

**ORIGINAL**  
**JOHNSON UTIL**

5230 East Shea Boulevard \* Scottsdale, AZ 85254  
PH: (480) 998-3300; FAX: (480) 998-3301



0000145275

MISSION  
CONTROL

May 31, 2013

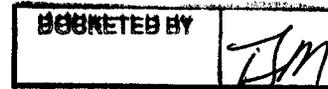
2013 MAY 31 PM 4:43

Hand-Delivered

Steve Olea, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 W. Washington Street  
Phoenix AZ 85007

Arizona Corporation Commission  
**DOCKETED**

MAY 31 2013



Re: Annual Water and Wastewater Compliance Report of Johnson Utilities, LLC filed pursuant to Decision 63960 (as amended by Decision 64062) and Decision 65840 (Docket Nos. WS-02987A-99-0583; WS-02987A-00-0618; W-02234A-00-0371; W-02859A-00-0774; and W-01395A-00-0784, Consolidated)

Dear Mr. Olea:

In accordance with the above-referenced decisions, Johnson Utilities, LLC ("Johnson Utilities" or the "Company") hereby files documentation from the Arizona Department of Environmental Quality ("ADEQ") demonstrating the Company's compliance with ADEQ requirements for the preceding year. **Attachment 1** contains ADEQ compliance status letters for the following facilities:

Anthem Water Reclamation Plant  
Precision Water Reclamation Plant  
San Tan Water Reclamation Plant  
Section 11 Water Reclamation Plant  
Pecan Water Reclamation Plant  
Johnson Utilities Water System (WS 11-128)  
Anthem at Merrill Ranch Water System (WS 11-136)

Regarding the Johnson Utilities Water System, ADEQ reported on 2-5-13 they could not determine if the system is in full compliance as a result of the NOV issued on 10-9-12. A copy of the NOV has previously been filed in this docket along with the notice of closure from ADEQ, in accordance with the requirements of the above-referenced decisions. Johnson Utilities has requested an updated compliance status report from ADEQ showing that the facilities are in full compliance.

Regarding the Section 11 Water Reclamation Plant, ADEQ is reporting that this facility is in compliance with its respective aquifer protection permit ("APP"), but has open Notices of Violation ("NOVs"). Copies of the NOVs have previously been

Mr. Steven Olea

May 31, 2013

Page 2

submitted to your attention in accordance with the requirements of the above-referenced decisions. Johnson Utilities has complied with all requirements of the NOV's and has been granted closure of the NOV's by ADEQ. Once the notices of closure have been issued on the open NOV's, Johnson Utilities will file them with the Commission along with an updated compliance status report from ADEQ showing that the facilities are in full compliance.

Regarding the Pecan Water Reclamation Plant, ADEQ is reporting that this facility is not in compliance with its respective aquifer protection permit ("APP"), and has open Notices of Violation ("NOV's"). The compliance status report indicates there was missing data from the facilities self-monitoring reports. Johnson Utilities sent the corrected data sheets to ADEQ. Johnson Utilities requested an updated compliance status report; however they refused to issue an updated letter unless the Arizona Corporation Commission requested it. Johnson Utilities has complied with all requirements of the NOV's and is in discussions with ADEQ on closing them out. Once the notices of closure have been issued on the open NOV's, Johnson Utilities will file them with the Commission.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



Daniel R. Hodges  
JOHNSON UTILITIES, LLC

Enclosure: Attachment 1

cc with enclosures: Docket Control (original plus 13 copies)  
Mr. Brian Bozzo, Compliance Manager  
Jeff Crockett, Brownstein Hyatt Farber Schreck

# Attachment 1



Janice K. Brewer  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • www.azdeq.gov



Henry R. Darwin  
Director

February 4, 2013

Arizona Corporation Commission  
Mr. Jian Liu, Utilities Engineer  
1200 W. Washington  
Phoenix, Arizona 85007



RE: Compliance Status for Anthem WRP, Inventory number 105646,  
Place ID 91546, Permit number 45436.

Dear Mr. Liu,

Your request for an evaluation of the compliance status for the above facility is completed. Our records indicate that the above facility has Aquifer Protection Permit (APP) number 45436 issued on 04/03/2008.

Review of the APP reporting requirements and self monitoring results that have been submitted for the period of 1/1/2012 through 9/30/2012 indicate there were no monitoring or reporting violations during the period.

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 at the time the review was completed.

Sincerely,

Mindi Cross, Manager  
Water Quality Compliance Section  
1110 W Washington Street  
Phoenix, AZ 85007  
Phone: (602) 771-2209  
Fax: (602) 771-4505

Cc: Greg Brown  
Facility file

Southern Regional Office  
400 West Congress Street • Suite 433 • Tucson, AZ 85701  
(520) 628-6733



Janice K. Brewer  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

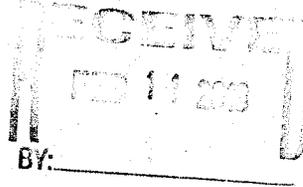
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Henry R. Darwin  
Director

February 4, 2013

Arizona Corporation Commission  
Mr. Jian Liu, Utilities Engineer  
1200 W. Washington  
Phoenix, Arizona 85007



RE: Compliance Status for Precision WWTP, Inventory number 105004. Place ID number 138145 and permit number 23124.

Dear Mr. Liu,

Your request for an evaluation of the compliance status for the above facility is completed. Our records indicate that the above facility has Aquifer Protection Permit (APP) number 23124 issued on 04/08/2004.

Review of the APP reporting requirements and self monitoring results that have been submitted for the period of 1/1/2012 through 9/30/2012 indicate there were no monitoring or reporting violations during the period.

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 at the time the review was completed.

Sincerely,

Mindi Cross, Manager  
Water Quality Compliance Section  
1110 W Washington Street  
Phoenix, AZ 85007  
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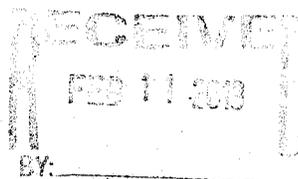
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Henry R. Darwin  
Director

February 4, 2013

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Mr. Jian Liu, Utilities Engineer  
1200 W. Washington  
Phoenix, Arizona 85007



RE: Compliance Status for Santan Water Reclamation Plant, Inventory number 105325,  
Place ID 18584, Permit number 43235.

Dear Mr. Liu,

Your request for an evaluation of the compliance status for the above facility is completed. Our records indicate that the above facility has Aquifer Protection Permit (APP) number 43235 issued on 10/24/2007.

Review of the APP reporting requirements and self monitoring results that have been submitted for the period of 1/1/2012 through 9/30/2012 indicate there were no monitoring or reporting violations during the period.

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 at the time the review was completed.

Sincerely,

Mindi Cross, Manager  
Water Quality Compliance Section  
1110 W Washington Street  
Phoenix, AZ 85007  
Phone: (602) 771-2209  
Fax: (602) 771-4505

cc: Greg Brown  
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Janice K. Brewer  
Governor

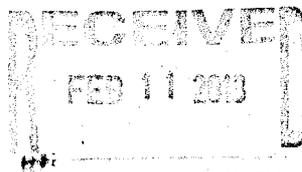
# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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Henry R. Darwin  
Director

February 4, 2013



Arizona Corporation Commission  
Mr. Jian Liu, Utilities Engineer  
1200 W. Washington  
Phoenix, Arizona 85007

RE: Compliance Status for Section 11 WWTP, Inventory number 103081,  
Place ID 142, Permit number 35634.

Dear Mr. Liu,

Your request for an evaluation of the compliance status for the above facility is completed. . Our records indicate that above facility has Aquifer Protection Permit (APP) number 35634 issued on 04/10/2006.

Review of the APP reporting requirements and self monitoring results that have been submitted for the period of 1/1/2012 through 9/30/2012 indicate there were no monitoring or reporting violations during the period. However, there are two open Notices of Violation (NOV)s associated with the Section 11 WWTP. Detailed descriptions of these NOV's are provided in the Arizona Department of Environmental Quality's (ADEQ)'s compliance status letter for the Pecan Water Reclamation Plant to the Arizona Corporation Commission, dated July 12, 2011. A copy of the letter is attached for your convenience.

ADEQ confirms that Johnson Utilities, LLC has not met the "Compliance Conditions" for Case ID Nos. 102722 and 103357. ADEQ is in discussions with Johnson Utilities, LLC to resolve the company's liabilities for the violation cited in the NOV's, and will maintain the open status of the NOV's until a resolution is reached. ADEQ is not aware of any other on-going environmental regulatory issues concerning maintenance and operation of the facility.

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 at the time the review was completed.

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Sincerely,

A handwritten signature in black ink, appearing to read 'Mindi Cross', with a long horizontal flourish extending to the right.

*Mindi Cross, Manager  
Water Quality Compliance Section  
1110 W Washington Street  
Phoenix, AZ 85007  
Phone: (602) 771-2209  
Fax: (602) 771-4505*

cc: Greg Brown  
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Henry R. Darwin  
Director

February 4, 2013

Arizona Corporation Commission  
Mr. Jian Liu, Utilities Engineer  
1200 W. Washington  
Phoenix, Arizona 85007

RECEIVED  
FEB 11 2013  
BY: \_\_\_\_\_

RE: Compliance Status for Pecan Water Reclamation Plant, Inventory number 105324,  
Place ID 18583, Permit number 37771.

Dear Mr. Liu,

Your request for an evaluation of the compliance status for the above facility is completed. Our records indicate that above facility has Aquifer Protection Permit (APP) number 37771 issued on 02/04/2008.

Review of the APP reporting requirements and self-monitoring results that have been submitted for the period of 1/1/2012 through 9/30/2012 indicates there are monitoring or reporting violations during the period as follows:

1. Missing monthly results for monthly average flow to reuse and monthly average flow for month of July 2012 at monitoring point 91561, Phase II Effluent Pump Station.
2. Missing monthly results for groundwater monitoring at MW#1 for 3<sup>rd</sup> quarter of 2012.

In addition, there are three open Notice of Violation (NOV) associated with the Pecan Water Reclamation Plant. Detailed descriptions of these NOVs are provided in the Arizona Department of Environmental Quality's (ADEQ)'s compliance status letter for the Pecan Water Reclamation Plant to the Arizona Corporation Commission, dated July 12, 2011.

ADEQ confirms Johnson Utilities, LLC has met the "Compliance Conditions" of the NOVs with Case IDs 92021, 97512, and 120285. ADEQ is in discussions with Johnson Utilities, LLC to resolve the company's liabilities for the violations cited in the NOV, and will maintain the open status of the NOVs until a resolution is reached. ADEQ is not aware of any other on-going environmental regulatory issues concerning maintenance and operation of the facility. It should be understood that the compliance status of a facility may change at any time. This compliance review is based on the most current information available

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 at the time of the review.

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Sincerely,

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*Mindi Cross, Manager  
Water Quality Compliance Section  
1110 W Washington Street  
Phoenix, AZ 85007  
Phone: (602) 771-2209  
Fax: (602) 771-4505*

cc: Greg Brown  
Facility file

**Arizona Department of Environmental Quality**  
**Drinking Water Monitoring and Protection Unit**  
 Mail Code 5415B-2  
 1110 West Washington Street  
 Phoenix, AZ 85007

## Drinking Water Compliance Status Report

<b>System Name</b>	<b>System Type</b>	<b>Is system consecutive?</b>
JOHNSON UTILITIES	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
<b>System ID #</b>	<input type="checkbox"/> Non-transient Non-community	<input checked="" type="checkbox"/> No
11128	<input type="checkbox"/> Transient Non-community	

<b>Overall compliance status</b>	<input type="checkbox"/> No major deficiencies	<input checked="" type="checkbox"/> Major deficiencies
<b>Monitoring and Reporting status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies

**Comments:** The system had an acute violation for the total coliform rule from August 2012 (Twenty five samples collected on August 13, 2012 were analyzed as positive for the presence of total Coliform bacteria of the 60 samples required each month. Three of the 25 total Coliform positive samples collected on August 13, 2012, tested positive for the presence of E. coli bacteria 40 CFR § 141.63(b) /A.A.C. R18-4-109.). The system did not properly issue a Public Notice within the 10 day required period which violated 40 CFR § C 141.205 /A.A.C. R18-4-119. After several months of proper sampling, the system is back in compliance.

<b>Operation and Maintenance status</b>	<input type="checkbox"/> No major deficiencies	<input checked="" type="checkbox"/> Major deficiencies
<b>Date of last Sanitary Survey</b>	8-24-12	<b>Inspector</b>
		Deborah Schadewald-Kohler, PHX

**Major unresolved/ongoing operation and maintenance deficiencies:**

<input type="checkbox"/> unable to maintain 20psi	<input type="checkbox"/> inadequate storage
<input type="checkbox"/> cross connection/backflow problems	<input type="checkbox"/> surface water treatment rule
<input type="checkbox"/> treatment deficiencies	<input type="checkbox"/> ATC/AOC
<input type="checkbox"/> certified operator	<input type="checkbox"/> other =

**Comments:** Recommendations made at time of inspection: Source - cracked well slab needs repaired and clean up well site, O&M - Emergency Operations Plan needs updating, Finished Water Tank - Install locks on tank hatches. Corrections were made in the maintenance of the system but ADEQ has not received an updated emergency operations plan, or been provided information on training staff. The PWS is under an NOV issued 10-9-12 and has not complied with the requirements in the NOV.

<b>Is an ADEQ administrative order in effect?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>Comments:</b>	None	

System Information	
Population Served	54717
Service Connections	19542
Number of Entry Points to the Distribution System	10
Number of Sources	14
Initial Monitoring Year	2000
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<b>Evaluation completed by</b>	Donna Calderon, Manager Drinking Water Monitoring and Protection Unit		
<b>Phone</b>	602-771-4641	<b>Date</b>	February 5, 2013

<input type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and PWS is in compliance.
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.
<input checked="" type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.

***This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.***

**Arizona Department of Environmental Quality**  
**Drinking Water Monitoring and Protection Unit**  
 Mail Code 5415B-2  
 1110 West Washington Street  
 Phoenix, AZ 85007

## Drinking Water Compliance Status Report

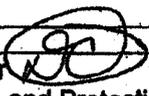
<b>System Name</b>	<b>System Type</b>	<b>Is system consecutive?</b>
ANTHEM AT MERRILL RANCH	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
<b>System ID #</b>	<input type="checkbox"/> Non-transient Non-community	<input checked="" type="checkbox"/> No
11136	<input type="checkbox"/> Transient Non-community	

<b>Overall compliance status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
<b>Monitoring and Reporting status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: None		

<b>Operation and Maintenance status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
<b>Date of last Sanitary Survey</b>	9-28-10	<b>Inspector</b>
		Karen Berry, PHX
<b>Major unresolved/ongoing operation and maintenance deficiencies:</b>		
<input type="checkbox"/> unable to maintain 20psi	<input type="checkbox"/> inadequate storage	
<input type="checkbox"/> cross connection/backflow problems	<input type="checkbox"/> surface water treatment rule	
<input type="checkbox"/> treatment deficiencies	<input type="checkbox"/> ATC/AOC	
<input type="checkbox"/> certified operator	<input type="checkbox"/> other =	
Comments: None		

<b>Is an ADEQ administrative order in effect?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: None		

System Information	
Population Served	5127
Service Connections	1831
Number of Entry Points to the Distribution System	2
Number of Sources	4
Initial Monitoring Year	2008
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<b>Evaluation completed by</b>	Donna Calderon, Manager 		
	Drinking Water Monitoring and Protection Unit		
<b>Phone</b>	602-771-4641	<b>Date</b>	February 26, 2013
<input checked="" type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and PWS is in compliance.		
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		
<input type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		

***This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.***