

ORIGINAL

**JOHNSON UTILITIES, L.L.**



0000038109

5230 East Shea Boulevard \* Scottsdale, Arizona 85254  
PH: (480) 998-3300; FAX: (480) 483-7908

50

January 4, 2006

Brian Bozzo  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

RE: Johnson Utilities, L.L.C.: Compliance with Decision No. 68237  
ACC Docket No.: WS-02987A-04-0288  
Johnson Utilities' "Designation of Assured Water Supply" for the Pinal AMA &  
ADEQ's "Approval to Construct" for the Water System Backbone Facilities

Dear Mr. Bozzo:

Pursuant to the above-referenced matter, Johnson Utilities hereby submits this compliance filing in accordance with the Commission's orders. Enclosed please find the Johnson Utilities' "Designation as Having an Assured Water Supply in the Pinal Active Management Area" from the Department of Water Resources which is inclusive of the extended service area attached hereto as Attachment 1. Also enclosed is Arizona Department of Environmental Quality's (ADEQ's) "Approval to Construct Drinking Water Facilities" for the Water System Backbone Facilities. The Backbone consists of Rancho Sendero Well #1, Rancho Sendero Well #2, and Anthem at Merrill Ranch Water Plant #1 which are attached hereto as Attachments 2, 3, & 4 respectively.

If you need any additional information in regards to these compliance items, please do not hesitate to contact me. Thank you for your time and consideration in this matter.

Sincerely,

Daniel Hodges  
Johnson Utilities, LLC

Cc: Brian Tompsett, Johnson Utilities  
Richard Sallquist, Sallquist, Drummond & O'Connor  
Ernest Johnson, Director  
Docket Control

AZ CORP COMMISSION  
DOCUMENT CONTROL

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RECEIVED

# ATTACHMENT 1

1 **DEPARTMENT OF WATER RESOURCES**

2 **BEFORE THE DIRECTOR**

3  
4  
5 **IN THE MATTER OF THE APPLICATION OF**  
6 **JOHNSON UTILITIES COMPANY**  
7 **FOR A DESIGNATION AS HAVING AN ASSURED**  
8 **WATER SUPPLY IN THE PINAL ACTIVE**  
9 **MANAGEMENT AREA**

**) AWS No. 2005-005**

**) DECISION AND ORDER**

**) No. 26-401382.0000**

10 On May 26, 2004, the Department of Water Resources ("Department") received an application from  
11 Johnson Utilities Company requesting that the Department designate Johnson Utilities Company's municipal  
12 water delivery system in the Pinal Active Management Area ("Johnson-Pinal") as having an assured water  
13 supply pursuant to A.R.S. § 45-576(E). On June 15, 2005, the Department determined the application to be  
14 complete. On June 18, 2005 and June 25, 2005, the Department gave public notice pursuant to A.R.S. § 45-  
15 578 and no objections were filed with the Department.

16 After receiving the application for designation of Johnson-Pinal as having an assured water supply and  
17 reviewing relevant information, including: 1) the hydrologic study for the proposed groundwater supply; 2)  
18 information regarding Johnson-Pinal's consistency with the management plan and management goal of the  
19 Pinal Active Management Area ("AMA"); 3) information provided by the Arizona Department of Environmental  
20 Quality ("ADEQ") regarding the quality of the proposed source of water; and 4) information regarding Johnson-  
21 Pinal's financial capability to construct the necessary delivery system, treatment works and storage facilities;  
22 the Department finds the following:

- 23 1. Johnson Utilities Company is a private water company owned by General Hunt Properties and  
24 regulated by the Arizona Corporation Commission ("ACC").
- 25 2. Johnson Utilities Company has the legal authority, as granted by the ACC, to deliver water to its  
26 customers located within the boundaries of its Certificate of Convenience and Necessity ("CC&N") as  
27 indicated on maps on file with the Department. Johnson Utilities Company also has an application for  
28 an extension of the CC&N pending before the ACC. See Exhibit A, attached.
3. Johnson Utilities Company owns a municipal water delivery system in the Pinal AMA, referenced  
herein as "Johnson-Pinal."

- 1 4. Johnson-Pinal currently serves groundwater through its municipal distribution system to its customers  
2 pursuant to Service Area Right Number 56-001538.0000. A.R.S. § 45-492.
- 3 5. Johnson-Pinal's current demand for calendar year 2004 was zero acre-feet per year.
- 4 6. Johnson-Pinal's committed demand as of calendar year 2004 was zero acre-feet per year.
- 5 7. Johnson-Pinal's total projected groundwater demand through calendar year 2007 is estimated at  
6 550.64 acre-feet per year.
- 7 8. Johnson-Pinal has demonstrated that 1,595 acre-feet per year of groundwater is physically and  
8 continuously available for at least one hundred years. That volume of groundwater exceeds Johnson-  
9 Pinal's current demand, committed demand, and projected groundwater demand through 2007 of  
10 550.64 acre-feet per year for 100 years.
- 11 9. Historic hydrologic information demonstrates that the current depth-to-static water level within  
12 Johnson-Pinal's service area is approximately 146 feet below land surface with a regional decline of  
13 3.13 feet per year.
- 14 10. After one hundred years of pumping 1,595 acre-feet per year, the depth-to-static water level within  
15 Johnson-Pinal's service area is not expected to exceed 1,100 feet below land surface.
- 16 11. Johnson-Pinal groundwater allowance that is consistent with the management goal for the Pinal AMA  
17 is 125 gallons per capita per day. A.A.C. R12-15-705(S).
- 18 12. Johnson Utilities Company is a member service area of the Central Arizona Groundwater  
19 Replenishment District (CAGRDR). The May 18, 2000, Member Service Area Agreement between  
20 Johnson Utilities Company and the CAGRDR ("Agreement") provides that the amount of Excess  
21 Groundwater, as defined in the Agreement, delivered by Johnson Utilities Company shall not exceed  
22 5,967 acre-feet per year, which is more than Johnson-Pinal's current demand, committed demand  
23 and projected demand through 2007, of 550.64 acre-feet per year of groundwater.
- 24 13. The Director has made a determination, which has not expired, that the most recent CAGRDR Plan of  
25 Operation is consistent with achieving the management goal of the Pinal AMA.
- 26 14. As of the date of this decision and order, the CAGRDR is in compliance with its groundwater  
27 replenishment obligation for the Pinal AMA.
- 28 15. Johnson-Pinal is currently regulated as a small municipal provider under the Municipal Conservation  
Program in the Third Management Plan for the Pinal AMA ("Management Plan"). As of the date the

1 application was filed, Johnson-Pinal had not been found to be out of compliance with the  
2 Management Plan.

3 16. Johnson-Pinal has constructed the necessary delivery system and storage facilities to satisfy its  
4 current demand, committed demand and projected demand through 2007.

5 17. The water supply that Johnson-Pinal intends to provide its customers currently meets all federal and  
6 state water quality standards, based on compliance information provided by ADEQ.

7  
8 **Having reviewed the Findings of Fact, the Department makes the following Conclusions of Law:**

9 1. An annual volume of 1,595 acre-feet per year of groundwater is physically, continuously and legally  
10 available to Johnson-Pinal for at least 100 years as prescribed in A.A.C. R12-15-703. This annual  
11 volume of groundwater exceeds Johnson-Pinal's current demand, committed demand and projected  
12 demand through calendar year 2007 of 550.64 acre-feet per year for 100 years.

13 2. Pursuant to A.R.S. § 45-576.01(B), as a member service area of the CAGRD, Johnson-Pinal's use of  
14 groundwater is consistent with the management goal of the Pinal AMA.

15 3. The water supply served by Johnson-Pinal currently meets the water quality requirements specified in  
16 A.A.C. R12-15-704.

17 4. In accordance with A.A.C. R12-15-706, Johnson-Pinal meets the standard established for determining  
18 consistency with the Management Plan for the Pinal AMA.

19 5. Johnson-Pinal has satisfied the financial capability criteria prescribed in A.A.C. R12-15-707.

20 6. Johnson-Pinal has satisfied all the requirements for a designation of an assured water supply.

21 **Having reviewed the Conclusions of Law, the Department hereby issues this Decision and**  
22 **Order designating Johnson-Pinal as having an assured water supply, subject to the following**  
23 **conditions:**

24  
25 1. Upon ACC approval of Johnson Utilities Company's application to extend its CC&N, the expanded  
26 boundaries are included in this designation of assured water supply.

27 2. Johnson Utilities Company shall submit evidence of ACC approval of its pending application to extend  
28 its CC&N within 30 days of receipt of the ACC Decision.

- 1 3. The Department reserves the right under A.A.C. R12-15-709(A) to periodically review and modify the  
2 designation for good cause as conditions warrant.
- 3 4. Pursuant to A.A.C. R12-15-709(A), the Department may, at any time revoke this designation if the  
4 findings of fact or the conclusions of law upon which the designation is based change or are invalid, or  
5 if an assured water supply no longer exists.
- 6 5. The Department's determination that an assured water supply exists for Johnson-Pinal is based on its  
7 analysis of the water supplies pledged by Johnson-Pinal.
- 8 6. Pursuant to A.A.C. R12-15-704, Johnson-Pinal shall satisfy any state water quality requirements  
9 established for its proposed use after the date of this designation.
- 10 7. Johnson-Pinal shall annually provide to the Department the following information for the previous  
11 calendar year in the manner prescribed in A.A.C. R12-15-711:
- 12 a. The estimated future demand of platted, undeveloped lots located in Johnson-Pinal's  
13 service area.
  - 14 b. The projected demand at build-out for customers with which Johnson-Pinal has  
15 entered into a notice of intent to serve agreement.
  - 16 c. A report regarding Johnson-Pinal's compliance with water quality requirements.
  - 17 d. The depth-to-static water level of all wells from which Johnson-Pinal withdrew water.
  - 18 e. Any other information requested by the Director to determine whether Johnson-Pinal  
19 continues to meet all the requirements necessary to maintain this designation of  
20 assured water supply.

21 **IT IS HEREBY ORDERED THAT JOHNSON UTILITIES COMPANY'S SERVICE AREA LOCATED**  
22 **WITHIN THE PINAL AMA BE DESIGNATED AS HAVING AN ASSURED WATER SUPPLY.**

23 DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

24  
25 \_\_\_\_\_  
26 Herbert R. Guenther  
27 Director  
28 Arizona Department of Water Resources

1 A copy of the foregoing

2 **Decision and Order** mailed  
3 by certified mail this \_\_\_\_\_  
4 day of \_\_\_\_\_,  
5 2005, to the following:

6 Certified Mail No. \_\_\_\_\_

7 Sent by: \_\_\_\_\_  
8 Norma J. Coupaud

9 Brian Tompsett  
10 Johnson Utilities Company  
11 5230 E. Shea Blvd., Ste. 200  
12 Scottsdale, AZ 85254

13 First class mail copies to:

14 Michael J. Pearce  
15 Fennemore Craig  
16 3003 North Central Avenue, Ste. 2600  
17 Phoenix, AZ 85012

18 Mr. Roy Tanney  
19 Arizona Department of Real Estate  
20 2910 N. 44th Street  
21 Phoenix, AZ 85018

22 Mr. Cliff Neal  
23 Central Arizona Groundwater Replenishment District  
24 P.O. Box 43020  
25 Phoenix, AZ 85080

26 Mr. Randy Edmond  
27 Pinal AMA  
28 1729 N. Trekeil Rd., Suite 105  
Casa Grande, AZ 85222

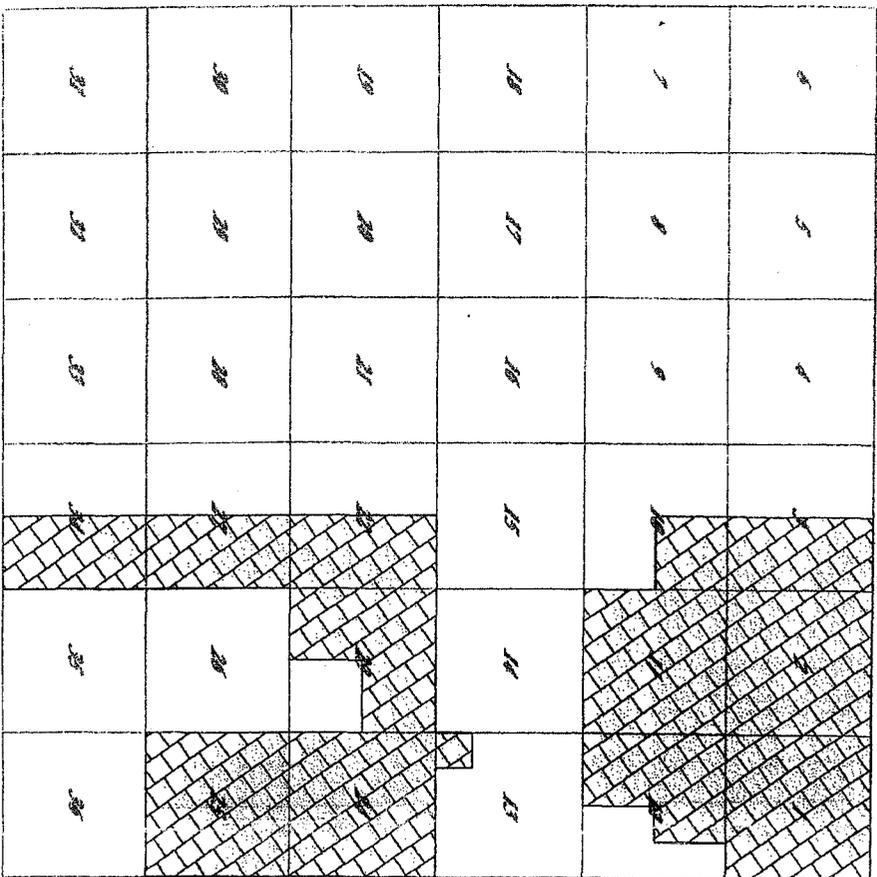
AWS No. 2005-005  
No. 26-401382.0000

EXHIBIT A: Johnson Utilities existing CC&N and pending CC&N expansion

(Maps attached as following two pages)

# COUNTY of Pinal

RANGE 8 East



TOWNSHIP 4 South



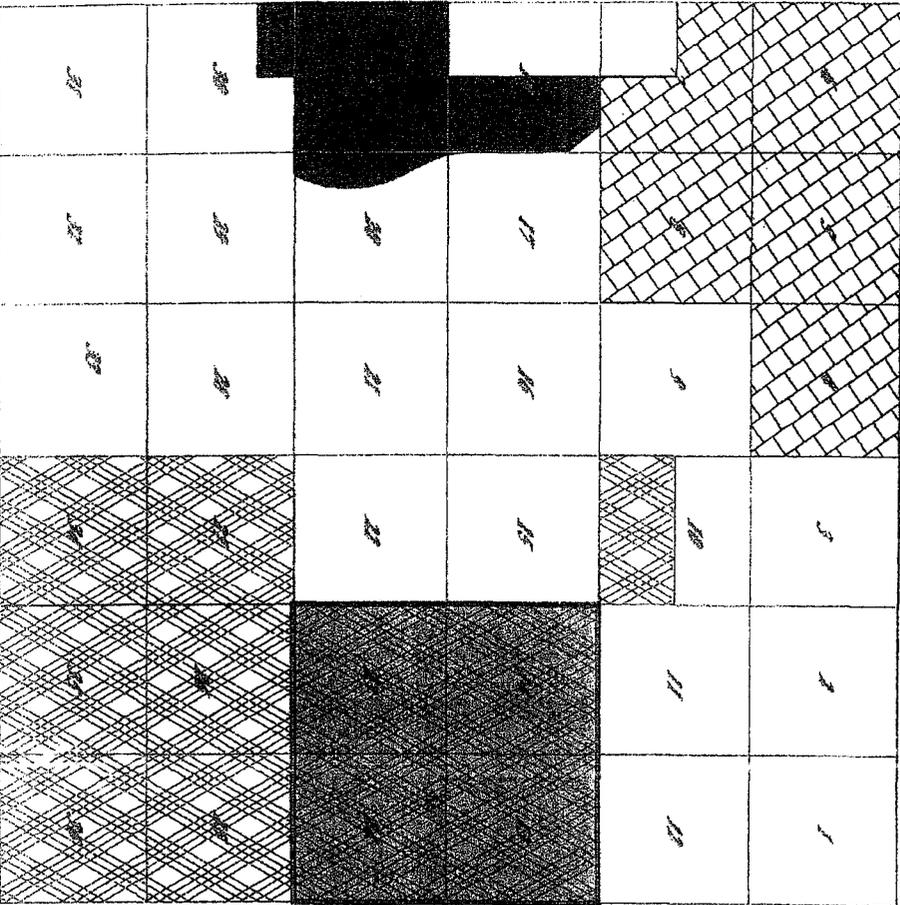
WS-2987 (6)  
Johnson Utilities Company



Map No. 51

# COUNTY: Pinal

## RANGE 9 East



## TOWNSHIP 4 South

Map No. 12



C-0085 (4)



Sewer

City of Florence (Nonjurisdictional)



WS-2987 (6)



Sewer

Johnson Utilities Company



Johnson Utilities Company

Docket No. WS-2987-04-288

Application for Extension for Water & Sewer

# ATTACHMENT 2



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 CERTIFICATE OF APPROVAL TO CONSTRUCT  
 DRINKING WATER WELL FACILITIES**

<b>ADEQ File No:</b> 20050371	<b>LTF No:</b> 36259
<b>System Name:</b> Anthem At Merrill Ranch	<b>System Number:</b> TBD
<b>Project Owner:</b> Johnson Util Co	
<b>Address:</b> 5230 E. Shea Blvd., Ste. 220, Scottsdale, AZ 85254	
<b>Project Location:</b> Gilbert	<b>County :</b> Pinal
<b>Description:</b> RANCHO SENDERO WELL NO. 1 (ADWR #55-569177) PER APPROVED PLANS AND SPECIFICATIONS.	

*Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 6 continued on page 2 through 2*

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin.Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by : JD1

By: *Kwame Agyare* 7/05/05  
 Kwame A. Agyare., P.E. Date  
 Manager, Drinking Water and  
 Wastewater Engineering Review  
 Water Quality Division

cc: File No : 20050371  
 Regional Office: Central  
 Owner: Johnson Util Co  
 County Health Department: Pinal  
 Engineer: Specific Engineering, Llc  
 Planning and Zoning/Az Corp. Commission  
 Engineering Review Database - Etr022

**APPROVAL TO CONSTRUCT  
WATER FACILITIES  
ADEQ FILE NO. 20050501  
PAGE 2 OF 2: PROVISIONS CONTINUED**

5. Separation between water/sewer mains and well setbacks requirements shall be per R18-5-502.C. and D respectively.
6. Before approval of the well as a drinking water source can be made the following items must be submitted:
  - a). Inorganic, asbestos, radiochemical, microbiological, volatile organic compounds and synthetic organic analyses must be submitted for well from a lab certified by the Arizona Department of Health Services.
  - b). Pump test data for the well at steady state for at least 4-hours.
  - c). Well drillers log.
  - d). Department of Water Resources Well registration information (DWR No.).
7. If the water quality analyses show an MCL has been exceeded, then the Approval of Construction will not be issued until the MCL is resolved by treatment or an approved blending plan.
8. The well must be at least 500 feet away from the surface body.
9. The well must be out of 100-year floodplain.
10. The bottom of the water storage tank must be above 100 year flood level.
11. Approval of Construction for the project will not be issued until Approval for Capacity Development Elementary Business is obtained from ADEQ.

# ATTACHMENT 3

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
CERTIFICATE OF APPROVAL TO CONSTRUCT  
DRINKING WATER FACILITIES**

Page 1 of 2

<b>ADEQ FILE NO.:</b> 20030606	<b>LTF No.:</b> 31666
<b>SUPPLYING SYSTEM NAME:</b> Johnson Utilities Co., LLC <b>PUBLIC WATER SYSTEM NO.:</b> New	
<b>PROJECT NAME:</b> Well Site No. 2 for Rancho Sendero	
<b>PROJECT OWNER:</b> Johnson Utilities	
<b>ADDRESS:</b> 5230 East Shea Blvd., Suite 200, Scottsdale, AZ 85254	
<b>LOCATION:</b> On Hunt Highway south of Franklin Rd, Johnson Ranch	<b>COUNTY:</b> Pinal
<b>PROJECT DESCRIPTION:</b> Installation of well site # 2 for Rancho Sendero, which includes the installation of new well (DWR Well Registration No. 55-583151); new 500,000-gallon water storage tank; 5,000-gallon hydropneumatic tank; booster pumps; approximately 8,300 feet of 8-inch waterline along Hunt Highway, south of Franklin Road; and piping to connect well site No. 1 to water storage tank. No water service connections are approved as part of this project.	

*Approval to Construct the above-described facility as represented in approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:*

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion, and forward it to the Drinking Water Field Engineering and Inspection Unit - Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin. Code. At the project owner's request, the Department *may* conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.

*Provisions 3 through 8 are continued on Page 2 of 2 total pages*

MAH:mah  
30606dbm.57t

By:   
Kwame A. Agyare, Acting Manager  
Technical Engineering Unit  
Drinking Water Section  
Water Quality Division

2/8/05  
Date Approved

cc: File No: 20030606, LTF No. 31666  
County Health Department: Pinal  
Drinking Water Field Engineering/Inspection Unit - Phoenix  
Water System: Johnson Utilities Company, LLC  
Planning & Zoning: Pinal County  
Engineer: Court M. Fetter, P.E.  
Engineering Review Database  
Romann Diaz, Manager, Field Service Unit

**CERTIFICATE OF APPROVAL TO CONSTRUCT DRINKING WATER DISTRIBUTION SYSTEM:  
ADEQ FILE NO. 20030606: WELL SITE NO. 2 FOR RANCHO SENDERO  
PAGE 2 OF 2 PROVISIONS, CONTINUED**

3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department.
5. Before construction of a modification, expansion, or alteration of this distribution system begins, a separate Approval to Construct applicable to each addition must be obtained. R18-5-505(B), Ariz. Admin. Code.
6. Approval of Construction (AOC) for this new water distribution system will not be issued until elementary business plan is approved by ADEQ.
7. Toluene (2991) from volatile organic chemical analysis exceeds the trigger value (0.0009 ppb), the water system shall monitor per ADEQ Rules.
8. Provide temporary blow-off valve at STA 110+03.08 (Sheet 5 of 6 for potable water main extension of Rancho Sendero).

# ATTACHMENT 4



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 CERTIFICATE OF APPROVAL TO CONSTRUCT  
 WATER TREATMENT FACILITIES**

<b>ADEQ File No:</b> 20050501	<b>LTF No:</b> 36714
<b>System Name:</b> Johnson Util Co	<b>System Number:</b>
<b>Project Owner:</b> Johnson Utility Co	
<b>Address:</b> 5230 E. Shea Blvd., Ste. 220 ,AZ 85254	
<b>Project Location:</b> Maricopa	<b>County :</b> Pinal
<b>Description:</b> Anthem At Merrill Ranch Water Plant No-1. Construction Includes New Well, 1 Million Gallon Water Storage Tank, 5000 Gallon Hydropneumatic Tank, Booster Pumps And Related Piping To Connect To Distribution System.	

***Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 11 continued on page 2 through 2***

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin.Code. At the project owner's request, the Department **may** conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by : RK1

By:  6/27/05  
 Kwame A. Agyare., P.E., Manager Date  
 Manager, Drinking Water and  
 Wastewater Engineering Review  
 Water Quality Division

cc: File No: 20050501  
 Regional Office: Central  
 Owner: Johnson Utility Co  
 County Health Department: Pinal  
 Engineer: Specific Engineering, Llc  
 Planning and Zoning/Az Corp. Commission  
 Engineering Review Database - Etr023

**CERTIFICATE OF APPROVAL TO CONSTRUCT  
WATER FACILITIES**

**ADEQ File No. 20050371**

**Page 2 of 2 : Provisions, continued**

5. Acceptable and current water quality analyses shall be submitted with the Application for Approval of Construction.
6. Capacity Development approval for the new water system shall be obtained before Application for Approval of Construction.