

JOHNSON UTILITIES, L.

5230 East Shea Boulevard, Suite 200 * Scottsdale, Arizo.
PH: (480) 998-3300; FAX: (480) 483-7908



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May 22, 2015

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AZ CORP COM
DOCKET CONT

Brian Bozzo
Compliance / Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix AZ 85007

Arizona Corporation Commission

DOCKETED

MAY 26 2015

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Re: Johnson Utilities, L.L.C.
Compliance to Decision No. 65840
Docket No. WS-02987A-99-0583 ,

WS-02987A-00-0618; W-02234A-00-0371;
W-01395A-00-0784, W-02859A-00-0774

Dear Mr. Bozzo:

In accordance with the requirements of Decision No. 65840, the Arizona Department of Environmental Quality (ADEQ) informed us that they no longer generate Water and Wastewater Compliance Reports for utility companies. All compliance reports will need to be directly obtained from them. Please see email correspondence from ADEQ as Attachment 1.

Also in accordance with the requirements of Decision No. 65840, we have attached the following:

Attachment 2: The May 11, 2015 cover letter from ADEQ addressing two NOV's as results of the inspections of March 6, 2015 and March 9, 2015 at our Section 11 – WWTP located at 5452 E Hunt Hwy, Queen Creek, AZ 85132.

Attachment 3: The NOV (Case #156348) directly resulting from the March 6, 2015 inspection of the above property.

Attachment 4: The NOV (Case #155916) directly resulting from the March 9, 2015 inspection of the above property.

Attachment 4-a: The NOC (Case #155915) giving direction as to how Johnson Utilities may establish compliance with NOV (Case #155916).

Johnson Utilities will continue to inform the Compliance Director of the ongoing efforts to bring Section 11 into compliance, culminating with the final approval documentation from ADEQ.

Brian Bozzo
May 22, 2015
Page Two

If you have any questions regarding the above, please contact me directly at (480) 998-3300.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Cole", is written over a horizontal line. The signature is stylized and cursive.

Brad Cole
Chief Operating Officer
JOHNSON UTILITIES, L.L.C.

BC:meb
Attachments (1 through 4-a)

cc: Docket Control (17 copies)
Jeffrey Crockett; Brownstein Hyatt Farber Schreck, LLP

Attachment 1

Michelle Belaski

From: Katherine Nierva
Sent: Tuesday, May 26, 2015 1:16 PM
To: Michelle Belaski
Subject: FW: Compliance Status Request for Johnson Utilitites

From: Tracy S. Bunch [<mailto:Bunch.Tracy@azdeq.gov>]
Sent: Tuesday, May 26, 2015 12:50 PM
To: Katherine Nierva
Cc: Julian Stewart; Lucy M. Ruiz; Mikka C. Mulumba; Linda L. Bragg; Mike W. Tenczar; Robert Phalen
Subject: Compliance Status Request for Johnson Utilitites

Hi Katherine,

As mentioned before, the Arizona Corporation Commission (ACC) must request the compliance status report from Arizona Department of Environmental Quality (ADEQ). Once the compliance status report is completed, the water utility company may obtain a copy directly from the ACC or by submitting a formal records request to the ADEQ Records Department.

If you have any questions please feel free to contact me.

Thank you,

Tracy

Tracy Bunch
Environmental Program Specialist
Water Quality Division, Data Unit

1110 West Washington Street
Phoenix, Arizona 85007
(602) 771-4571
FAX (602) 771-4505

NOTICE: This e-mail (and any attachments) may contain PRIVILEGED OR CONFIDENTIAL information and is intended only for the use of the specific individual(s) to whom it is addressed. It may contain information that is privileged and confidential under state and federal law. This information may be used or disclosed only in accordance with law, and you may be subject to penalties under law for improper use or further disclosure of the information in this e-mail and its attachments. If you have received this e-mail in error, please immediately notify the person named above by reply e-mail, and then delete the original e-mail. Thank you.

Attachment 2



Douglas A. Ducey
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



Henry R. Darwin
Director

CERTIFIED MAIL
Return Receipt Requested

May 11, 2015

Johnson Utilities, LLC
Attention: George Johnson
PO Box #: 87
Queen Creek, Arizona



7011 1570 0002 5707 7028

Case ID #: 155915
155916
156348

Re: Notice of Violations issued to Johnson Utilities, LLC

Dear Mr. Johnson:

This letter constitutes the monthly update on the status of Arizona Department of Environmental Quality ("ADEQ") action resulting from ADEQ's inspections of the above-referenced site on March 6, 2015 and March 9, 2015, as required by A.R.S. § 41-1009(I).

The attached Notices of Violation ("NOV") are informal compliance assurance tools used by ADEQ to put a responsible party (such as a facility owner or operator) on notice that the Department believes a violation of an environmental requirement has occurred. It describes the facts known to ADEQ at the time of issuance and cites the requirements that ADEQ believes the party has violated.

Although ADEQ has the authority to issue appealable administrative orders compelling compliance, an NOV has no such force or effect. Rather, an NOV provides the responsible party an opportunity to do any of the following before ADEQ takes formal enforcement action: (1) meet with ADEQ and discuss the facts surrounding the violation, (2) demonstrate to ADEQ that no violation has occurred, or (3) document that the violation has been corrected.

ADEQ reserves the right to take a formal enforcement action, such as issuing an administrative order or filing a civil lawsuit, regardless of whether the Department has issued an NOV. Neither ADEQ's issuance of an NOV nor its failure to do so precludes the Department from pursuing these remedies. However, the timeliness of a complete response to this notice will be considered by ADEQ in determining if and how to pursue such remedies.

Sincerely,

Mindi Cross, Manager
Water Quality Compliance Section

CC: Katherine Nierva, P.E., 5230 E. Shea Blvd. Suite 200, Scottsdale, AZ 85254

Enclosures: ADEQ Notices of Violation Case ID#: 155915, 155916, and 156348

REF #: WQICU.15-374

Attachment 3



Douglas A. Ducey
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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



Henry R. Darwin
Director

CERTIFIED MAIL
Return Receipt Requested

Case ID #: 156348

May 11, 2015

Johnson Utilities, LLC
Attention: George Johnson
Po Box 87
Queen Creek, AZ 85142

Subject: Johnson Utilities Section 11- WWTP, Place ID 142
5452 E Hunt Hwy / Queen Creek, AZ 85132

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ) has reason to believe that Johnson Utilities, LLC as the owner/operator of Johnson Utilities Section 11- WWTP has violated a requirement of the Arizona Revised Statutes (A.R.S.), a rule within the Arizona Administrative Code (A.A.C.), or an applicable permit/license, administrative order or civil judgment. ADEQ discovered the violations alleged below during an inspection completed on March 06, 2015.

I. LEGAL AUTHORITY and NATURE OF ALLEGED VIOLATION(S)

1. **Permit 44231 (103081) - 2.3 - Discharge Limitations**

The permittee shall operate and maintain all permitted facilities to prevent unauthorized discharges pursuant to A.R.S. § 49-201(12) resulting from failure or bypassing of applicable BADCT.

During the March 6, 2015 inspection, the ADEQ Water Quality Inspections and Compliance Unit (WQICU) representative observed an unmanned sump pump connected to a hose, leading to the dry wash located between the fence line of the facility and the railroad tracks.

In addition, the WQICU representative observed standing water on the southeast corner of the facility. Based upon weather data, no rain events took place during the week of February 27, 2015 through March 6, 2015.

During an announced facility inspection conducted on March 9, 2015, the sump pump and hoses observed on March 6, 2015 were removed, and the wash with the previously observed water was virtually dry.

II. DOCUMENTING COMPLIANCE

1. Within 15 calendar days of receipt of this Notice, please submit documentation that the

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violation(s) never occurred, or a description of the measures that have been or will be taken to resolve the alleged violation.

The description should include the procedures that the Johnson Utilities Section 11 WWTP will implement, including a standard operating procedure (SOP) on the discharge limitation requirements outlined in APP Permit #: P-103081, Section 2.3.

2. Within 15 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or training records that certify that all employees at the Johnson Utilities Section 11 WWTP have been trained on the procedures identified in the SOP. Documentation should include training records, and signatures from the employees confirming that the training has occurred.
3. Within 30 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or documentation that demonstrates that Johnson Utilities, LLC has thoroughly cleaned and disinfected the site so that no readily identified residue (e.g. sewage solids, stained soil) remains.

Clean-up efforts should include, deodorizing and disinfecting the site through the use of absorbent material; excavation and disposal of affected soil; flushing with potable water; and application, containment, and recovery of any chlorinated wash-down water and return of wash-down water to the sewer. In addition, discard or properly sanitize any contaminated objects located in the affected area, including proper removal and disposal of visible debris.

Documentation should include a written description of the remediation event, receipts that demonstrate proper disposal of soil and solid debris removed from the site location, as well as photographic documentation.

III. SUBMITTING COMPLIANCE DOCUMENTATION

Please send all compliance documentation and any other written correspondence regarding this Notice to ADEQ at the following address:

Arizona Department of Environmental Quality, Attention: Robert Phalen, Water Quality Compliance Field Service Unit I, 1110 W Washington St, Phoenix, AZ 85007 MC: 5415B-1

IV. STATEMENT OF CONSEQUENCES

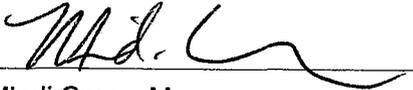
1. The time frames within this Notice for achieving and documenting compliance are firm limits. Failure to achieve or document compliance within the time frames established in this Notice will result in an administrative compliance order or civil action requiring compliance within a reasonable time frame, substantial civil penalties, and/or the suspension or revocation of an

applicable permit/license. ADEQ will agree to extend the time frames only in a compliance schedule negotiated in the context of an administrative consent order or civil consent judgment.

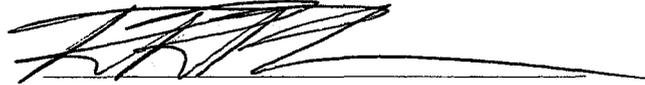
2. Achieving compliance does not preclude ADEQ from seeking civil penalties, and/or suspending or revoking an applicable permit/license for the violation(s) alleged in this Notice as allowed by law.

V. OFFER TO MEET

ADEQ is willing to meet regarding this Notice. To obtain additional information about this Notice or to schedule a meeting to discuss this Notice, please contact Robert Phalen at (602) 771-7674.



Mindi Cross, Manager
Water Quality Compliance Section



Robert Phalen
Water Quality Compliance Field Service Unit I

Attachment 4



Douglas A. Ducey
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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



Henry R. Darwin
Director

CERTIFIED MAIL
Return Receipt Requested

Case ID #: 155916

May 11, 2015

Johnson Utilities, Llc
Attention: George Johnson
Po Box 87
Queen Creek, AZ 85142

Subject: Johnson Utilities Section 11- WWTP, Place ID 142
5452 E Hunt Hwy / Queen Creek, AZ 85132

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ) has reason to believe that Johnson Utilities, Llc as the owner/operator of Johnson Utilities Section 11- WWTP has violated a requirement of the Arizona Revised Statutes (A.R.S.), a rule within the Arizona Administrative Code (A.A.C.), or an applicable permit/license, administrative order or civil judgment. ADEQ discovered the violations alleged below during an inspection completed on March 09, 2015.

I. LEGAL AUTHORITY and NATURE OF ALLEGED VIOLATION(S)

1. **A.R.S. § 49-255.01(A) / A.A.C. R18-9-A905(A)(1)(d) / 40 CFR § 122.26(a)(1)(ii)**

Discharge of storm water associated with an industrial activity without a permit.

At the time of the inspection on March 9, 2015, it was noted that the facility was not operating under a Sector T industrial stormwater discharge permit. All wastewater plants with a discharge in excess of 1.0 million gallons per day are required to file an NOI to operate under the Arizona Multi-Sector General Stormwater Permit.

Based on ADEQ GIS data, stormwater drainage is to an unnamed wash directly to the east. This wash empties into the Gila River, located approximately 6 miles to the south. There is a potential for stormwater to drain from the unnamed wash into the Gila River. Therefore, a stormwater permit is required.

II. DOCUMENTING COMPLIANCE

1. Within 30 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or a Notice Of Intent to operate under the Arizona Multi-Sector General Stormwater Permit. The NOI can be filed online, but evidence of submission and approval, as well as a copy of the final SWPPP, must also be sent to the Water Quality Compliance Section at the address below.

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

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III. SUBMITTING COMPLIANCE DOCUMENTATION

Please send all compliance documentation and any other written correspondence regarding this Notice to ADEQ at the following address:

Arizona Department of Environmental Quality, Attention: Jason D. Freshwater, Water Quality
Compliance Field Service Unit I, 1110 W Washington St, Phoenix, AZ 85007 MC: 5415B-1

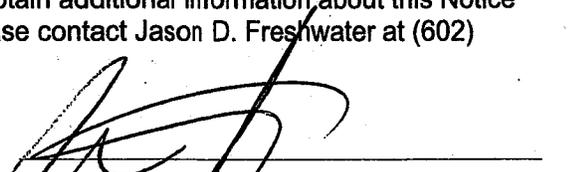
IV. STATEMENT OF CONSEQUENCES

1. The time frames within this Notice for achieving and documenting compliance are firm limits. Failure to achieve or document compliance within the time frames established in this Notice will result in an administrative compliance order or civil action requiring compliance within a reasonable time frame, substantial civil penalties, and/or the suspension or revocation of an applicable permit/license. ADEQ will agree to extend the time frames only in a compliance schedule negotiated in the context of an administrative consent order or civil consent judgment.
2. Achieving compliance does not preclude ADEQ from seeking civil penalties, and/or suspending or revoking an applicable permit/license for the violation(s) alleged in this Notice as allowed by law.

V. OFFER TO MEET

ADEQ is willing to meet regarding this Notice. To obtain additional information about this Notice or to schedule a meeting to discuss this Notice, please contact Jason D. Freshwater at (602) 771-4620.


Mindi Cross, Manager
Water Quality Compliance Section


Jason D. Freshwater
Water Quality Compliance Field Service Unit I

Attachment 4-a



Douglas A. Ducey
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street Phoenix, Arizona 85007
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Henry R. Darwin
Director

CERTIFIED MAIL
Return Receipt Requested

Case ID #: 155915

May 11, 2015

Johnson Utilities, Llc
Attention: George Johnson
PO Box 87
Queen Creek, AZ 85142

Subject: Opportunity to Correct Deficiencies
Johnson Utilities Section 11- WWTP, Place ID 142
5452 E Hunt Hwy / Queen Creek, AZ 85132

Dear Mr. Johnson:

The Arizona Department of Environmental Quality (ADEQ) has reason to believe that Johnson Utilities, Llc as the owner/operator of Johnson Utilities Section 11- WWTP may be in violation of Arizona's environmental requirements. The purpose of this letter is to update you on the status of ADEQ action resulting from an ADEQ inspection as required by A.R.S. §41-1009(H), and to allow you an opportunity to correct these deficiencies without enforcement by ADEQ. An ADEQ inspection of the facility completed on March-09, 2015 revealed the following:

1. Permit 44231 (103081) - Section 3.0

Failure to follow a compliance schedule established in an individual aquifer protection permit.

At the time of inspection, ADEQ had not received the signed and sealed Engineer's Certificate of Completion required by Item 1 of Section 3.0 of the permit.

2. Permit 44231 (103081) - Section 2.7.7

Failure to submit a minor amendment request for changes in Facility Contact and Emergency Phone Number.

"The Groundwater Section and the Water Quality Compliance Section shall be notified within ten days of any change of facility information including Facility Name, Permittee Name, Mailing or Street Address, Facility Contact Person, or Emergency Telephone Number".

To establish compliance:

1. Within 30 calendar days of receipt of this letter, please submit a written response describing the corrective actions that have been taken to resolve the alleged violations, along with appropriate documentation. Appropriate documentation includes: invoices, photographs, logs, laboratory analyses, sealed engineering plans, technical drawings, permits, and any other document(s) necessary to establish that the deficiencies have been resolved.

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Submission of a copy of the cover letter sent with the Engineer's Certificate of Closure, signed and dated, will suffice as evidence that it was submitted within the timeframe stipulated in the permit.

2. Within 30 calendar days of receipt of this letter, please submit a request for a minor amendment to the permit and provide documentation that the amendment has been approved by ADEQ.

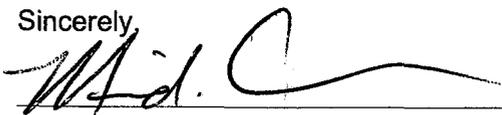
Please review the above and submit a written response to:

Arizona Department of Environmental Quality, Attention: Jason D. Freshwater, Water Quality Compliance Field Service Unit I, 1110 W Washington St, Phoenix, AZ 85007 MC: 5415B-1

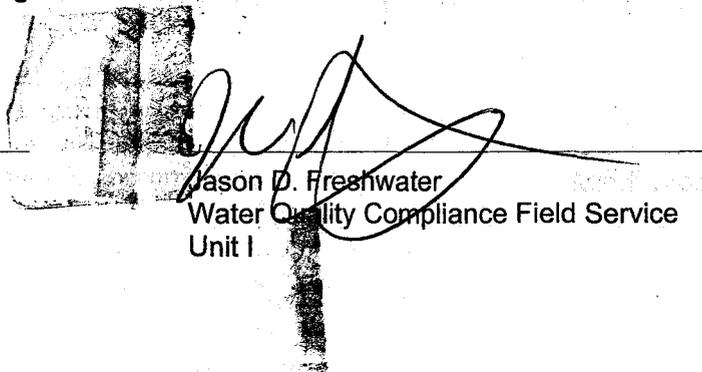
ADEQ may verify compliance by on-site inspection or other appropriate means. Within 30 days of receipt of your response to this letter, ADEQ will notify you whether the facility is in substantial compliance.

Although ADEQ has the authority to issue appealable administrative orders compelling compliance, this letter has no such force or effect. Your point of contact for resolution of these deficiencies will be Jason D. Freshwater who can be reached at (602) 771-4620. Please contact him/her if you have any questions about this letter or need additional guidance.

Sincerely,



Mindi Cross, Manager
Water Quality Compliance Section



Jason D. Freshwater
Water Quality Compliance Field Service
Unit I