

ORIGINAL
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**MEMORANDUM
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Arizona Corporation Commission
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MAY -6 2008

TO: THE COMMISSION

2008 MAY -6 A 10:40

FROM: Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

DATE: May 6, 2008

DOCKETED BY	nr
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RE: IN THE MATTER OF THE APPLICATION OF PARKER LAKEVIEW ESTATES HOMEOWNERS ASSOCIATION, INC. DBA PARKER SPRINGS WATER COMPANY FOR APPROVAL OF AN ON-SITE WASTEWATER TREATMENT FACILITY INSPECTION REQUIRED TARIFF SCHEDULE (DOCKET NO. W-01853A-08-0024)

Introduction

On January 14, 2008, Parker Lakeview Estates Homeowners Association, Inc. dba Parker Springs Water Company ("Company") filed an application for approval of an On-site Wastewater Treatment Facility Inspection Required Tariff Schedule. This proposed tariff would require water service customers, as a condition of service, to have installed and inspected an individual sewage disposal system before water service is continued and/or provided. The proposed tariff also requests that this tariff be retroactive to September 25, 1993.

The Company serves a community in southwestern Cochise County. The water system consists of a well (10 gallons per minute), a 10,000 gallon storage tank, and distribution system serving approximately 39 service connections.

Suspension of Tariff

In Decision No. 70173, dated February 27, 2008, the Arizona Corporation Commission ("Commission") suspended the tariff filing for a period of 120 days to give Staff additional time to complete its review.

Company's Proposed Tariff

According to the Company's filing, the Company provides water service to the Parker Lakeview Estates Subdivision that consists of 120 lots. Within the subdivision, there are prohibited sewage disposal systems (cesspools) and other disposal systems which are beyond their operational life that the Company believes may cause pollution of ground water in the area of the Company's wellsite. The Company believes that the proposed tariff will result in the reduction and/or elimination of unsanitary conditions that may pollute the Company's drinking water source.

The Company has 39 metered customers, of which, 33 metered customers have individual septic tank systems, 4 metered customers do not have individual sewage disposal systems, and 2 lots are unmetered with multiple dwelling units that have either cesspools or do not have individual sewage disposal systems. The proposed tariff, also requested to be retroactive to September 25, 1993, would require water service customers, as a condition of service, to have installed and inspected an individual sewage disposal system, before water service is continued and/or provided.

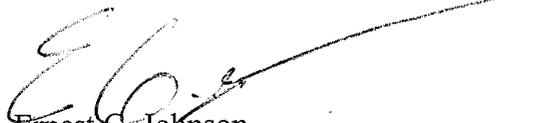
Staff's Review

Staff has reviewed the Company's request and believes that the proposed On-site Wastewater Treatment Facility Inspection Required Tariff is not the proper method by which to have customers comply with state or local ordinances regarding individual on-site sewage disposal systems. The Arizona Administrative Code ("A.A.C.") pertaining to the Commission provides no rules for on-site wastewater or individual sewage disposal systems.

The Arizona Department of Environmental Quality ("ADEQ") is the appropriate regulatory agency that has compliance and enforcement rules for this matter. The relevant standards are articulated in Title 18, Chapter 9, Article 8, Sewage Systems; Chapter 9, Article 1, Aquifer Protection Permits; Chapter 9, Article 7, Regulations for the Reuse of Wastewater; and Chapter 11, Article 4, Aquifer Water Quality Standards. As an example, individual sewage disposal systems are to be installed on the customer's premises, maintained, and inspected pursuant to the provision of the A.A.C. R18-5-408 and the ADEQ - Engineering Bulletin #12, entitled "Minimum Requirements for the Design and Installation of Septic Tank Systems and Alternative On-Site Disposal Systems". A.A.C. R18-5-408 also states that the use of cesspools is prohibited. If the Company believes that any customer is in violation of these requirements, the Company should notify ADEQ and/or Cochise County of such suspected violations. If the Company believes that such violations are creating a serious and/or imminent health hazard, the Company should notify ADEQ and/or Cochise County immediately.

Staff's Recommendation

Staff recommends that Parker Springs Water Company's request to implement an On-site Wastewater Treatment Facility Inspection Required Tariff be denied.



Ernest G. Johnson
Director
Utilities Division

EGJ:MSJ:lhm\KT

ORIGINATOR: Marlin Scott, Jr.

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BEFORE THE ARIZONA CORPORATION COMMISSION

- MIKE GLEASON
Chairman
- WILLIAM A. MUNDELL
Commissioner
- JEFF HATCH-MILLER
Commissioner
- KRISTIN K. MAYES
Commissioner
- GARY PIERCE
Commissioner

IN THE MATTER OF THE APPLICATION)
 OF PARKER LAKEVIEW ESTATES)
 HOMEOWNERS ASSOCIATION, INC. DBA)
 PARKER SPRINGS WATER COMPANY)
 FOR APPROVAL OF AN ON-SITE)
 WASTEWATER TREATMENT FACILITY)
 INSPECTION REQUIRED TARIFF)
 SCHEDULE)

DOCKET NO. W-01853A-08-0024
 DECISION NO. _____

ORDER

Open Meeting
 June 3 and 4, 2008
 Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Parker Lakeview Estates Homeowners Association, Inc. dba Parker Springs Water Company ("Company") is certificated to provide water service as a public service corporation in the State of Arizona.
2. On January 14, 2008, the Company filed an application for approval of an On-site Wastewater Treatment Facility Inspection Required Tariff Schedule. This proposed tariff would require water service customers, as a condition of service, to have installed and inspected an individual sewage disposal system, before water service is continued and/or provided. The proposed tariff also requests that this tariff be retroactive to September 25, 1993.
3. The Company serves a community in southwestern Cochise County. The water system consists of a well (10 gallons per minute), a 10,000 gallon storage tank, and distribution system serving approximately 39 service connections.

1 4. In Decision No. 70173, dated February 27, 2008, the Commission suspended the
2 tariff filing for a period of 120 days to give Staff additional time to complete its review.

3 5. According to the Company's filing, the Company provides water service to the
4 Parker Lakeview Estates Subdivision that consists of 120 lots. Within the subdivision, there are
5 prohibited sewage disposal systems (cesspools) and other disposal systems which are beyond their
6 operational life that the Company believes may cause pollution of ground water in the area of the
7 Company's wellsite. The Company believes that the proposed tariff will result in the reduction
8 and/or elimination of unsanitary conditions that may pollute the Company's drinking water source.

9 6. The Company has 39 metered customers, of which, 33 metered customers have
10 individual septic tank systems, 4 metered customers do not have individual sewage disposal
11 systems, and 2 lots are unmetered with multiple dwelling units that have either cesspools or do not
12 have individual sewage disposal systems. The proposed tariff, also requested to be retroactive to
13 September 25, 1993, would require water service customers, as a condition of service, to have
14 installed and inspected an individual sewage disposal system, before water service is continued
15 and/or provided.

16 7. Staff has reviewed the Company's request and believes that the proposed On-site
17 Wastewater Treatment Facility Inspection Required Tariff is not the proper method by which to
18 have customers comply with state or local ordinances regarding individual on-site sewage disposal
19 systems. The Arizona Administrative Code ("A.A.C.") pertaining to the Commission provides no
20 rules for on-site wastewater or individual sewage disposal systems.

21 8. The Arizona Department of Environmental Quality ("ADEQ") is the appropriate
22 regulatory agency that has compliance and enforcement rules for this matter. The relevant
23 standards are articulated in Title 18, Chapter 9, Article 8, Sewage Systems; Chapter 9, Article 1,
24 Aquifer Protection Permits; Chapter 9, Article 7, Regulations for the Reuse of Wastewater; and
25 Chapter 11, Article 4, Aquifer Water Quality Standards. As an example, individual sewage
26 disposal systems are to be installed on the customer's premises, maintained, and inspected
27 pursuant to the provision of the A.A.C. R18-5-408 and the ADEQ – Engineering Bulletin #12,
28 ...

1 entitled "Minimum Requirements for the Design and Installation of Septic Tank Systems and
2 Alternative On-Site Disposal Systems". A.A.C. R18-5-408 also states that the use of cesspools is
3 prohibited.

4 9. If the Company believes that any customer is in violation of these requirements, the
5 Company should notify ADEQ and/or Cochise County of such suspected violations. If the
6 Company believes that such violations are creating a serious and/or imminent health hazard, the
7 Company should notify ADEQ and/or Cochise County immediately.

8 10. Staff has recommended that the Company's request to implement an On-site
9 Wastewater Treatment Facility Inspection Required Tariff be denied.

10 CONCLUSIONS OF LAW

11 1. The Company is an Arizona public service corporation within the meaning of
12 Article XV, Section 2, of the Arizona Constitution.

13 2. The Commission has jurisdiction over the Company and over the subject matter of
14 this Application.

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ORDER

IT IS THEREFORE ORDERED that the application by Parker Lakeview Estates Homeowners Association, Inc. dba Parker Springs Water Company for approval of an On-site Wastewater Treatment Facility Inspection Required Tariff is denied.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN MCNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2008.

BRIAN MCNEIL
Executive Director

DISSENT: _____

DISSENT: _____

EGJ:MSJ:lhmk\KT

1 SERVICE LIST FOR: Parker Lakeview Estates Homeowners Association, Inc.
2 dba Parker Springs Water Company

3 DOCKET NO. W-01853A-08-0024

4

5 Mr. Victor D. Chacon
6 President

7 Parker Lakeview Estates Homeowners Association, Inc.
8 dba Parker Springs Water Company

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13 Arizona Corporation Commission
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17 Chief Counsel, Legal Division
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19 1200 West Washington Street
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