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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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**COMMISSIONERS**

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

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

DOCKET NO. WS-02987A-12-0136

**STAFF'S UPDATE RE: JOHNSON  
UTILITIES, L.L.C.'S ADEQ COMPLIANCE  
STATUS**

**ORIGINAL**

The Arizona Department of Environmental Quality ("ADEQ") has provided Arizona Corporation Commission Staff ("Staff") with current compliance status report for the Santan Wastewater Treatment Plant ("WTP") dated September 18, 2014, and for the Pecan WTP dated August 27, 2014, which show that neither plant is in violation at a level where ADEQ will take action. Said reports are attached hereto as Exhibits A and B, respectively. Based upon these reports, all four of Johnson Utilities' wastewater treatment plants are in compliance. Therefore, Staff does not oppose the issuance of a conditional CC&N for each of the requested CC&N extension areas except for the last four phases of Anthem at Merrill Ranch, which should be Orders Preliminary. Given that this condition has been met, Staff's proposed paragraph set forth its Request for Clarification of Recommended Opinion and Order should eliminate the reference to Staff's action to be taken upon the Company's compliance with ADEQ. The recommended paragraphs read:

IT IS FURTHER ORDERED that Staff shall file, within thirty days of the Company's filing indicating that all water and wastewater systems are in compliance with Arizona Department of Environmental Quality regulations, a Staff response in the form of a Proposed Order confirming compliance and granting a conditional CC&N for an extension to include the areas included in the Order Preliminary except four Units in the Merrill Ranch Expansion One, Units 59A, 59C, 59D and 59E; and that the Proposed Order confirming compliance should then be scheduled as soon as possible for Commission vote.

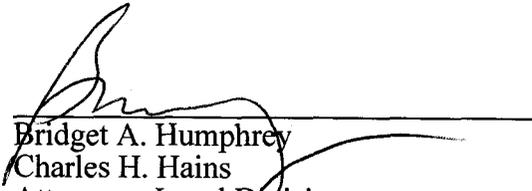
...

1 IT IS FURTHER ORDERED that for any of the four Units in the Merrill Ranch  
2 Expansion One, Units 59A, 59C, 59D and 59E, Staff shall file, within thirty days of  
3 the Company's filing indicating that all water and wastewater systems are in  
4 compliance with Arizona Department of Environmental Quality regulations or that an  
5 ADEQ Approval to Construct water or wastewater facilities for the first parcel of each  
6 specified Unit has been issued, whichever occurs later, a Staff response in the form of  
7 a Proposed Order confirming compliance and granting a conditional CC&N for an  
8 extension to include the areas included in the Order Preliminary; and that the Proposed  
9 Order confirming compliance should then be scheduled as soon as possible for  
10 Commission vote.

11 Those paragraphs should be changed to state:

12 IT IS FURTHER ORDERED that for any of the four Units in the Merrill Ranch  
13 Expansion One, Units 59A, 59C, 59D and 59E, Staff shall file, within thirty days of  
14 the Company's filing indicating that an ADEQ Approval to Construct water or  
15 wastewater facilities for the first parcel of each specified Unit has been issued, a Staff  
16 response in the form of a Proposed Order confirming compliance and granting a  
17 conditional CC&N for an extension to include the areas included in the Order  
18 Preliminary; and that the Proposed Order confirming compliance should then be  
19 scheduled as soon as possible for Commission vote.

20 RESPECTFULLY SUBMITTED this 2<sup>nd</sup> day of October, 2014.

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Bridget A. Humphrey  
Charles H. Hains  
Attorneys, Legal Division  
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1200 West Washington Street  
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(602) 542-3402

Original and thirteen (13) copies  
of the foregoing filed this  
2<sup>nd</sup> day of October, 2014, with:

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

1 Copy of the foregoing mailed and/or emailed this  
2 2<sup>nd</sup> day of October, 2014, to:

3 Jeffrey W. Crockett  
4 BROWNSTEIN HYATT FARBER SCHRECK, LLP  
5 One East Washington Street, Suite 2400  
6 Phoenix, Arizona 85004

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# **EXHIBIT A**



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

<b>Facility Name:</b> JOHNSON UTILITIES - SANTAN WRP	<b>Date:</b> 9/18/2014
<b>Permit Issuance Date:</b> APP: 10/24/2007	<b>Permit #:</b> N/A <span style="float: right;">105325</span> <input type="checkbox"/> AZPDES <input checked="" type="checkbox"/> Aquifer Protection Permit (APP)
<b>LTF #:</b> APP: 43235 <span style="margin-left: 50px;">AZPDES: N/A</span>	<b>Place ID:</b> 18584
<b>Date of Last Inspection:</b> 12/5/2013	<b>Compliance Period:</b> 4/1/2014 - 6/30/2014
<b>Evaluation Completed by :</b> TRACY BUNCH	<b>Phone:</b> 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 no monitoring and reporting violations:

There is an open Notice of Violation (NOV) issued 5/30/2013. ADEQ confirms that Johnson Utilities, LCC has met the "Compliance Conditions" for case ID No. 140548. ADEQ is in discussion with Johnson Utilities, LCC to resolve the company's liabilities cited in the NOVs, and will maintain the open status of the NOVs until a resolution is reached.

<b>Compliance Review: Check All That Apply</b>			
<input type="checkbox"/>	Self-Monitoring Report Form Deficiencies (APP)	<input type="checkbox"/>	Notice of Opportunity to Correct
<input type="checkbox"/>	Self-Monitoring Report Form Missing Parameter (APP)	<input type="checkbox"/>	Notice of Violation
<input type="checkbox"/>	Self-Monitoring Report Form Discharge Limit Exceedances (APP)	<input type="checkbox"/>	Administrative Order
<input type="checkbox"/>	Discharge Monitoring Report Form Missing Parameter (AZPDES)	<input type="checkbox"/>	Consent Judgment
<input type="checkbox"/>	Discharge Monitoring Report Form Deficiencies (AZPDES)	<input type="checkbox"/>	Other
<input type="checkbox"/>	Discharge Monitoring Report Form Exceedances (AZPDES)	<input type="checkbox"/>	
<input type="checkbox"/>	Late Submittals	<input type="checkbox"/>	
<input type="checkbox"/>	Non-Submittal		



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

<input checked="" 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 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.

# **EXHIBIT B**



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

<b>Facility Name:</b> JOHNSON UTILITIES - PECAN WRP	<b>Date:</b> 8/27/2014 (Supersedes compliance status report on 7/14/2014)
<b>Permit Issuance Date:</b> APP: 2/22/2012	<b>Permit #:</b> N/A <span style="float: right;"><b>105324</b></span> <input type="checkbox"/> AZPDES <input checked="" type="checkbox"/> Aquifer Protection Permit (APP)
<b>LTF #:</b> APP: 48606 <span style="margin-left: 100px;">AZPDES: N/A</span>	<b>Place ID:</b> 18583
<b>Date of Last Inspection:</b> 3/25/2014	<b>Compliance Period:</b> 4/1/2013 - 3/31/2014
<b>Evaluation Completed by :</b> TRACY BUNCH	<b>Phone:</b> 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:

- 1 daily exceedance for Fecal Coliform in 1<sup>st</sup> quarter 2014 at monitoring point 91561, at Phase II Effluent Pump Station.
- 7 daily exceedances for Fecal Coliform 4 of 7 Samples 1<sup>st</sup> quarter 2014 at monitoring point 91561, Phase II Effluent Pump Station.
- 1 daily exceedance for Fecal Coliform (Reuse) in 1<sup>st</sup> quarter 2014 at monitoring point 91564, Class A+ - Effluent Pump Station.
- 5 daily exceedances for Fecal Coliform (Reuse) 4 of 7 Samples in 1<sup>st</sup> quarter 2014 at monitoring point 91564, Class A+ - Effluent Pump Station.

<b>Compliance Review: Check All That Apply</b>			
<input type="checkbox"/>	Self-Monitoring Report Form Deficiencies (APP)	<input type="checkbox"/>	Notice of Opportunity to Correct
<input type="checkbox"/>	Self-Monitoring Report Form Missing Parameter (APP)	<input type="checkbox"/>	Notice of Violation
<input checked="" type="checkbox"/>	Self-Monitoring Report Form Discharge Limit Exceedances (APP)	<input type="checkbox"/>	Administrative Order
<input type="checkbox"/>	Discharge Monitoring Report Form Missing Parameter (AZPDES)	<input type="checkbox"/>	Consent Judgment
<input type="checkbox"/>	Discharge Monitoring Report Form Deficiencies (AZPDES)	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Discharge Monitoring Report Form Exceedances (AZPDES)	<input type="checkbox"/>	
<input type="checkbox"/>	Late Report Submittal	<input type="checkbox"/>	
<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 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.