance, that no additional degradation of the aquifer relative to that pollutant, and as determined at the applicable POC, occurs as a result of the discharge from the facility.

1.1 PERMITTEE INFORMATION

Facility Name: Pecan Water Reclamation Plant (WRP)

Permittee:	Mailing Address:	Facility's Street Address:
Johnson Utility Company (480) 998-3300	Johnson Utility Company 5230 E. Shea Blvd. Phoenix, AZ 85254	38539 North Gantzel Road, approximately 1/2 mile north of Combs Road southeast of Queen Creek, Pinal County

Facility Contact: Gerald Beeler, Johnson Utility Company, Tel: (480) 987-9870

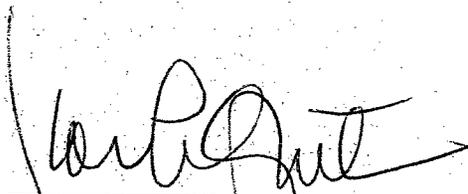
Emergency Telephone Number: (480) 998-3300

Latitude: 33° 13' 43" N

Longitude: 111° 33' 46" W

Legal Description: Township 2 S, Range 8 E, Section 29, NW 1/4

1.2 AUTHORIZING SIGNATURE



Kaken L. Smith, Director  
Water Quality Division  
Arizona Department of Environmental Quality

Signed this 7<sup>th</sup> day of MAY, 2004

**2.0 SPECIFIC CONDITIONS**

[A.R.S. §§ 49-203(4), 49-241(A)]

**2.1 Facility / Site Description [A.R.S. § 49-243(K)(8)]**

The Pecan Water Reclamation Plant (WRP) Phase I, has the capacity to collect and treat a maximum average monthly flow of 999,998 gallons per day (gpd) wastewater from ADEQ approved service area. The total planned capacity at build-out of the WRP is 4.0 million gallons per day (MGD). The WRP treatment process consists of an influent lift station, headworks with barscreen, extended aeration with nitrification-denitrification, clarifiers, filters, ultraviolet (UV) disinfection, sludge digesters, sludge dewatering belt filter press, and an effluent pump station. All the WRP units are constructed of either reinforced concrete or steel. All the odor and noise producing units which include the headworks, the extended aeration process including the blower room, and the sludge dewatering belt filter press are enclosed inside a metal building with odor control scrubbers installed on all vents. The entire WRP is surrounded by an aesthetic, 6 foot tall, chain link or concrete block wall, fence. All the effluent generated is discharged for reuse as regulated under valid Reclaimed Water Reuse Permits. All the sludge, including the screenings, grit, and scum, is hauled off site for disposal at a landfill. Depth to groundwater at the WRP site is approximately 377 feet and the direction of groundwater flow is to the northwest.

In addition to the APP conditions pertaining to treatment and disposal of sewage sludge, the permittee must also comply with the requirements for sewage sludge disposal in 40 Code of Federal Regulations (CFR) Part 503 and 18 A.A.C. Ch. 9, Art. 10.

The WRP will produce reclaimed water meeting Class A+ Reclaimed Water Standards (A.A.C. R18-11, Article 3) and may be delivered for beneficial use under a valid reclaimed water permit under A.A.C. R18-9 Article 7.

All industrial hookups and other non-residential hookups to the treatment system shall conform to Section 307 of the Federal Water Pollution Control Act and shall be authorized according to the federal pretreatment program, or as otherwise approved by federal, state or local regulations.

The site includes the following permitted discharging facilities:

Facility	Latitude	Longitude
Effluent Pump Station	33° 13' 43" N	111° 33' 46" W

**2.2 Best Available Demonstrated Control Technology**

[A.R.S. § 49-243(B) and A.A.C. R18-9-A202(A)(5)]

The WRP is designed to meet the treatment performance criteria for new facilities as specified in Arizona Administrative Code R18-9-B204.

**2.2.1 Engineering Design**

The WRP was designed as per the design report prepared by Terry Moore, P.E., Moore and Associates, Inc., dated September 26, 2003 and finalized by Gregory H. Brown, P.E., Sunbelt Utility Services, L.L.C.

**2.2.2 Site-specific Characteristics**

Site specific characteristics were not used to determine BADCT.

**2.2.3 Pre-Operational Requirements**

Within 60 days of the WWTP construction, the operator shall inspect the facility to verify that all components function as designed. Within 90 days of the WWTP construction, the permittee shall provide written certification of the WWTP construction to ADEQ Water Quality Compliance, that inspection of all components was performed. The results of inspection should also be indicated.

**2.2.4 Operational Requirements**

1. The permittee shall maintain a copy of the new O & M manual at the WRP site at all times and shall be available upon request during inspections by ADEQ personnel.
2. The pollution control structures shall be inspected for the items listed in Section 4.0, TABLE II – Facility Inspection (Operational Monitoring).
3. If any damage of the pollution control structures is identified during inspection, proper repair procedures shall be performed. All repair procedures and material(s) used shall be documented on the Self-Monitoring Report Form submitted quarterly to the ADEQ Water Quality Compliance.

**2.2.5 Water Reclamation Plant Classification**

[A.A.C. R18-9-703(C)(2)(a), A.A.C. R18-11-303 THROUGH 307]

The WRP produces reclaimed water meeting Class A+ Reclaimed Water Quality Standards (A.A.C. R18-11, article 3) and may be delivered for beneficial use under a valid reclaimed water permit under A.A.C. R18-9 Article 7.

**2.3 Discharge Limitations [A.R.S. §§ 49-201(14), 49-243 and A.A.C. R18-9-A205(B)]**

1. The permittee is authorized to operate the WRP with a maximum average monthly flow of 999,998 gpd.
2. The materials authorized to be disposed of through the Water Reclamation Plant are typical household sewage and shall not include motor oil, gasoline, paints, varnishes, hazardous wastes, solvents, pesticides, fertilizers or other materials not generally associated with toilet flushing, food preparation, laundry facilities and personal hygiene.
3. Specific discharge limitations are listed in Section 4.0, Table I.

**2.4 Point(s) of Compliance (P.O.C.) [A.R.S. § 49-244]**

The Point of Compliance is designated at the following monitoring location:

P.O.C. Locations	Latitude	Longitude
Northwest corner of the WRP site	33° 13' 43" N	111° 33' 46" W

Groundwater monitoring is not required at the POC, at the time of permit issuance.

The Director may amend this permit to designate additional points of compliance if information on groundwater gradients or groundwater usage indicates the need.

**2.5 Monitoring Requirements [A.R.S. § 49-243(K)(1), A.A.C. R18-9-A206(A)]**

All monitoring required in this permit shall continue for the duration of the permit, regardless of the status of the facility. All sampling, preservation and holding times shall be in accordance with currently accepted standards of professional practice. Trip blanks, equipment blanks and duplicate samples shall also be obtained, and chain of custody procedures shall be followed, in accordance with currently accepted standards of professional practice. The permittee shall consult the most recent version of the ADEQ Quality Assurance Project Plan (QAPP) and EPA 40 CFR PART 136 for guidance in this regard. Copies of laboratory analyses and chain of custody forms shall be maintained at the permitted facility. Upon request these documents shall be made immediately available for review by ADEQ personnel.

**2.5.1 Discharge Monitoring**

The permittee shall monitor the wastewater according to Section 4.0, TABLE I. A representative sample of the treated wastewater shall be collected at the effluent pump station.

**2.5.2 Facility / Operational Monitoring**

Operational monitoring inspections shall be conducted according to Section 4.0, TABLE II.

- a. If any damage of the pollution control structures is identified during inspection, proper repair procedures shall be performed. All repair procedures and materials used shall be documented on the Self-Monitoring Report Form (SMRF) submitted quarterly to the ADEQ Water Quality Compliance. If none of the conditions occur, the report shall say "no event" for a particular reporting period. If the facility is not in operation, the permittee shall indicate that fact in the SMRF.
- b. The permittee shall submit data required in Section 4.0, TABLE II regardless of the operating status of the facility unless otherwise approved by the Department or allowed in this permit.

**2.5.3 Groundwater Monitoring and Sampling Protocols**

Routine groundwater monitoring is not required under the terms of this permit.

**2.5.4 Surface Water Monitoring and Sampling Protocols**

Routine surface water monitoring is not required under the terms of this permit.

**2.5.5 Analytical Methodology**

All samples collected for compliance monitoring shall be analyzed using Arizona state approved methods. If no state approved method exists, then any appropriate EPA approved method shall be used. Regardless of the method used, the detection limits must be sufficient to determine compliance with the regulatory limits of the parameters specified in this permit. Analyses shall be performed by a laboratory licensed by the Arizona Department of Health Services, Office of Laboratory Licensure and Certification. For results to be considered valid, all analytical work shall meet quality control standards specified in the approved methods. A list of Arizona state certified laboratories can be obtained at the address below:

Arizona Department of Health Services  
Office of Laboratory Licensure and Certification  
1740 W. Adams Street, Room 203 North  
Phoenix, AZ 85007

Phone: (602) 364-0720

### **2.5.6 Installation and Maintenance of Monitoring Equipment**

Monitoring equipment required by this permit shall be installed and maintained so that representative samples required by the permit can be collected. If new groundwater wells are determined to be necessary, the construction details shall be submitted to the ADEQ Water Permits Section for approval prior to installation and the permit shall be amended to include any new monitoring points.

## **2.6 Contingency Plan Requirements**

[A.R.S. § 49-243(K)(3), (K)(7) and A.A.C. R18-9-A204 and R18-9-A205]

### **2.6.1 General Contingency Plan Requirements**

At least one copy of the approved contingency and emergency response plan submitted in the application shall be maintained at the location where day-to-day decisions regarding the operation of the facility are made. The permittee shall be aware of and follow the contingency and emergency plans.

Any alert level (AL) that is exceeded or any violation of an aquifer quality limit (AQL), discharge limit (DL), or other permit condition shall be reported to ADEQ following the reporting requirements in Section 2.7.3.

Some contingency actions involve verification sampling. Verification sampling shall consist of the first follow-up sample collected from a location that previously indicated a violation or the exceedance of an AL. Collection and analysis of the verification sample shall use the same protocols and test methods to analyze for the pollutant or pollutants that exceeded an AL or violated an AQL or DL. The permittee is subject to enforcement action for the failure to comply with any contingency actions in this permit. Where verification sampling is specified in this permit, it is the option of the permittee to perform such sampling. If verification sampling is not conducted within the timeframe allotted, ADEQ and the permittee shall presume the initial sampling result to be confirmed as if verification sampling has been conducted. The permittee is responsible for compliance with contingency plans relating to the exceedance of an AL or violation of a DL, AQL or any other permit condition.

### **2.6.2 Exceeding of Alert Levels/Performance Levels**

#### **2.6.2.1 Exceeding of Performance Levels (PL) Set for Operational Conditions**

1. If the operational PL set in Section 4.0, TABLE II has been exceeded (permit condition violated) the permittee shall
  - a. Notify the ADEQ Water Quality Compliance Section within five (5) days of becoming aware of a violation of any permit condition.
  - b. Submit a written report within thirty (30) days after becoming aware of a violation of a permit condition. The report shall document all of the following:
    1. A description of the violation and its cause;
    2. the period of violation, including exact date(s) and time(s), if known, and the anticipated time period during which the violation is expected to

continue;

3. any action taken or planned to mitigate the effects or the violation, or the spill, or to eliminate or prevent recurrence of the violation;
  4. any monitoring activity or other information which indicates that any pollutants would be reasonably expected to cause a violation of an Aquifer Water Quality Standard; and
  5. any malfunction or failure of pollution control devices or other equipment or process.
2. The facility is no longer on alert status once the operational indicator no longer indicates that an PL is being exceeded. The permittee shall, however, complete all tasks necessary to return the facility to its pre-alert operating condition.

#### **2.6.2.2 Exceeding of Alert Levels Set for Discharge Monitoring**

1. If an AL set in Section 4.0, TABLE I has been exceeded, the permittee may conduct verification sampling within 24 hours of becoming aware of the alert status.
2. If the verification sampling confirms that the AL has been exceeded, the permittee shall immediately investigate to determine the cause of the AL being exceeded. The investigation shall include the following:
  - a. Inspection, testing, and assessment of the current condition of all treatment or pollutant discharge control systems that may have contributed to the AL being exceeded.
  - b. Review of recent process logs, reports, and other operational control information to identify any unusual occurrences;
3. The permittee shall initiate actions identified in the approved contingency plan referenced in Section 5.0 and specific contingency measures identified in Section 2.6 to resolve any problems identified by the investigation which may have led to an AL being exceeded. To implement any other corrective action the permittee shall obtain prior approval from ADEQ according to Section 2.6.6.
4. Within thirty (30) days after confirmation of an AL being exceeded, the permittee shall submit the laboratory results to the ADEQ Water Quality Compliance Section, Data Unit, along with a summary of the findings of the investigation, the cause of the AL being exceeded, and actions taken to resolve the problem.
5. Upon review of the submitted report, the Department may require additional monitoring, increased frequency of monitoring, amendments to permit conditions or other actions.

#### **2.6.2.3 Exceeding of Alert Levels in Groundwater Monitoring**

##### **2.6.2.3.1 Alert Levels for Indicator Parameters**

Not required at time of permit issuance.

**2.6.2.3.2 Alert Levels for Pollutants with Numeric Aquifer Water Quality Standards**

Not required at time of permit issuance.

**2.6.2.3.3 Alert Levels to Protect Downgradient Users from Pollutants Without Numeric Aquifer Water Quality Standards**

Not required at time of permit issuance.

**2.6.3 Discharge Limitations (DL) Violations**

1. If a DL set in Section 4.0, TABLE I has been exceeded, the permittee may conduct verification sampling within 24 hours of becoming aware of a DL being exceeded.
2. If verification sampling confirms that the DL has been violated, the permittee shall immediately investigate to determine the cause of the violation. The investigation shall include the following:
  - a. Inspection, testing, and assessment of the current condition of all treatment or pollutant discharge control systems that may have contributed to the violation;
  - b. Review of recent process logs, reports, and other operational control information to identify any unusual occurrences;

The permittee also shall submit a report according to Section 2.7.3, which includes a summary of the findings of the investigation, the cause of the violation, and actions taken to resolve the problem. The permittee shall consider and ADEQ may require corrective action that may include control of the source of discharge, cleanup of affected soil, surface water or groundwater, and mitigation of the impact of pollutants on existing uses of the aquifer. Corrective actions shall either be specifically identified in this permit, included in an ADEQ approved contingency plan, or separately approved according to Section 2.6.6.

3. Upon review of the submitted report, the Department may require additional monitoring, increased frequency of monitoring, amendments to permit conditions or other actions.

**2.6.4 Aquifer Quality Limit (AQL) Violation**

Not required at time of permit issuance.

**2.6.5 Emergency Response and Contingency Requirements for Spills and Unauthorized Discharges**

**2.6.5.1 Duty to Respond**

The permittee shall act immediately to correct any condition resulting from a discharge if that condition could pose an imminent and substantial endangerment to public health or the environment.

**2.6.5.2 Discharge of Hazardous Substances or Spills of Toxic Pollutants**

In the event of any unauthorized discharge (A.R.S. § 49-201(12)) of suspected hazardous substances (A.R.S. § 49-201(18)) or any spills of toxic pollutants (A.R.S. § 49-243(I)) on

the facility site, the permittee shall promptly isolate the area and attempt to identify the spilled material. The permittee shall record information, including name, nature of exposure and follow-up medical treatment, if necessary, on persons who may have been exposed during the incident. Spilled materials, absorbents, and contaminated media generated during emergency response shall be removed and disposed of according to applicable federal, state and local regulations. The permittee shall notify the ADEQ Water Quality Field Services Unit at (602) 771-2330 within 24-hours upon discovering the discharge of hazardous material which: a) has the potential to cause an AWQS or AQL to be exceeded; or b) could pose an endangerment to public health or the environment.

#### **2.6.5.3 Discharge of Non-hazardous Materials**

In the event of any unauthorized discharge of non-hazardous materials from the facility, the permittee shall promptly attempt to cease the discharge and isolate the discharged material. Discharged material shall be removed and the site cleaned up as soon as possible. The permittee shall notify the ADEQ Water Quality Field Services Unit at (602) 771-2330 within 24-hours upon discovering the discharge of non-hazardous material which: a) has the potential to cause an AQL to be exceeded; or b) could pose an endangerment to public health or the environment.

#### **2.6.5.4 Reporting Requirements**

The permittee shall submit a written report for any unauthorized discharges described in Sections 2.6.5.2 and 2.6.5.3 to ADEQ Water Quality Field Services Unit at (602) 771-2330 within thirty days of the discharge or as required by subsequent ADEQ action. The report shall summarize the event, including any human exposure, and facility response activities and include all information specified in Section 2.7.3. If a notice is issued by ADEQ subsequent to the discharge notification, any additional information requested in the notice shall also be submitted within the time frame specified in that notice. Upon review of the submitted report, ADEQ may require additional monitoring or corrective actions.

#### **2.6.6 Corrective Actions**

Specific contingency measures identified in Section 2.6 have already been approved by ADEQ and do not require written approval to implement.

With the exception of emergency response actions taken under Section 2.6.5, the permittee shall obtain written approval from the Water Permits Section prior to implementing a corrective action to accomplish any of the following goals in response to exceeding an AL or violation of an AQL, DL, or other permit condition:

1. Control of the source of an unauthorized discharge;
2. Soil cleanup;
3. Cleanup of affected surface waters;
4. Cleanup of affected parts of the aquifer;
5. Mitigation to limit the impact of pollutants on existing uses of the aquifer.

Within 30 days of completion of any corrective action, the operator shall submit to the ADEQ Water Quality Compliance Section, a written report describing the causes, impacts, and actions taken to resolve the problem.

**2.7 Reporting and Recordkeeping Requirements**

[A.R.S. § 49-243(K)(2) and A.A.C. R18-9-A206(B) and R18-9-A207]

**2.7.1 Self Monitoring Report Forms (SMRF)**

1. The permittee shall complete the SMRFs provided by ADEQ, and submit them to the Water Quality Compliance Section, Data Unit.
2. The permittee shall complete the SMRF to the extent that the information reported may be entered on the form. If no information is required during a quarter, the permittee shall enter "not required" on the SMRF and submit the report to ADEQ. The permittee shall use the format devised by ADEQ.
3. The tables contained in Sections 4.0 list the parameters to be monitored and the frequency for reporting results for groundwater compliance monitoring. Analytical methods shall be recorded on the SMRFs.
4. In addition to the SMRF, the information contained in Section 6.9.3 shall be included for exceeding an AL or violation of an AQL, DL, or any other permit condition being reported in the current reporting period.

**2.7.2 Operation Inspection / Log Book Recordkeeping**

A signed copy of this permit shall be maintained at all times at the location where day-to-day decisions regarding the operation of the facility are made. A log book (paper copies, forms or electronic data) of the inspections and measurements required by this permit shall be maintained at the location where day-to-day decisions are made regarding the operation of the facility. The log book shall be retained for ten (10) years from the date of each inspection, and upon request, the permit and the log book shall be made immediately available for review by ADEQ personnel. The information in the log book shall include, but not be limited to, the following information as applicable:

1. Name of inspector;
2. Date and shift inspection was conducted;
3. Condition of applicable facility components;
4. Any damage or malfunction, and the date and time any repairs were performed;
5. Documentation of sampling date and time;
6. Any other information required by this permit to be entered in the log book, and
7. Monitoring records for each measurement shall comply with R18-9 A206(B)(2).

**2.7.3 Permit Violation and Alert Level Status Reporting**

1. The permittee shall notify the Water Quality Compliance Section, Enforcement Unit in writing within five (5) days (except as provided in Section 2.6.5) of becoming aware of a violation of any permit condition, discharge limitation or of an Alert Level (AL) being exceeded.
2. The permittee shall submit a written report to the Water Quality Compliance Section, Enforcement Unit within 30 days of becoming aware of the violation of any permit condition or discharge limitation. The report shall document all of the following:
  - a. Identification and description of the permit condition for which there has been a violation and a description of its cause.

- b. The period of violation including exact date(s) and time(s), if known, and the anticipated time period during which the violation is expected to continue.
- c. Any corrective action taken or planned to mitigate the effects of the violation, or to eliminate or prevent a recurrence of the violation.
- d. Any monitoring activity or other information which indicates that any pollutants would be reasonably expected to cause a violation of an Aquifer Water Quality Standard.
- e. Proposed changes to the monitoring which include changes in constituents or increased frequency of monitoring.
- f. Description of any malfunction or failure of pollution control devices or other equipment or processes.

**2.7.4 Operational, Other or Miscellaneous Reporting**

The permittee shall complete the Self-Monitoring Report Form provided by the Department to reflect facility inspection requirements designated in Section 4.0, TABLE II and submit to the ADEQ, Water Quality Compliance quarterly along with other reports required by this permit. Facility inspection reports shall be submitted no less frequently than quarterly, regardless of operational status.

**2.7.5 Reporting Location**

All SMRFs shall be submitted to:

Arizona Department of Environmental Quality  
Water Quality Compliance Section, Data Unit  
Mail Code: 5415B-1  
1110 W. Washington Street  
Phoenix, AZ 85007  
Phone (602) 771-4681

All documents required by this permit to be submitted to the Water Quality Compliance Section shall be directed to:

Arizona Department of Environmental Quality  
Water Quality Compliance Section, Enforcement Unit  
Mail Code: 5415B-1  
1110 W. Washington Street  
Phoenix, AZ 85007  
Phone (602) 771-4614

All documents required by this permit to be submitted to the Water Permits Section shall be directed to:

Arizona Department of Environmental Quality  
Water Permits Section  
Mail Code: 5415B-3

1110 W. Washington Street  
Phoenix, AZ 85007  
Phone (602) 771-4428

### 2.7.6 Reporting Deadline

The following table lists the quarterly report due dates:

Monitoring conducted during quarter:	Quarterly Report due by:
January-March	April 30
April-June	July 30
July-September	October 30
October-December	January 30

### 2.7.7 Changes to Facility Information in Section 1.0

The Water Permits Section and Water Quality Compliance Section shall be notified within 10 days of any change of facility information including Facility Name, Permittee Name, Mailing or Street Address, Facility Contact Person or Emergency Telephone Number.

### 2.8 Temporary Cessation [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A209(A)]

The permittee shall give written notice to the Water Quality Compliance Section upon ceasing operation of the facility for a period of 60 days or greater. The permittee shall take the following measures upon temporary cessation:

1. If applicable, direct the wastewater flows from the facility to another State approved Water Reclamation facility.
2. Correct the problem that caused the temporary cessation of the facility.
3. Notify ADEQ with a monthly facility Status Report describing the activities conducted on the WRP to correct the problem.

At the time of notification the permittee shall submit for ADEQ approval a plan for maintenance of discharge control systems and for monitoring during the period of temporary cessation. Immediately following ADEQ's approval, the permittee shall implement the approved plan. If necessary, ADEQ shall amend permit conditions to incorporate conditions to address temporary cessation. If the facility ceases operation, the permittee shall submit closure notification, as set forth in Section 2.9 below.

### 2.9 Closure [A.R.S. §§ 49-243(K)(6), 49-252 and A.A.C. R18-9-A209(B)]

The permittee shall give written notice of closure to the Water Quality Compliance Section before closing, or before ceasing use of a facility addressed under this permit if the cessation is projected to last more than three years.

Within 90 days following notification of closure, the permittee shall submit for approval to the Water Permits Section, a detailed Closure Plan which meets the requirements of A.R.S. § 49-252 and A.A.C. R18-9-A209(B)(1)(a).

If the closure plan achieves clean closure immediately, ADEQ shall issue a letter of approval to the permittee. If the closure plan contains a schedule for bringing the facility to a clean closure configuration at a future date, ADEQ may incorporate any part of the schedule as an amendment to this permit.

Upon completion of closure activities, the permittee shall give written notice to the Water Permits Section indicating that the approved Closure Plan has been implemented fully. If clean closure has been achieved, ADEQ shall issue a letter of approval to the permittee at that time. If any of the following conditions apply, the permittee shall follow the terms of Post Closure stated in this permit:

1. Clean closure cannot be achieved at the time of closure notification or within one year thereafter under a diligent schedule of closure actions;
2. Further action is necessary to keep the facility in compliance with aquifer water quality standards at the applicable point of compliance;
3. Continued action is required to verify that the closure design has eliminated discharge to the extent intended;
4. Remedial or mitigative measures are necessary to achieve compliance with Title 49, Ch. 2;
5. Further action is necessary to meet property use restrictions.

**2.9.1 Closure Plan**

A specific closure plan is required within 180 days of closure of the facility.

**2.9.2 Closure Completion**

Not required at time of permit issuance.

**2.10 Post-Closure [A.R.S. §§ 49-243(K)(6), 49-252 and A.A.C. R18-9 A209(C)]**

Post-closure requirements shall be established based on a review of facility closure actions and will be subject to review and approval by the Water Permits Section.

In the event clean closure cannot be achieved pursuant to A.R.S. § 49-252, the permittee shall submit for approval to the Water Permits Section a Post-Closure Plan that addresses post-closure maintenance and monitoring actions at the facility. The Post-Closure Plan shall meet all requirements of A.R.S. §§ 49-201(29) and 49-252 and A.A.C. R18-9-A209(C). Upon approval of the Post-Closure Plan, this permit shall be amended or a new permit shall be issued to incorporate all post-closure controls and monitoring activities of the Post-Closure Plan.

**2.10.1 Post-Closure Plan**

A specific post closure plan may be required upon the review of the closure plan.

**2.10.2 Post-Closure Completion**

Not required at the time of permit issuance.

**3.0 COMPLIANCE SCHEDULE [A.R.S. § 49-243(K)(5) and A.A.C. R18-9-A208]**

For each compliance schedule item listed below, the permittee shall submit the required information, including a cover letter that lists the compliance schedule items, to the Water Permits Section. A copy of the cover letter must also be submitted to the Water Quality Compliance Section, Data Unit.

1. Documentation that there will be sufficient disposal capacity in order to discharge flows greater than 0.5 MGD when the flows reach 0.475 MGD or prior to that. A status update letter is required to be sent every six (6) months until the time the above documentation is submitted.

4.0 TABLES OF MONITORING REQUIREMENTS

**TABLE I  
DISCHARGE MONITORING**

Sampling Point Number	Sampling Point Identification		Latitude	Longitude	
1	Effluent Pump Station		33° 13' 43" N	111° 33' 46" W	
Parameter	AL <sup>1</sup>	DL <sup>2</sup>	Units	Sampling Frequency	Reporting Frequency
Flow: Daily	Reserved	Reserved <sup>3</sup>	MGD <sup>4</sup>	Daily <sup>5</sup>	Quarterly
Flow: Average Monthly	0.95	0.999,998 <sup>6</sup>	MGD	Monthly <sup>7</sup>	Quarterly
Total Nitrogen <sup>8</sup> : Five-sample rolling geometric mean	8.0	10.0	mg/l	Monthly	Quarterly

<sup>1</sup> AL = Alert Level.

<sup>2</sup> DL = Discharge Limit.

<sup>3</sup> Reserved = Monitoring required but no limits have been specified at time of permit issuance.

<sup>4</sup> MGD = Million Gallons per Day.

<sup>5</sup> Flow shall be measured using a continuous recording, totalizing flow meter.

<sup>6</sup> Section 3.0 Compliance Schedule item should be completed at the time when or before the flows reach 0.475 MGD.

<sup>7</sup> Monthly = Calculated value = Average of daily flows in a month.

<sup>8</sup> Nitrate as N plus Nitrite as N plus Total Kjeldahl Nitrogen (TKN).

**4.0 TABLES OF MONITORING REQUIREMENTS**

**TABLE I DISCHARGE MONITORING (continued)**

Sampling Point Number	Sampling Point Identification		Latitude	Longitude	
1	Effluent Pump Station		33° 13' 43" N	111° 33' 46" W	
Parameter	AL <sup>9</sup>	DL <sup>10</sup>	Units	Sampling Frequency	Reporting Frequency
Fecal Coliform: Single-sample maximum	Reserved	23	CFU or MPN <sup>11</sup>	Daily <sup>12</sup>	Quarterly
Fecal Coliform: Four (4) of last seven (7) samples	Reserved	Non-detect <sup>13</sup>	CFU or MPN	Daily	Quarterly
Turbidity <sup>14</sup> : Single reading	Reserved	5	NTU <sup>15</sup>	Everyday <sup>16</sup>	Quarterly
Turbidity : 24-hour average	Reserved	2	NTU	Everyday	Quarterly
Enteric Virus: Four (4) of last seven (7) samples	Reserved	Non-detect	PFU <sup>17</sup>	Monthly/Suspended <sup>18</sup>	Quarterly

<sup>9</sup> AL = Alert Level.

<sup>10</sup> DL = Discharge Limit.

<sup>11</sup> CFU = Colony Forming Units per 100 ml sample; MPN = Most Probable Number per 100 ml sample.

<sup>12</sup> For Fecal Coliform, "daily" sampling means everyday in which a sample can practicably be obtained and delivered in sufficient time for proper analysis, provided that no less than four (4) samples in each calendar week are obtained and analyzed.

<sup>13</sup> If at least four (4) out of the last seven (7) samples are not non-detect, report "yes" in the appropriate space on the SMRF (indicating that the standard has been met). If at least four (4) out of the last seven (7) samples have detections of Fecal Coliform, report "no" in the appropriate space on the SMRF (indicating that the standard has not been met).

<sup>14</sup> Turbidimeter shall have a signal averaging time not exceeding 120 seconds. Occasional spikes due to turbidimeter malfunction shall not be considered an exceedance. All exceedances must be explained and submitted to the Department with the corresponding quarterly SMRF.

<sup>15</sup> NTU = Nephelometric Turbidity Units

<sup>16</sup> For the single turbidity reading, "everyday" means the maximum reading during the 24 hour period.

<sup>17</sup> PFU = Plaque Forming Units per 40 liter sample.

<sup>18</sup> Enteric Virus sampling shall resume only if two (2) consecutive turbidity limits are exceeded. Monthly enteric virus monitoring shall continue until four (4) out of seven (7) consecutive sample results show no detection. During times when enteric virus sampling is suspended, enter "suspended" in the appropriate space on the SMRF.

4.0 TABLES OF MONITORING REQUIREMENTS

**TABLE I**  
**DISCHARGE MONITORING (continued)**

Parameter	AL	DL	Units	Sampling Frequency	Reporting Frequency
<b>Metals (Total):</b>					
Antimony	0.0048	0.006	mg/l	Quarterly	Quarterly
Arsenic	0.04	0.05	mg/l	Quarterly	Quarterly
Barium	1.60	2.00	mg/l	Quarterly	Quarterly
Beryllium	0.0032	0.004	mg/l	Quarterly	Quarterly
Cadmium	0.004	0.005	mg/l	Quarterly	Quarterly
Chromium	0.08	0.1	mg/l	Quarterly	Quarterly
Cyanide (As free cyanide)	0.16	0.2	mg/l	Quarterly	Quarterly
Fluoride	3.2	4.0	mg/l	Quarterly	Quarterly
Lead	0.04	0.05	mg/l	Quarterly	Quarterly
Mercury	0.0016	0.002	mg/l	Quarterly	Quarterly
Nickel	0.08	0.1	mg/l	Quarterly	Quarterly
Selenium	0.04	0.05	mg/l	Quarterly	Quarterly
Thallium	0.0016	0.002	mg/l	Quarterly	Quarterly

4.0 TABLES OF MONITORING

**TABLE 1**  
**DISCHARGE MONITORING (continued)**

Parameter	AL	DL	Units	Sampling Frequency	Reporting Frequency
<b>Volatle Organic Compounds (VOCs):</b>					
Benzene	4.0	5.0	ug/l	Annually	Annually
Carbon tetrachloride	4.0	5.0	ug/l	Annually	Annually
o-Dichlorobenzene	480.0	600.0	ug/l	Annually	Annually
para-Dichlorobenzene	60.0	75.0	ug/l	Annually	Annually
1,2-Dichloroethane	4.0	5.0	ug/l	Annually	Annually
1,1-Dichloroethylene	5.6	7.0	ug/l	Annually	Annually
Cis-1,2-Dichloroethylene	56.0	70.0	ug/l	Annually	Annually
trans-1,2-Dichloroethylene	80.0	100.0	ug/l	Annually	Annually
Dichloromethane	4.0	5.0	ug/l	Annually	Annually
1,2-Dichloropropane	4.0	5.0	ug/l	Annually	Annually
Ethylbenzene	560.0	700.0	ug/l	Annually	Annually
Monochlorobenzene	80.0	100.0	ug/l	Annually	Annually
Styrene	80.0	100.0	ug/l	Annually	Annually
Tetrachloroethylene	4.0	5.0	ug/l	Annually	Annually
Toluene	800.0	1000.0	ug/l	Annually	Annually
Trihalomethanes (total) <sup>19</sup>	80.0	100.0	ug/l	Annually	Annually
1,1,1-Trichloroethane	160.0	200.0	ug/l	Annually	Annually
1,2,4-Trichlorobenzene	56.0	70.0	ug/l	Annually	Annually
1,1,2-Trichloroethane	4.0	5.0	ug/l	Annually	Annually
Trichloroethylene	4.0	5.0	ug/l	Annually	Annually
Vinyl Chloride	1.6	2.0	ug/l	Annually	Annually
Xylenes (Total)	8000.0	10,000.0	ug/l	Annually	Annually

<sup>19</sup> Total trihalomethanes comprise of bromoform, bromodichloromethane, chloroform, and dibromochloromethane.

4.0 TABLES OF MONITORING REQUIREMENTS

TABLE II  
FACILITY INSPECTION (Operational Monitoring)

<b>Pollution Control Structures/Parameter</b>	<b>Performance Levels</b>	<b>Inspection Frequency</b>
Pump Integrity	Good Working Condition	Weekly
Treatment Plant Components	Good Working Condition	Weekly
Effects of Subsidence and Fissuring on the WRP structures and effluent disposal sites	Not enough to cause leakage of greater than 550 gpd/acre	Monthly

**5.0 REFERENCES AND PERTINENT INFORMATION**

The terms and conditions set forth in this permit have been developed based upon the information contained in the following, which are on file with the Department:

- 1 APP Application dated: March 27, 2003
- 2 Public Notice, dated: April 7, 2004
- 3 Public Hearing, dated: N/A
- 4 Responsiveness Summary: N/A

**6.0 GENERAL CONDITIONS AND RESPONSIBILITIES****6.1 Annual Registration Fees**

The permittee is notified of the obligation to pay an Annual Registration Fee to ADEQ. The Annual Registration Fee is based upon the amount of daily influent or discharge of pollutants in gallons per day as established by A.R.S. § 49-242(D). This fee is payable to ADEQ each year.

**6.2 Duty to Comply [A.R.S. §§ 49-221 through 49-263]**

The permittee is notified of the obligation to comply with all conditions of this permit and all applicable provisions of Title 49, Chapter 2, Articles 1, 2 and 3 of the Arizona Revised Statutes, Title 18, Chapter 9, Articles 1 through 4, and Title 18, Chapter 11, Article 4 of the Arizona Administrative Code. Any permit non-compliance constitutes a violation and is grounds for an enforcement action pursuant to Title 49, Chapter 2, Article 4 or permit amendment, suspension, or revocation.

**6.3 Duty to Provide Information [A.R.S. §§ 49-243(K)(2) and 49-243(K)(8)]**

The permittee shall furnish to the Director, or an authorized representative, within a time specified, any information which the Director may request to determine whether cause exists for amending or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

**6.4 Severability [A.R.S. § 49-243(K)(8)]**

The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

**6.5 Proper Operation and Maintenance [A.R.S. § 49-243(K)(8)]**

The permittee shall properly operate and maintain all facilities, treatment processes, and discharge control systems which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit.

**6.6 Compliance with Aquifer Water Quality Standards [A.R.S. §§ 49-243(B)(2) and 49-243(B)(3)]**

The permittee shall not cause or contribute to a violation of an aquifer water quality standard at the applicable point of compliance for the facility. Where, at the time of issuance of the permit, an aquifer already exceeds an aquifer water quality standard for a pollutant, the permittee shall not discharge that pollutant so as to further degrade, at the applicable point of compliance for the facility, the water quality of any aquifer for that pollutant.

**6.7 Technical and Financial Capability [A.R.S. §§ 49-243(K)(8) and 49-243(N) and A.A.C. R18-9-A202(B) and R18-9-A203(E) and (F)]**

The permittee shall have and maintain the technical and financial capability necessary to fully carry out the terms and conditions of this permit. Any bond, insurance policy, trust fund, or other financial assurance mechanism provided as a demonstration of financial capability in the permit application, pursuant to A.A.C. R18-9-A203(D), shall be in effect prior to any discharge authorized by this permit and shall remain in effect for the duration of the permit.

**6.8 Reporting of Bankruptcy or Environmental Enforcement [A.A.C. R18-9-A207(C)]**

The permittee shall notify the Director within five days after the occurrence of any one of the following:

1. The filing of bankruptcy by the permittee.
2. The entry of any order or judgment not issued by the Director against the permittee for the enforcement of any environmental protection statute or rule.

**6.9 Monitoring and Records [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A206]**

The permittee shall conduct any monitoring activity necessary to assure compliance with this permit, with the applicable water quality standards established pursuant to A.R.S. §§ 49-221 and 49-223 and §§ 49-241 through 49-252.

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. The permittee shall retain records of all monitoring information, including copies of all reports required by this permit and records of all data used to complete the application for this permit, for a period of 10 years from the date of the sample, measurement report, or application. This period may be extended by request of the Director at any time.
3. At a minimum, records of monitoring information shall include:
  - a. Date, time, and exact place of sampling or measurements;
  - b. Individual(s) who performed the sampling or measurements;
  - c. Date(s) analyses were performed;
  - d. Individual(s) or laboratory who performed the analyses;
  - e. Analytical techniques or methods used;
  - f. Results of such analyses;
  - g. Chain of custody records;
  - h. Names of samples;
  - i. Static water level in monitor well prior to sampling;
  - j. Sampling method;
  - k. Purging volume;
  - l. Indicator parameters including field conductance ( $\mu\text{mhos/cm}$ ), field temperature ( $^{\circ}\text{C}$ ), and field pH (standard units);
  - m. Preservation and transportation procedures;
  - n. Name of the analytical facility, and;
  - o. Any field notes relating to the information described in (a) – (n) above.

**6.10 Other Information [A.R.S. § 49-243(K)(8)]**

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, the permittee shall promptly submit the correct facts or information.

**6.11 Inspection and Entry [A.R.S. §§ 49-203(B) and 49-243(K)(8)]**

The permittee shall allow the Director, or an authorized representative, upon the presentation of

credentials and other documents as may be required by law, to enter and inspect the facility as reasonably necessary to ensure compliance with Title 49, Chapter 2, Article 3 of the Arizona Revised Statutes, and Title 18, Chapter 9, Articles 1 through 4 of the Arizona Administrative Code and the terms and conditions of this permit. In so doing, the Department representative may:

1. Enter upon the operator's premises where a regulated facility or activity is located or conducted, or locations where records must be kept under the conditions of this permit.
2. Have access to and copy, at reasonable times, any records required to be kept under the conditions of this permit.
3. Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit.
4. Sample or monitor at reasonable times, for the purposes of assuring permit compliance, any substances or parameters at any location.
5. Take photographs or video tape.
6. Take other actions reasonably necessary to determine compliance with Aquifer Protection Permit statutes or rules or the terms and conditions of this permit.

**6.12 Duty to Modify [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A211]**

The permittee shall apply for and receive a written amendment before deviating from any of the designs or operational practices authorized by this permit.

**6.13 Permit Action: Amendment, Transfer, Suspension & Revocation [A.R.S. §§ 49-201, 49-241 through 251, A.A.C. R18-9-A211, R18-9-A212 and R18-9-A213]**

This permit may be amended, transferred, renewed, or revoked for cause, under the rules of the Department. The filing of a request by the permittee for a permit action does not stay or suspend the effectiveness of any existing permit condition. The Director shall issue a public notice of all proposed permit actions pursuant to A.A.C. R18-9-A211, R18-9-A212 and R18-9-A213.

**6.13.1 Permit Reopen**

The Director may reopen this permit and amend it pursuant to A.A.C. R18-9-A211.

**6.13.2 Permit Transfer**

This permit may not be transferred to any other person except after notice to and approval of the transfer by the Department. No transfer will be approved until the applicant complies with all transfer requirements as specified in A.A.C. R18-9-A212(B) and (C).

The permittee shall notify the Water Permits Section in writing within 15 days after any change in the owner or operator of the facility. The notification shall state the permit number, the name of the facility, the date of property transfer, and the name, address, and phone number where the new owner or operator can be reached. The operator shall advise the new owner or operators of the terms of this permit and the need for permit transfer in accordance with the rules.