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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF GOLD CANYON SEWER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANT AND PROPERTY
AND FOR INCREASES IN ITS RATES
AND CHARGES FOR UTILITY SERVICE
BASED THEREON.

DOCKET NO: SW-02519A-06-0015

NOTICE OF FILING

Gold Canyon Sewer Company ("Gold Canyon Sewer") hereby submits this Notice of Filing in the above-captioned matter. Attached hereto as Exhibit 1 is Arizona Department of Environmental Quality's ("ADEQ") December 21, 2006 inspection report regarding the odor complaint inspection that was conducted at Gold Canyon Sewer's facility on December 13, 2006. The inspection report indicates that while faint odors were detected at the Wastewater Treatment Plant, specifically near and around the sludge processing equipment, the odors were not offensive and not considered to be the source of recent odor complaints. Additionally, no source of septic odors that had been reported by Gold Canyon residents could be identified. Furthermore, the facility was rated in compliance with the Grade 4 WWT and WWC licenses issued Gold Canyon Sewer by ADEQ, and as meeting the requirements of the Aquifer Protection Permit No. P100217.

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DATED this 5th day of January, 2007.

FENNEMORE CRAIG, P.C.

By 

Jay L. Shapiro
Patrick J. Black
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
Attorneys for Gold Canyon Sewer Company

ORIGINAL and thirteen (13) copies of the foregoing were delivered this 5th day of January, 2007, to:

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Dwight D. Nodes
Assistant Chief Administrative Law Judge
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Keith Layton
Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Dan Pozefsky
Residential Utility Consumer Office
1110 W. Washington Street, Ste. 200
Phoenix, AZ 85007

1 A copy of the foregoing was mailed
2 this 5th day of January, 2007, to:

3 Andy Kurtz
4 MountainBrook Village at Gold Canyon Ranch Association
5 5674 South Marble Drive
6 Gold Canyon, Arizona 85218

7 Mark A. Tucker
8 2650 E. Southern Ave.
9 Mesa, AZ 85204

10 By: *Maria San Jose*

11 1871692.1/41452.015

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Exhibit 1



Janet Napolitano
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Stephen A. Owens
Director

December 21, 2006

Charles Hernandez, Operations Manager
Algonquin Water Resources of America Inc.
5301 South Superstition Mountain Drive
Gold Canyon, AZ 85218

Re: Odor complaint inspection of the Gold Canyon Sewer Company Wastewater Treatment Plant (WWTP), APP No. P100217, Reuse Permit No. R100217, Inventory No. 100217, Middle Gila River Watershed, Inspection ID 95470

Dear Mr. Hernandez:

The Water Quality Field Services (WQFSU) of the Arizona Department of Environmental Quality (ADEQ) has enclosed an inspection report regarding the odor complaint inspection conducted at the above referenced facility on December 13, 2006. The inspection was conducted to determine compliance with Arizona Revised Statute (A.R.S.) Title 49, Chapter 2, Article 3 and Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, and pursuant to the authority in A.R.S. §49-203(B)(1) and A.A.C. R18-9-110 (A).

As indicated in the enclosed "Summary of Inspection," no significant sources of odor were identified during the inspection. There were some areas of faint odor that were identified at the sewer plant during operation of the sludge processing equipment. However, these odors were not offensive. There is a recommendation noted at the end of the report.

ADEQ thanks you for your efforts in protecting the public health and the environment.

Sincerely,

William J. Hare, E.P.S.
Water Quality Field Services Unit

cc: Pinal County Health Department

CTS# 145584

Northern Regional Office
1801 West Route 66 • Suite 117 • Flagstaff, AZ 86001
(928) 779-0313

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

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY DIVISION - WATER QUALITY COMPLIANCE SECTION
Field Services Unit**

SUMMARY OF INSPECTION - WASTEWATER

Facility: Gold Canyon Sewer Company

Place ID: 8561

Aquifer Protection Permit (APP) No: P100217

AZPDES Permit No: N/A

Reuse Permit No: R100217

Inventory No: 100217

Inspected by: William J. Hare, E.P.S.

Inspection Date: December 13,
2006

Start Time: 6:30 a.m.

End Time: 8:30am

Accompanied by: See Below list

Report Date: December 21, 2006

YES NO N/A UNKNOWN

1. WWTF quality meets the following permit requirements:
 - A. Aquifer Protection Permit
 - B. Reuse Permit
 - C. AZPDES Permit
2. A certified operator is employed by the owner per ADEQ regulations.
3. This system meets permit requirements for operation and maintenance.

X*			
X*			
		X	
X			
X			

* This was an odor complaint inspection and the APP and Reuse Permits were not addressed.

Facility Description

The permittee is authorized to operate a 1.9 million gallons per day (MGD) wastewater treatment plant (WWTP), using two treatment trains. The facility has undergone a major expansion and a permit amendment has elevated the design rate and flow limit to 1.9 MGD. The facility has new headworks with a two staged chemical wet scrubber, two extended aeration treatment trains each consisting of nitrification, clarification and disc filtration. The facility utilizes liquid chlorine for disinfection. Sludge is dewatered in a belt press with a drum thickener and stored onsite in large rolloffs. The sludge from the rolloffs is hauled to an approved disposal facility.

Effluent is disposed by reuse and/or recharged. When it is reused, it is pumped to effluent storage ponds located at the various permitted reuse sites (golf courses), and then used for irrigation under a valid reclaimed water permit. When effluent is recharged, it is disposed in three recharge basins or vadose zone wells. The current APP authorizes disposal of effluent for recharge if the effluent has been denitrified.

Inspection Team:

Charles Hernandez – Gold Canyon Sewer Plant
Dan Schanaman – Gold Canyon Sewer Plant
Roland Kelly – Local resident
Larry England – Local resident
Bill Hare- ADEQ inspector

Inspection Purpose and Scope:

This was an odor complaint inspection. ADEQ has recently received several odor complaints regarding septic odors near the WWTP and in the vicinity of the nearby shopping center which is located west of the WWTP. The inspection was conducted to determine compliance with A.A.C. Title 18-9-B201.J., which requires that the owner of a WWTP shall not operate the facility so that it emits an offensive odor on a persistent basis beyond the setback distances applicable to the sewage plant which is 350 feet at Gold Canyon.

Summary of Inspection

Odor Inspection at WWTP:

The inspection entailed a tour of the WWTP for offensive odors including the headworks and the area near the sludge processing equipment. At the beginning of the inspection and at the request of ADEQ, the operator began to utilize the sludge belt process in the early morning hours, in an effort to determine the source of recent odor complaints received near the WWTP. The belt press, which had not been operator for about one week, can generate offensive odors during the early minutes of operation. This can occur from residual sludge in the piping of the equipment, when it is not utilized for a period of time.

The inspection team only detected very faint odors near and around the sludge processing equipment. This included the area just south of the treatment plant entrance gate, which is adjacent to highway 60. These odors were not offensive and not considered the source of recent odor complaints in and around highway 60 adjacent to the entrance of the wastewater plant.

Air monitoring at the plant perimeter:

The operator advised that he will be installing four portable sulfide monitors (OdaLog) on the perimeter of the plant fence line that will be able to detect for hydrogen sulfide. This will occur this week. In addition, the facility will be purchasing a permanent odor sensor to be installed on the air scrubber device at the plant. This was requested by the Administrative Law Judge assigned to the rate hearing case before the ACC.

Findings:

The inspection did not specifically identify the source of septic odors that were reported by Gold Canyon residents during the previous weeks. Some very faint odors were detected at the WWTP, but these odors were not offensive.

Compliance Summary

1a. Monitoring and Reporting. Not inspected.

1b. Reuse Permit Requirements. Not inspected.

2. Operator Certification Requirements. The WWTP is classified as a Class 3 WWTP and the collection system is classified as a Class 2 Collection System. Charlie Hernandez is the operator and holds a Grade 4 WWT and a Grade 4 WWC license issued by ADEQ.

Rating: Compliance

3. Maintenance (O&M) Requirements. The facility was in compliance with the various O & M requirements of the APP No. P100217. This includes the various treatment plant components including the air scrubber devices within the WWTP.

Recommendation:

The utility should keep a log of the hours and time of day when the Sludge Belt Press equipment is utilized.

End of Report