

NEW APPLICATION



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ORIGINAL

PARKER LAKEVIEW ESTATES HOMEOWNERS ASSOCIATION RECEIVED

PARKER SPRINGS WATER COMPANY

2008 JAN 14 P 4: 06

HC2 Box 193

AZ CORP COMMISSION
DOCKET CONTROL

Patagonia, Arizona 85624-9061

Arizona Corporation Commission Docket No. 1853

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January 11, 2008

Arizona Corporation Commission
DOCKETED

JAN 14 2008

Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

W-01853A-08-0024

DOCKETED BY	
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Re: Tariff Schedule: On-site Wastewater Treatment Facility Inspection Required

To Whom It May Concern:

Parker Lakeview Estates Homeowners Association (HOA) requests that the Commission accepts for tariff inclusion, retroactive to September 25, 1993, the following rule proposal:

An "applicant" for Parker Springs Water Company (PSWC) water service must submit, along with the requisite application and remittance, documentation attesting to the existence of an in-place, fully installed, readily operational Cochise County inspected or ADEQ sanctioned on-site wastewater treatment facility on the designated property before PSWC moves to establish a water account and water service.

The term "applicant" means a property owner requesting establishment of new water service.

For PSWC purposes, the term "establishment of new water service" means and includes a first time connection to a property with a new wastewater disposal system and/or a connection to a property which may or may not have had water service in the past, but has been discontinued for more then twelve (12) months from the date of service termination.

Following a period of twelve (12) months without PSWC service, a property owner requesting water must reapply for water service as a new customer and must submit,

along with the requisite application and remittance, documentation attesting to the existence of an in-place, fully installed, readily operational Cochise County inspected or ADEQ sanctioned on-site wastewater treatment facility on their property before PSWC moves to establish a water account and water service.

An applicant requesting establishment of water service must retain a qualified Arizona Department of Environmental Quality (ADEQ) inspector to perform the required inspection (See: Attachment "A", pg. 2, ADEQ).

(The acquisition of septic or building permits is insufficient to initiate the establishment of water service by PSWC).

Septic systems are a significant source of ground water contamination leading to waterborne disease outbreaks and other adverse health effects. The quality and safety of reclaimed water, following human use, which is being re-introduced into an aquifer's region of contribution through on-site wastewater systems must be of utmost concern to all, today and in anticipation of future growth in a community. This rule will reduce potentially contaminated reclaimed water from entering our aquifer.

Parker Lakeview Estates (PLE) subdivision was established in the early 1960's, an era of minimal regulation of water quality, solid and wastewater disposal. Today, remnants of that era exist within PSWC service area in the form of prohibited wastewater disposal systems and systems which are beyond their operational life. These substandard wastewater systems present a health hazard to PSWC's water source.

In 1993 HOA members perceived these hazards to their water source and enacted a rule requiring all applicants for water service to have, in place, an operational, Cochise County inspected septic system. The long-term result of their initiative has been a gradual, but still incomplete upgrading of septic systems within PSWC's service area. Since its enactment, PSWC has adhered to, and all new connections have followed, this local rule. This includes all new construction and existing dwellings that were re-connecting to the PSWC water system.

Imbedded within the matrix of Arizona Department of Environmental Quality (ADEQ) and Arizona Corporation Commission (ACC) administrative codes governing the water industry in Arizona are the programs, rules and regulations permitting the inclusion of the requested rule into PSWC's tariff schedule.

ADEQ, through its Aquifer Protection Permit program (APP) has primacy over all sewage facilities and drinking water. This program is designed to protect drinking water sources from becoming contaminated in the future. ADEQ's regulatory program for on-site systems prescribes the permitting process, establishes site investigation and design standards, and specific operation and maintenance requirements applicable to the permittee (owner of the on-site wastewater treatment facility).

ADEQ provides a mechanism through which ADEQ and local communities throughout Arizona protect both surface and groundwater drinking water sources by encouraging communities to voluntarily adopt health/zoning ordinances as tools to require inspection and upgrading of septic systems. The rule we propose for inclusion in PSWC's tariff

schedule is a step towards having all on-site systems up-graded to meet current ADEQ standards now and in the future.

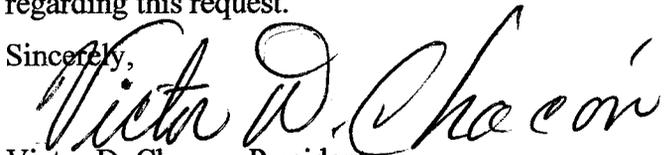
The primary focus of ACC's Rules on Water is to balance customer's interest to have affordable and reliable utility services with their water supplier's interests. It also codifies a customer's responsibility to maintain all facilities on the customer's side of the point of water delivery in a safe and efficient manner and in accordance with the rules of the state Department of Health.

The Rules on Water furthermore, relegate authority to utilities to refuse or terminate service if an applicant's facilities, in the "utility's judgment", or in the case of a current customer, "there exists an obvious hazard" to the applicant or customer, the general population, or the utility's personnel or facilities. In either case, whether applicant or current customer, the utility shall not be required to establish or restore service until the condition(s), which resulted in the refusal or termination of service, has been corrected to the satisfaction of the utility.

The primary benefits to our community for establishing an inspection program of septic systems is to help assure reliable, safe sources of drinking water and to reduce long-term utility costs. Protecting the quality of the drinking water resource produces significant cost savings by reducing the need to develop new drinking water sources, and, reducing the costs for treatment of the drinking water to meet acceptable quality standards.

Please call me, or Mrs. Gail Spain (spain33@netzero.net) if you have any questions regarding this request.

Sincerely,



Victor D. Chacon, President
Parker Lakeview Estates Homeowner's Association
Park Springs Water Company
vchacon5@cox.net

(Included: Attachment "A")

cc: Reg Lopez, ACC, Tucson, AZ, Steve Phillips, Vice President
Gail Spain, Treasurer, Linda Grant, Secretary

PARKER LAKEVIEW ESTATES HOMEOWNERS ASSOCIATION, INC.

PARKER SPRINGS WATER COMPANY

HC2 Box 193

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ATTACHMENT "A"

Parker Lakeview Estates (PLE) subdivision was established in the early 1960's, an era of minimal regulation of water quality, solid and wastewater disposal. Regulation of these matters was less apparent in rural areas such as PLE.

Parker Lakeview Home Owner's Association Inc. (HOA) was created in 1989 and registered with the State of Arizona in 1991 with the specific purpose of acquiring and doing business as Parker Springs Water Company (PSWC). Explicit in PSWC's responsibility to provide for, acquire, and furnish to its customers an adequate supply of water, is that the water is safe to drink on demand, and, safe to drink for as long as there is a need for clean, safe, drinking water in our community.¹

On September 25, 1993, HOA members, concerned over the state of certain onsite wastewater disposal systems within the community and the potential for contamination these systems posed to their surface and groundwater source, enacted a rule requiring all applicant for water service to have, in place, an operational, Cochise County inspected septic system.² The acquisition of building permits was deemed insufficient to initiate the establishment of water service by PSWC.³

Board members sitting in 1993 did not petition the Arizona Corporation Commission (ACC) to have this rule included in PSWC's tariff schedule. The current PSWC board requests a rule addition, retroactive to September 25, 1993, to PSWC's tariff schedule requiring any applicant for water service to submit, along with the requisite application and remittance, documentation attesting to the existence of an in-place, fully installed, readily operational Cochise County inspected and/or ADEQ sanctioned on-site wastewater treatment facility on their property, before PSWC moves to establish a water account and metered water service.

WHY TAKE THIS ACTION?

Septic systems are a significant source of ground water contamination leading to waterborne disease outbreaks and other adverse health effects. The bacteria, protozoa, and viruses found in sanitary wastewater can cause numerous diseases, including gastrointestinal illness, cholera, hepatitis A, and typhoid. Nitrogen, primarily from urine, feces, food waste, and cleaning compounds, is present in sanitary wastewater. Septic systems can contribute to source water contamination for various reasons, including improper siting, poor design, faulty construction, and incorrect operation and maintenance. Most states and localities regulate siting, design, and construction of septic systems and only regulate operation and maintenance for large capacity septic systems.

EPA, Office of Water: Source Protection Practices Bulletin Managing Septic Systems to Prevent Contamination of Drinking Water" EPA 816-F-01-021. Today, remnants of the early 1960's era exist within PSWC service area in the form of prohibited wastewater disposal systems and systems which are beyond their operational life. These substandard waste water systems present a health hazard to PSWC's water source.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ)

All sewage facilities in Arizona, from large regional wastewater treatment plants to household on-site systems, are regulated under ADEQ's Aquifer Protection Permit (APP) program. On-site systems are regulated under the general permit provision of the APP program, with permitting functions performed either by ADEQ or, in most cases, by a county government agency authorized by ADEQ to perform those duties. ADEQ's regulatory program for on-site systems prescribes the permitting process, establishes site investigation and design standards, and specific operation and maintenance requirements applicable to the permittee (owner of the on-site wastewater treatment facility). Overall, the intent of ADEQ's program is to protect public health, and prevent contamination of Arizona's surface and ground water resources.

Inspector qualification standards apply with regard to PSWC rule request. An inspector must meet all of the following qualifications:

- A) Possess working knowledge of the type of facility and the inspection process
- B) Hold a certificate of training from a course for inspectors recognized by ADEQ,
- C) Hold a license in one of the following categories:
 - An Arizona-registered engineer,
 - An Arizona-registered sanitarian,
 - An owner of a vehicle licensed under ADEQ rules to pump or haul septage, or an employee of the licensee,
 - A contractor licensed as either a B-4, C-41, A, A-12, L-41, KA, or K-41 contractor by the Registrar of Contractors,
 - A wastewater treatment operator certified by ADEQ,
 - A person qualifying under another category designated by ADEQ⁴.

ADEQ also has primacy over drinking water and enforces drinking water quality standards and assigns governments and private water suppliers direct responsibility for the quality of the water they provide for, acquire, and furnish to their respective customers. The Aquifer Protection Permit program (APP) is designed to protect drinking water sources from becoming contaminated in the future. It builds upon the Wellhead Protection Program, which was established by the Safe Drinking Water Act in 1986 and was designed to protect groundwater supplies being used to provide drinking water to the public through public water systems. The program provides a mechanism through which ADEQ and local communities throughout Arizona can protect both surface and groundwater drinking water sources. (*ADEQ Safe Drinking Water: Source Water Assessment and Protection*)

As a well-accepted purview of government (and private water suppliers) to ensure protection of groundwater quality, ADEQ encourages communities to voluntarily adopt health/zoning ordinances as tools to require inspection and upgrading of septic systems.⁵

ARIZONA CORPORATION COMMISSION, UTILITIES DIVISION (ACC)

All water companies that fall within the jurisdiction of the Arizona Corporation Commission must abide by the rules and regulations of Title 14, Article 4 of the Arizona Administrative Code. Title 14, Article 4 of the Arizona Administrative Code (AAC) covers most of the water industry rules and regulations (*ACC, Utilities Div., Commission Rules on Water*). ACC's rules seeks to balance customer's interest to have affordable and reliable utility services with their water supplier's interests to provide a consistent flow of water at an affordable rate.²

Interwoven into Title 14, Article 4 of the Arizona Administrative Code are definite and unqualified rules and regulations requiring governments and private water suppliers to protect their water source from contamination. ACC water rules clearly state it is a water utility's responsibility to provide water to its customer's point of delivery that is suitable for drinking because it is free of harmful elements (*R14-2-407, A. Utility Responsibility*). On the other hand customers are held responsible for maintaining all facilities on the customer's side of the point of delivery in a safe and efficient manner and in accordance with the rules of the state Department of Health (*R14-2-407. Provision of Service, B1. Customer Responsibility*).

The water rules clearly assign utilities control over an applicant's interests and may refuse water service when a condition exists which in the utility's judgment is unsafe or hazardous to the applicant, the general population, or the utility's personnel or facilities, (*R14-2-403. Establishment of Service, C2, Grounds for Refusal of Service*). And, not until that prospective customer's facilities comply with the utility's application and deposit requirements **and** has been accepted for service shall the utility schedule that customer for service connection and/or establishment (*R14-2-404. Minimum Customer Information Requirements, A, I. Priority and Timing of Service Establishments*).

Furthermore, the rules on water clearly give way to the utility's control, overriding an established customer's interests and may disconnect water service without advance written notice when there exists an obvious hazard to the safety or health of the consumer or the general population, and, the utility shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the utility (*R14-2-410, B. Termination of Service Without Notice, B. 1 & 2 Respectively*).

PSWC falls within the jurisdiction of the ACC. It is diligent in its pursuit to abide by ACC and ADEQ rules to protect and preserve its water source in order to provide a consistent flow of safe drinking water at an affordable rate with minimal interruptions of service.

PARKER LAKEVIEW ESTATES SUBDIVISION

Parker Springs Water Company

There are Covenant, Conditions and Restrictions (CC&R's) in PLE. The CC&R's run with the land and are binding on all parties having any right, title or interest in any real

property within Parker Lakeview Estates. Compliance and enforcement of the CC&R's is the responsibility of each lot owner.

The CC&R's predate the HOA, but do not fall within the scope of the HOA responsibilities. Neither the HOA's Articles of Incorporation nor its by-laws provide for, nor assign the administration or enforcement responsibilities over the CC&R's to the HOA. However, all member of Parker Lakeview Estates Homeowner Association, Inc. are property owners and are not precluded from moving individually or in association with one another or non-member property owners of PLE to enforce or amend the CC&R's

PLE subdivision consists of 120 individual lots and 16 common ownership access lots. Currently there are forty-two (42) single-family dwellings. There are eleven (13) residents in six (6) households who list Parker as their primary residence. Owners with dwellings on their property(s) are light to heavy uses "weekenders". Owners of vacant lots are essentially absentee owners.

Since 1996, eleven (11) new homes have been built in PLE, and there is room and the potential for more than fifty (50) additional, single-family dwellings. Several existing dwellings have been recently renovated and we are experiencing an up turn in sales of housing and vacant properties.

But for telephone service and the Parker Springs Water Company, there are no other public utilities to Parker. Electrical energy is predominantly solar generated by homeowners. Water usage can range from 14,000 to 80,000 gallons per month, depending on the season. The average monthly water usage for a twelve (12) month period is up to 35,000-metered gallon.

Solid waste disposal is the responsibility of the individual property owner. Onsite wastewater disposal systems (septic tanks with leach field) are the only means to treat and dispose of residential sanitary wastewater in Parker.

PSWC has thirty-nine (39) installed water meters. Thirty-eight (38) are active water accounts. Thirty-seven (37) active water accounts are single-family dwellings. The National Forest Service's (NFS) is our only commercial account.

On-site wastewater disposal systems within PSWC's service area are as follows:

- Thirty-three (33) of the thirty-seven (37) single-family dwellings with active metered water service have 500 or 1000 gallon, onsite septic tank systems.
- Four (4) of the single-family dwellings with active water accounts and metered water service, do not have confirmed onsite wastewater disposal systems
- Four (4) of the forty-three (43) dwellings have either cesspools (55 gallon barrels) or are without a wastewater disposal system, and are without meters or water service.
- There are two (2) lots without a dwelling, but with onsite 1000-gallon wastewater disposal systems. One has a meter, but is not an active account.

ENDNOTES

¹*Articles of Incorporation of Parker Lakeview Estates Homeowners Association, Inc. (55803), p.1.*

²*Meeting Minutes: September 25, 1993 Parker Lakeview Estates Homeowners Association.*

³*J. P. Louis St Pierre letter to Mr. Ben M. Berry informing him PSWC would not provide water service until he had a fully installed, Cochise County approved, septic system.*

⁴*Arizona Realtors Digest Online, ARD Vol.No. 5, "Comprehensive Septic Tank Inspection Program Begins July 1, 2006."*

⁵*Arizona Department of Environmental Quality (ADEQ), "Wellhead Protection: A Guide for Arizona Communities", May 199, Prepared by Robert Walling, ADEQ, Water Quality Div., Tucson, Arizona, pgs. 38 &40.*