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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

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Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF
DII-EMERALD SPRINGS, LLC FOR
APPROVAL OF A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE WASTEWATER SERVICES

DOCKET NO. WS-20794A-11-0140

IN THE MATTER OF THE APPLICATION OF
DII-EMERALD SPRINGS, LLC FOR
APPROVAL OF A RATE INCREASE

DOCKET NO. WS-20794A-11-0279

**STAFF'S NOTICE OF FILING
RESPONSE TO PROCEDURAL ORDER**

On March 20, 2012, the Administrative Law Judge assigned to this matter issued a Procedural Order directing the Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") to "investigate the current situation regarding sewer service to the [Homeowners' Association ("HOA")] and its members, specifically determining whether Mr. Thompson's sewer plant has sufficient capacity to serve the HOA and its members during the higher volume summer months, and shall present the results of its investigation, along with its related recommendations, at the procedural conference to be held on April 10, 2012."¹ Staff hereby provides notice of filing its response to that Procedural Order.

RESPECTFULLY SUBMITTED this 9th day of April, 2012.

Kimberly A. Ruht, Attorney
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

¹ Procedural Order at 3 (March 20, 2012) (emphasis in original).

1 Original and thirteen (13) copies of the
2 foregoing filed this 9th day of April, 2012,
with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
Phoenix, Arizona 85007

6 Copies of the foregoing mailed this 9th day
7 of April, 2012 to:

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MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

DATE: April 6, 2012

RE: **STAFF INVESTIGATION OF DOYLE THOMPSON'S
WASTEWATER SYSTEM - IN THE MATTER OF THE
APPLICATIONS OF DII-EMERALD SPRINGS, LLC FOR A
CERTIFICATE OF CONVENIENCE AND NECESSITY**
Docket No. WS-20794A-11-0140 and WS-20794A-11-0279

Introduction

On March 20, 2012, the Hearing Division filed a Procedural Order ordering the Utilities Division ("Staff") of the Arizona Corporation Commission to "investigate the current situation regarding sewer service to the Homeowners' Association ("HOA") and its members, specifically determining whether Mr. Doyle Thompson's sewer plant has sufficient capacity to serve the HOA and its members during the higher volume summer months, and shall present the results of its investigation, along with its related recommendations, at the procedural conference to be held on April 10, 2012."

Discussion

On March 28, 2012, Staff conducted a field inspection of the Thompson wastewater treatment plant ("WWTP") and collection system. Thompson's 45,000 gallon per day ("GPD") treatment plant process consisted of an influent lift station, aeration reactors, sludge holding tank, denitrification, clarifier and chlorination. There is no flow meter on this WWTP. The collection system consisted of collection mains with no manholes that serve Thompson's three properties: Mobile Home Park, RV Park and residential lot. The WWTP and collection system was constructed in 1989.

Although the Thompson WWTP is rated at 45,000 GPD, the Arizona Department of Environment Quality ("ADEQ") issued a Type 1.09 General Permit that limits the flow rate to 20,000 GPD. Since Thompson's WWTP has no flow meter, Mr. Thompson uses water usage to estimate the flows into his WWTP from his Mobile Home Park (28 service laterals), RV Park (30 service laterals) and residential lot (three homes but only one home is currently occupied).

During Staff's field inspection, Mr. Thompson provided Staff with water use for the Mobile Home Park from April 2011 to March 2012. Based on this usage, April 2011 had the highest usage of 339,000 gallons. To evaluate the WWTP capacity, Staff used the following:

I. Current flows

Thompson's System

Mobile Home Park:

1. $339,000 \text{ gal.} / 30 \text{ days} = 11,300 \text{ GPD}$
2. $11,300 \text{ GPD} / 28 \text{ service laterals} = 403$, rounded to 400 GPD/service lateral
3. $400 \text{ GPD/service lateral} \times 28 \text{ service lateral} = 11,200 \text{ GPD}$

RV Park:

4. Staff elected to use 100 GPD/service lateral for the RV Park.
5. $100 \text{ GPD/service lateral} \times 30 \text{ service lateral} = 3,000 \text{ GPD}$

Residential lot:

6. Staff elected to use 400 GPD for his one residential lot.
7. $400 \text{ GPD/service lateral} \times 1 \text{ service lateral} = 400 \text{ GPD}$

Total estimated flow = $11,200 + 3,000 + 400 = 14,600 \text{ GPD}$

HOA's System

As of March 6, 2012, the HOA subdivision was connected to the Thompson system. According to the Staff Report that was docketed on December 16, 2011, the HOA system recorded:

April 2011 peak day flow at 1,860 GPD

Thompson and HOA total current flow = $14,600 + 1,860 = 16,460 \text{ GPD}$

II. Future flows

Thompson's System – with available future service laterals

Mobile Home Park: $400 \text{ GPD/service lateral} \times 60 \text{ service lateral} = 24,000 \text{ GPD}$

RV Park: $100 \text{ GPD/service lateral} \times 43 \text{ service lateral} = 4,300 \text{ GPD}$

Residential lot: 400 GPD/service lateral x 3 service lateral = 1,200 GPD

Total flow = 29,500 GPD

HOA's System

HOA subdivision has 53 lots: 53 lots x 400 GPD/service lateral = 21,200 GPD

Thompson and HOA total future flow = 29,500 + 21,200 = 50,700 GPD

According to ADEQ, the issuance of the Type 1.09 General Permit that limits the flow rate to 20,000 GPD for the Thompson WWTP also restricts any treatment plant modification. If Mr. Thompson were to violate the conditions of the Type 1.09 General Permit, he would be required to apply for another permit. Since the treatment plant is not likely to qualify for any of the other General Permits, Mr. Thompson would almost certainly have to apply for an Individual Aquifer Protection Permit ("APP").

Conclusion/Recommendation

Currently, Mr. Thompson's WWTP has sufficient capacity (restricted to 20,000 GPD) to serve total current flow of 16,460 GPD. However, since the Thompson WWTP is connected to the HOA's 53-lot subdivision, Mr. Thompson is responsible to provide service to any and all 53 lots upon request. If all the existing HOA 40 homes become occupied, the Thompson WWTP would need more than the currently allowed capacity of 20,000 GPD.

When Mr. Thompson's WWTP reaches the restricted 20,000 GPD capacity under the Type 1.09 General Permit, Mr. Thompson will need to apply for an Individual APP. The cost of filing this ADEQ – APP is estimated at \$50,000. This cost would be in addition to any plant modification costs incurred at the Thompson WWTP that would be needed to meet the APP's Best Available Demonstrated Control Technology and the Aquifer Water Quality Standard requirements.

SMO:MSJ:tdp

Originator: Marlin Scott, Jr.