

ORIGINAL

Arizona Corporation Commission

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MEMORANDUM

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AZ CORP COMMISSION
DOCKET CONTROL

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TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

DATE: January 3, 2013

RE: **STAFF'S 2012 COMPLIANCE REPORT FOR GOLD CANYON SEWER COMPANY, DOCKET NO. SW-02519A-06-0015 (RATES) AND DECISION NO. 69664**

INTRODUCTION

On June 28, 2007, the Commission issued Decision No. 69664 granting a rate increase to Gold Canyon Sewer Company ("Company"). Pursuant to that Decision, Staff was ordered to "conduct annual odor detection site visits and provide a report in this docket by December 31 of each year, as a compliance measure, with the first report to be filed by no later than December 31, 2007." This memorandum is Staff's 2012 compliance report.

COMPLIANCE REPORTS

Staff's Report

Staff conducted four unannounced site visits during 2012 on the following dates; February 10, June 14, August 16, and November 27. All the site visits were conducted by Marlin Scott, Jr., Staff Engineer. During all the visits, Staff toured the wastewater treatment plant ("WWTP"), the MountainBrook Village Subdivision east of the WWTP, and the commercial area west of the WWTP; i.e., Bashas area. During all these site visits, Staff did not detect any odors.

ADEQ's Report

Annual Compliance Inspection

According to the Company, the Arizona Department of Environmental Quality ("ADEQ") did not conduct its annual compliance inspection for the year 2012. The last ADEQ inspection report was in April 2009, which was attached to Staff's 2009 Compliance Report.

Prior Notice of Violation

As stated in Staff's 2010 compliance report, the 2009 ADEQ Annual Compliance Inspection indicated that ADEQ issued a Notice of Violation ("NOV"), under prior enforcement actions in Case No. 94639, on May 16, 2008 for the exceedance of the aquifer quality levels ("AQLs") for total nitrogen in the point of compliance ("POC") well. The exceedances ranged from 13 – 18 mg/L, with the maximum AQL set at 10 mg/L. As a result of the NOV, on November 6, 2008, the Company has submitted an amendment to its Aquifer Protection Permit ("APP") to adjust the AQLs for possible upgradient influence of high nitrates. The NOV was to remain open until the APP amendment has been completed.

APP Significant Amendment

On February 1, 2012, ADEQ issued the APP Significant Amendment. According to this amended permit, the purpose of the significant amendment was to install a shallower POC well and to perform ambient groundwater sampling to establish AQL and/or AL values. With the issuance of this amended permit, the above 2008 NOV has been addressed.

Compliance Status Report

On December 20, 2012, ADEQ reported the Company to be in compliance with ADEQ regulations.

STAFF CONCLUSION AND RECOMMENDATION

Staff has been submitting its ordered Compliance Reports since 2007 and these reports indicate that Staff has detected no odors.

With the issuance of the APP Significant Amendment, the Company is in compliance with ADEQ regulations as indicated in the attached December 20, 2012 ADEQ compliance status report.

Based on these conclusions, Staff recommends that the Compliance Reports that are required to be docketed by December 31st of each year be discontinued.

SMO:MSJ:red

Originator: Marlin Scott, Jr.

Attachment: ADEQ compliance status report, dated 12-20-12

SERVICE LIST: Gold Canyon Sewer Company
DOCKET NO. SW-02519A-06-0015

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Henry R. Darwin
Director

December 20, 2012

Arizona Corporation Commission
Mr. Marlin Scott, Utilities Engineer
1200 W. Washington
Phoenix, Arizona 85007

RE: Compliance Status for Gold Canyon Sewer Co, Inventory number 100217,
Place ID 6120, Permit number 48920.

Dear Mr. Scott,

Your request for evaluation of compliance status for the above facilities is completed. . Our records indicate that above facility has Aquifer Protection Permit (APP) number 48920 issued on 02/01/2012.

Review of the APP reporting requirements and monitoring results that have been submitted indicate the facility is in compliance with their current permit based on the recent information that is available to ADEQ.

It should be understood that the compliance status of a facility may change from time to time based upon monitoring results or a facility inspection. This compliance review is based on the most current information available.

Sincerely,

Kathryn Boland, Manager, Data Unit
Water Quality Compliance Section
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cc: Facility file

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