

ORIGINAL



0000154950

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

RECEIVED

2014 JUL 24 P 3:50

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

JUL 24 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
JOHNSON UTILITIES, L.L.C. FOR
APPROVAL TO EXPAND ITS
CERTIFICATES OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER AND
WASTEWATER UTILITY SERVICES IN
ARIZONA.

DOCKET NO. WS-02987A-12-0136

**REPLY TO RESPONSE TO STAFF'S
STATUS UPDATE AND NOTICE OF
FILING APPROVALS TO CONSTRUCT
FOR BELLA VISTA FARMS PHASE ONE**

On June 25, 2014, a procedural order issued in this docket directed Staff to file an update regarding its position and rationale as it pertains to Johnson Utilities, L.L.C.'s ("Johnson Utilities" or the "Company") Arizona Department of Environmental Quality ("ADEQ") Notices of Violation ("NOV") as well as Staff's recommendation for an Order Preliminary, once the NOV's are resolved, for a portion of the extension territory for updated engineering analysis or ADEQ Approvals to Construct. Staff's update was due on or before July 2, 2014, at which time Staff had not yet had an opportunity to review the Company's July 1, 2014, docketing of several letters and compliance status reports from ADEQ. Staff has now had an opportunity to review both the items docketed on July 1, 2014, and the Company's July 9, 2014, Response to Staff's Status Update and Notice of Filing Approvals to Construct for Bella Vista Farms Phase One and to verify the Company's status with ADEQ. On that basis, supplements its Status Update.

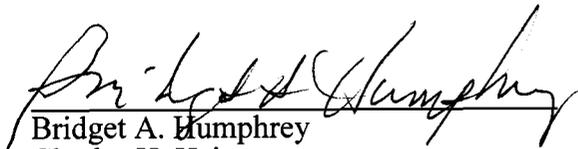
Staff's most recent recommendations were set forth in Staff's Notice of Filing Reply dated August 6, 2013, and, as to Recommendation 5, corrected in Staff's Notice of Errata dated August 9, 2013. These included that Orders Preliminary be issued for all projects until the Company files updated ADEQ Compliance Status Reports indicating that all water and wastewater systems are in compliance with ADEQ regulations by December 31, 2014. Due to the passage of time since the

1 issuance of Staff's Recommendations, Johnson requested, and Staff does not oppose, a two year
2 extension of the deadlines set forth in Staff's Recommendations 3, 7 and 8.

3 The approvals to construct submitted by Johnson for Bella Vista Farms Phase One meet the
4 requirement in Staff's Recommendation 7 and Staff agrees with Johnson's request for elimination of
5 the requirement as to Bella Vista Farms Phase One in Staff's Recommendation 7. In attempting to
6 verify the Company's compliance status with ADEQ, Staff has learned that the Company is not in
7 compliance. In July 2014, ADEQ issued four Wastewater Compliance Reports, attached hereto as
8 Exhibits A, B, C and D. The Company appears to be in substantial compliance for two systems, but
9 remains out of compliance for both the Pecan WRP (see Exhibit A) and Santan WRP (see Exhibit B).

10 In summary, Staff revises its recommendations to remove the ATC condition for Belle Vista
11 Farms Phase One and to extend certain deadlines by two years, but all of Staff's other
12 recommendations are unchanged..

13 RESPECTFULLY SUBMITTED this 24th day of July 2014.

14 

15 Bridget A. Humphrey
16 Charles H. Hains
17 Attorneys, Legal Division
18 Arizona Corporation Commission
19 1200 West Washington Street
20 Phoenix, Arizona 85007
21 (602) 542-3402

22
23 Original and thirteen (13) copies
24 of the foregoing filed this
25 24th day of July 2014 with:

26 Docket Control
27 Arizona Corporation Commission
28 1200 West Washington Street
Phoenix, Arizona 85007

1 Copy of the foregoing mailed and/or emailed this
24th day of July 2014 to:

2 Jeffrey W. Crockett
3 Brownstein Hyatt Farber Schreck LLP
4 One East Washington Street, Suite 2400
Phoenix, Arizona 85004

5 
6

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A



Wastewater Compliance Status Report
Water Quality Compliance Section
1110 W. Washington
Phoenix, AZ 85007

Facility Name: JOHNSON UTILITIES - PECAN WRP	Date: 7/14/2014
Permit Issuance Date: APP: 2/22/2012	Permit #: N/A 103081 <input type="checkbox"/> AZPDES <input checked="" type="checkbox"/> Aquifer Protection Permit (APP)
LTF #: APP: 48606 AZPDES: N/A	Place ID: 142
Date of Last Inspection: 3/25/2014	Compliance Period: 4/1/2013 - 3/31/2014
Evaluation Completed by : TRACY BUNCH	Phone: 602-771-4571

Overall Compliance Status General Statement

The following is the evaluation of the compliance status for the above named facility. Please note that the compliance status of a facility may change based upon subsequent monitoring results or a facility inspection. This compliance review is based on information available as of the date of this document.

ADEQ confirms that Johnson Utilities, LCC has met the "Compliance Conditions" for case ID Nos. 92021, 97512 and 120285. ADEQ is in discussion with Johnson Utilities, LCC to resolve the company's liabilities cited in the NOV's, and will maintain the open status of the NOV's until a resolution is reached.

Comments:

Review of the APP reporting requirement and monitoring results that have been submitted for this period indicate the facility self-reported the following monitoring and reporting violations:

- 2 monthly exceedances for Monthly Flow - Vadose Zone Recharge in 4th quarter 2013 at monitoring point 91561, Phase II Effluent Pump Station.
- 2 monthly exceedances for Monthly Flow - Vadose Zone Recharge in 1st quarter 2014 at monitoring point 91561, Phase II Effluent Pump Station.
- 1 daily exceedance for Fecal Coliform in 1st quarter 2014 at monitoring point 91561, at Phase II Effluent Pump Station.
- 7 daily exceedances for Fecal Coliform 4 of 7 Samples 1st quarter 2014 at monitoring point 91561, Phase II Effluent Pump Station.
- 1 daily exceedance for Fecal Coliform (Reuse) in 1st quarter 2014 at monitoring point 91564, Class A+ - Effluent Pump Station.
- 5 daily exceedances for Fecal Coliform (Reuse) 4 of 7 Samples in 1st quarter 2014 at monitoring point 91564, Class A+ - Effluent Pump Station.

Compliance Review: Check All That Apply

<input type="checkbox"/>	Self-Monitoring Report Form Deficiencies	<input type="checkbox"/>	Late Report Submittal
<input type="checkbox"/>	Self-Monitoring Report Form Missing Parameter	<input type="checkbox"/>	Self-Monitoring Report Form Facility Inspection Deficiencies
<input type="checkbox"/>	Discharge Monitoring Report Form Deficiencies	<input type="checkbox"/>	Notice of Opportunity to Correct
<input type="checkbox"/>	Discharge Monitoring Report Form Missing Parameter	<input type="checkbox"/>	Notice of Violation
<input checked="" type="checkbox"/>	Discharge Limit Exceedance (Technical Review Criteria)	<input type="checkbox"/>	Administrative Order
<input type="checkbox"/>	Alert Level Exceedance	<input type="checkbox"/>	Consent Judgment

<input type="checkbox"/>	Exceedance of pH Range	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Non-Submittal		
<input type="checkbox"/>	Based upon the data submitted by the facility, ADEQ has determined that as of this date this facility was currently in compliance for the review period noted above.		
<input type="checkbox"/>	Based upon the data submitted by the facility, ADEQ has determined that this facility was not in violation at a level at which ADEQ would take an action or issue a Notice of Opportunity to Correct or Notice of Violation and/or is in compliance with the Order/Judgment for the review period noted above.		
<input type="checkbox"/>	Based upon the data submitted by the facility, ADEQ cannot determine the compliance status until the facility corrects missing and/or deficient data for the review period noted above.		
<input checked="" type="checkbox"/>	Based upon the data submitted by the facility noted above, ADEQ has determined this facility was not in compliance with its permit(s), wastewater regulation, and/or Order/Judgment for the review period above.		

EXHIBIT B



Wastewater Compliance Status Report
Water Quality Compliance Section
1110 W. Washington
Phoenix, AZ 85007

<input type="checkbox"/>	Based upon the data submitted by the facility, ADEQ has determined that as of this date this facility was currently in compliance for the review period noted above.
<input type="checkbox"/>	Based upon the data submitted by the facility, ADEQ has determined that this facility was not in violation at a level at which ADEQ would take an action or issue a Notice of Opportunity to Correct or Notice of Violation and/or is in compliance with the Order/Judgment for the review period noted above.
<input type="checkbox"/>	Based upon the data submitted by the facility for the review period noted above, ADEQ cannot determine the compliance status until the facility corrects missing and/or deficient data.
<input checked="" type="checkbox"/>	Based upon the data submitted by the facility, ADEQ has determined this facility was not in compliance with its permit(s), wastewater regulation, and/or Order/Judgment for the review period noted above.

SECTION 11 - WWTP



Wastewater Compliance Status Report
Water Quality Compliance Section
 1110 W. Washington
 Phoenix, AZ 85007

Facility Name: JOHNSON UTILITIES-SECTION 11-WWTP	Date: 7/14/2014
Permit Issuance Date: APP: 4/10/2006	Permit #: N/A <input type="checkbox"/> AZPDES <input checked="" type="checkbox"/> 103081 Aquifer Protection Permit (APP)
LTF #: APP: 35634 AZPDES: N/A	Place ID: 142
Date of Last Inspection: 2/4/2013	Compliance Period: 4/1/2013 - 3/31/2014
Evaluation Completed by : TRACY BUNCH	Phone: 602-771-4571

Overall Compliance Status General Statement

The following is the evaluation of the compliance status for the above named facility. Please note that the compliance status of a facility may change based upon subsequent monitoring results or a facility inspection. This compliance review is based on information available as of the date of this document.

ADEQ confirms that Johnson Utilities, LCC has met the "Compliance Conditions" for case ID Nos. 102722 and 103357. ADEQ is in discussion with Johnson Utilities, LCC to resolve the company's liabilities cited in the NOV's, and will maintain the open status of the NOV's until a resolution is reached.

Comments:

Review of the APP reporting requirement and monitoring results that have been submitted for this period indicate the facility self-reported the following monitoring and reporting violations:

- One discharge limit exceedance for daily Fecal Coliform in 1st quarter 2014 at monitoring point 113910 - class B+ during this period.

Compliance Review: Check All That Apply

<input type="checkbox"/>	Self-Monitoring Report Form Deficiencies	<input type="checkbox"/>	Late Report Submittal
<input type="checkbox"/>	Self-Monitoring Report Form Missing Parameter	<input type="checkbox"/>	Self-Monitoring Report Form Facility Inspection Deficiencies
<input type="checkbox"/>	Discharge Monitoring Report Form Deficiencies	<input type="checkbox"/>	Notice of Opportunity to Correct
<input type="checkbox"/>	Discharge Monitoring Report Form Missing Parameter	<input type="checkbox"/>	Notice of Violation
<input type="checkbox"/>	Discharge Limit Exceedance (Technical Review Criteria)	<input type="checkbox"/>	Administrative Order
<input type="checkbox"/>	Alert Level Exceedance	<input type="checkbox"/>	Consent Judgment
<input type="checkbox"/>	Exceedance of pH Range	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Non-Submittal		



Wastewater Compliance Status Report
Water Quality Compliance Section
1110 W. Washington
Phoenix, AZ 85007

<input type="checkbox"/>	Based upon the data submitted by the facility, ADEQ has determined that as of this date this facility was currently in compliance for the review period noted above.
<input checked="" type="checkbox"/>	Based upon the data submitted by the facility, ADEQ has determined that this facility was not in violation at a level at which ADEQ would take an action or issue a Notice of Opportunity to Correct or Notice of Violation and/or is in compliance with the Order/Judgment for the review period noted above.
<input type="checkbox"/>	Based upon the data submitted by the facility, ADEQ cannot determine the compliance status until the facility corrects missing and/or deficient data for the review period noted above.
<input type="checkbox"/>	Based upon the data submitted by the facility, ADEQ has determined this facility was not in compliance with its permit(s), wastewater regulation, and/or Order/Judgment for the review period noted above.

ANTHEM @ MERRIL RANCH



Wastewater Compliance Status Report
Water Quality Compliance Section
1110 W. Washington
Phoenix, AZ 85007

Facility Name: ANTHEM @ MERRIL RANCH	Date: 7/15/2014 (Supersedes compliance status report on 7/14/2014)
Permit Issuance Date: APP: 9/6/2007	Permit #: N/A <input type="checkbox"/> AZPDES <input checked="" type="checkbox"/> Aquifer Protection Permit (APP) 105646
LTF #: APP: 45436 AZPDES: N/A	Place ID: 91546
Date of Last Inspection: 12/5/2013	Compliance Period: 4/1/2013 - 3/31/2014
Evaluation Completed by : TRACY BUNCH	Phone: 602-771-4571

Overall Compliance Status General Statement

The following is the evaluation of the compliance status for the above named facility. Please note that the compliance status of a facility may change based upon subsequent monitoring results or a facility inspection. This compliance review is based on information available as of the date of this document.

Comments:

Review of the APP reporting requirement and monitoring results that have been submitted for this period indicate the facility self-reported the following monitoring and reporting violations:

- 6 daily exceedances for Daily Average Turbidity in 4th quarter 2013 at monitoring point 14705, Class A+.
- 5 daily exceedances for Turbidity in 4th quarter 2013 at monitoring point 114705 Class A+.

Compliance Review: Check All That Apply			
<input type="checkbox"/>	Self-Monitoring Report Form Deficiencies	<input type="checkbox"/>	Late Report Submittal
<input type="checkbox"/>	Self-Monitoring Report Form Missing Parameter	<input type="checkbox"/>	Self-Monitoring Report Form Facility Inspection Deficiencies
<input type="checkbox"/>	Discharge Monitoring Report Form Deficiencies	<input type="checkbox"/>	Notice of Opportunity to Correct
<input type="checkbox"/>	Discharge Monitoring Report Form Missing Parameter	<input type="checkbox"/>	Notice of Violation
<input checked="" type="checkbox"/>	Discharge Limit Exceedance (Technical Review Criteria)	<input type="checkbox"/>	Administrative Order
<input type="checkbox"/>	Alert Level Exceedance	<input type="checkbox"/>	Consent Judgment
<input type="checkbox"/>	Exceedance of pH Range	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Non-Submittal		



Wastewater Compliance Status Report
Water Quality Compliance Section
1110 W. Washington
Phoenix, AZ 85007

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> | Based upon the data submitted by the facility, ADEQ has determined that as of this date this facility was in compliance for the review period noted above. |
| <input checked="" type="checkbox"/> | Based upon the data submitted by the facility, ADEQ has determined that this facility was not in violation at a level at which ADEQ would take an action or issue a Notice of Opportunity to Correct or Notice of Violation and/or is in compliance with the Order/Judgment for the review period noted above. |
| <input type="checkbox"/> | Based upon the data submitted by the facility for the review period noted above, ADEQ cannot determine the compliance status until the facility corrects missing and/or deficient data. |
| <input type="checkbox"/> | Based upon the data submitted by the facility, ADEQ has determined this facility was not in compliance with its permit(s), wastewater regulation, and/or Order/Judgment for the review period noted above. |