

JOHNSON UTILITIES COMPA



5230 East Shea Boulevard * Scottsdale, Arizona 85254
PH: (480) 448-3300; FAX: (480) 482-7908

RECEIVED

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2008 OCT 21 P 4: 30

October 21, 2008

Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

ALL CORP DOCUMENTS
DOCKET CONTROL

RE: Johnson Utilities Company, H2O, Diversified Water Utilities,
Queen Creek Water Company: Compliance with Decision No. 65840
Notice of Violation from ADEQ dated October 8, 2008
WS-02987A-99-0583; WS-02987A-00-0618; W-02234A-00-0371; W-02859A-00-0774;
W-01395A-00-0784

Dear Mr. Johnson:

On October 15, 2008, Johnson Utilities received a Notice of Violation ("NOV") from the Arizona Department of Environmental Quality ("ADEQ") dated October 8, 2008. ADEQ alleges that Johnson Utilities failed to provide the proper type and grade operator. A copy of the NOV is attached hereto as Attachment 1. Currently we are preparing our response to ADEQ indicating full compliance and will copy you as required in the Decision.

Should you have any questions regarding this event or would like any additional information prior to receiving our response, please do not hesitate to contact me. Thank you for your time and consideration in this matter.

Sincerely,

Brian P. Tompsett
Johnson Utilities, LLC

Cc: Docket Control
Steve Olea, Assistant Director
Brian Bozzo, Compliance Manager

Arizona Corporation Commission
DOCKETED

OCT 21 2008

DOCKETED BY

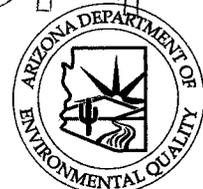
Attachment 1



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

COPY

October 9, 2008

CERTIFIED MAIL- Return Receipt Requested
7008-1830-0001-2297-5393

Johnson Utilities, LLC
Attn: Brian Tompsett
5230 E Shea Blvd
Scottsdale, AZ 85254-5750

Case ID: 99135

Re: Notice of Violation issued to Johnson Utilities

Dear Mr. Tompsett:

This letter constitutes the monthly update on the status of Arizona Department of Environmental Quality ("ADEQ") action resulting from ADEQ's inspection of the above-referenced site on July 2, 2007, as required by A.R.S. § 41-1009(H).

The attached Notice of Violation ("NOV") is an informal compliance assurance tool used by ADEQ to put a responsible party (such as a facility owner or operator) on notice that the Department believes a violation of an environmental requirement has occurred. It describes the facts known to ADEQ at the time of issuance and cites the requirement that ADEQ believes the party has violated.

Although ADEQ has the authority to issue appealable administrative orders compelling compliance, an NOV has no such force or effect. Rather, an NOV provides the responsible party an opportunity to do any of the following before ADEQ takes formal enforcement action: (1) meet with ADEQ and discuss the facts surrounding the violation, (2) demonstrate to ADEQ that no violation has occurred, or (3) document that the violation has been corrected.

ADEQ reserves the right to take a formal enforcement action, such as issuing an administrative order or filing a civil lawsuit, regardless of whether the Department has issued an NOV. Neither ADEQ's issuance of an NOV nor its failure to do so precludes the Department from pursuing these remedies. However, the timeliness of a complete response to this notice will be considered by ADEQ in determining if and how to pursue such remedies.

Sincerely,

John Gibbons, Manager
Filed Services Unit
Water Quality Compliance

C: Pinal County Division of Public Health, P.O. Box 2945, Florence, AZ 85232
John Calkins, Manager, Drinking Water Section, for the file AZ0411128
WQCFSU Reading File Ref: # 09321

Northern Regional Office
1801 W. 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



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

CERTIFIED MAIL
Return Receipt Requested

Case ID #: 99135

October 8, 2008

Johnson Utilities, LLC
Attention: Brian Tompsett
5230 E Shea Blvd
Scottsdale, AZ 85254-5750

Subject: Johnson Utilities, Place ID 18613
968 E Hunt Hwy / Queen Creek, AZ 85243-7450

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ) has reason to believe that Johnson Utilities, LLC as the owner/operator of Johnson Utilities has violated a requirement of the Arizona Revised Statutes (A.R.S.), a rule within the Arizona Administrative Code (A.A.C.), or an applicable permit/license, administrative order or civil judgment. ADEQ allowed an opportunity to correct these deficiencies without enforcement in a letter dated October 02, 2007. ADEQ has yet to receive an adequate response to the Notice of Opportunity to Correct (NOC), and is therefore issuing this Notice of Violation.

I. LEGAL AUTHORITY and NATURE OF ALLEGED VIOLATION(S)

1. **A.A.C. R18-4-114**

Failure to provide a certified operator of the proper type and grade to operate a water distribution system.

According to ADEQ records Johnson Utilities does not employ an on-site operator that holds a grade 3 water distribution certification.

II. DOCUMENTING COMPLIANCE

1. Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or verification of employment of an on-site operator that holds, at a minimum, grade 3 water distribution and treatment certifications.

III. SUBMITTING COMPLIANCE DOCUMENTATION

Please send all compliance documentation and any other written correspondence regarding this Notice to ADEQ at the following address:

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, Attention: Karen E. Berry, Water Quality Field Service Compliance Unit, 1110 W Washington St, Phoenix, AZ 85007 MC: 5415B-1

IV. STATEMENT OF CONSEQUENCES

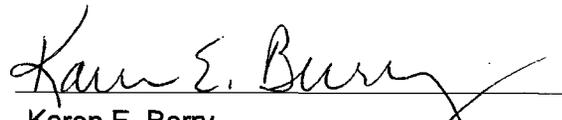
1. The time frames within this Notice for achieving and documenting compliance are firm limits. Failure to achieve or document compliance within the time frames established in this Notice will result in an administrative compliance order or civil action requiring compliance within a reasonable time frame, substantial civil penalties, and/or the suspension or revocation of an applicable permit/license. ADEQ will agree to extend the time frames only in a compliance schedule negotiated in the context of an administrative consent order or civil consent judgment.
2. Achieving compliance does not preclude ADEQ from seeking civil penalties, and/or suspending or revoking an applicable permit/license for the violation(s) alleged in this Notice as allowed by law.

V. OFFER TO MEET

ADEQ is willing to meet regarding this Notice. To obtain additional information about this Notice or to schedule a meeting to discuss this Notice, please contact Karen E. Berry at (602) 771-4444.



John T. Gibbons, Manager
Water Quality Field Service Compliance Unit



Karen E. Berry
Water Quality Field Service Compliance Unit