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Arizona Corporation Commission

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14 **BEFORE THE ARIZONA CORPORATION COMMISSION**

15 IN THE MATTER OF THE APPLICATION
16 OF LIBERTY UTILITIES (LITCHFIELD
17 PARK WATER & SEWER) CORP. FOR
18 APPROVAL OF AN EXTENSION OF A
19 CERTIFICATE OF CONVENIENCE AND
20 NECESSITY TO PROVIDE WASTEWATER
21 UTILITY SERVICE IN MARICOPA
22 COUNTY, ARIZONA.

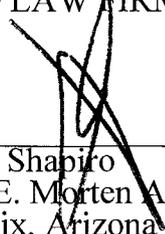
DOCKET NO: SW-01428A-15-0259

**NOTICE OF FILING RESPONSE TO
INSUFFICIENCY LETTER #2
DATED NOVEMBER 6, 2015**

23 Liberty Utilities (Litchfield Park Water & Sewer) Corp. hereby submits its
24 response to Insufficiency Letter #2 dated November 6, 2015. See **Exhibit A**.

25 RESPECTFULLY SUBMITTED this 10th day of December, 2015.

26 SHAPIRO LAW FIRM, P.C.

By: 
Jay L. Shapiro
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Phoenix, Arizona 85020

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and

LIBERTY UTILITIES

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Attorneys for Liberty Utilities (Litchfield Park
Water & Sewer) Corp.

ORIGINAL and thirteen (13) copies
of the foregoing filed
this 10th day of December, 2015, with:

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

COPY of the foregoing hand-delivered
this 10th day of December, 2015, to:

Sasha Paternoster, ALJ
Hearing Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

COPY of the foregoing emailed & hand-delivered
this 10th day of December, 2015, to:

Robin Mitchell
Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007
rmitchell@azcc.gov

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COPY of the foregoing emailed & mailed
this 10th day of December, 2015, to:

Michele Van Quathem
Ryley Carlock & Applewhite
One North Central Avenue, Suite 1200
Phoenix, AZ 85004
mvq@rcalaw.com

By: Whitney Zink

EXHIBIT A



1. **The design report estimates 250 GPD/DU (single family residential dwelling unit) and the design engineer projects average day flow of 1,223 MGD. Based on the Company's Off-Site Hookup Fee Tariff, a 320 GPD/ERU (equivalent residential unit for single home) should be used in the design. It appears that the wastewater treatment capacity design is underestimated. If the Company disagrees, please state how the Company is going to handle the Off-Site Hookup Fee requirement.**

Response: The design report for the Zanjero Trails development utilized a calculation of 250 gpd/DU for the development as approved in 2004 as part of the preliminary plat process with Maricopa County. Liberty LP currently uses 320 gpd/DU to calculate developer Hook-Up Fees as noted in the Company's current Wastewater Hook-Up Fee approved in Decision No. 74437. The treatment capacity for PVWRF is not underestimated as a result of the difference between the design report calculation (250 gpd/DU) and the Wastewater Hook-Up Fee calculation (320 gpd/DU). The Company determines developer financial contributions for treatment capacity and other off-site facilities through Hook-Up Fees based on the 320 gpd/DU figure. The developer's design report calculation of 250 gpd/DU does not impact the actual or design treatment capacity of PVWRF. Finally, the Zanjero Trails development is projected to take 20 plus years to buildout, which means that any relatively small variations in actual flows, such as this example, from the design report will not have any impact on the Company's collection system or wastewater plant.

For the Zanjero Trails development, the Company intends to apply its applicable Wastewater Hook-Up Fee tariff as approved by the Commission, which is currently \$1,800 based on the Equivalent Residential Unit (ERU) of 320 gallons per day. Developer payments of Hook-Up Fees will not impact the PVWRF treatment capacity design or expansion.

2. **ADEQ Compliance Report indicates that PVWRF exceeds the discharge limit, please explain what caused this problem, is this an ongoing issue or one-time event? How did the Company correct the problem?**

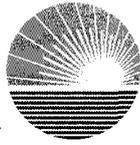
Response: The Company assumes that this question relates to the ADEQ Compliance Report dated July 28, 2015 that shows certain "daily exceedances" at PVWRF. These



daily exceedances are minor events resulting from normal operations of the plant. In fact, the ADEQ Compliance Report notes that “ADEQ has determined that as of this date the facility was not in violation at a level at which ADEQ would take an action or issues a Notice of Opportunity to Correct or Notice of Violation...” July 28, 2015 ADEQ Compliance Report at 2. These types of daily exceedances are routine at a wastewater treatment plant and often result from torn filter pads, failing UV bulbs or other minor operational occurrences. As noted below, the Company remedied all of these minor violations.

Although the Company strives and operates to maintain plant equipment in peak performance at all times, failures can happen without realization of the occurrence until the Company receives lab results indicating an issue. At PVWRF, the filter units are taken down on a weekly rotating basis for cleaning and inspection for tears in the filter pads or any other abnormality. During operation, these filter pads are submerged under water and cannot be easily inspected on daily rounds at PVWRF to locate tears in the filter pads. Occasionally a filter pad will suffer a tear thus allowing some unfiltered water through and into the disinfection zone of the treatment process. Many times these types of failures are first discovered when test results are received by the Company from the certified lab, several days later, indicating a daily exceedance of the E-Coli limits. Upon receipt of those lab tests, the Company immediately investigated the cause for the exceedances. When the Company found that a filter pad was torn, the filter unit was immediately removed from service and the failed component was replaced. Once the unit was repaired, a verification sample was taken the next day. The same holds true for a faulty or failing UV unit in the disinfection stream. Occasionally a UV bulb will not be at optimal performance due to premature failure of the component and requires a change out. Such UV bulb failure can't be readily identified until the bulb goes out or until a lab test identifies an issue several days after the actual failure. Once such issue was discovered, the Company immediately replaced the failing part and obtained verification tests the next day. There were other causes of exceedances such as weather related (rain), which was identified as the probable cause of a contaminated sample. Again, the Company obtained verification tests the next day.

All of these issues are corrected as soon as they are discovered and any excursions are reported by the Company as required under its permit. See attached verification results from Legend Technical Services of Arizona, Inc. relating to verification that all such exceedances were remedied and PVWRF was in full compliance the next day.



Liberty Utilities[®]
WATER | GAS | ELECTRIC

Liberty LP is currently in full compliance with all applicable permits relating to operation of PVWRF.

Palm Valley WRF
14222 W. McDowell
Goodyear, AZ 85395

Project: Daily and Weekly
Project Number: 100310 5/5/14
Project Manager: Ray Scott

Reported:
05/13/14 15:40

050514-RL-01@Inf. Comp Sampler A (4050321-01) Wastewater (Composite) Sampled: 05/05/14 12:22 Received:
05/05/14 14:50

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Legend Technical Services of Arizona, Inc.

Inorganic Chemistry

Biochemical Oxygen Demand	277	2	mg/L	1	B4E0142	05/06/14 13:00	05/06/14 13:00	SM 5210B	K5
Total Suspended Solids	262	1	mg/L	1	B4E0242	05/08/14 09:30	05/08/14 09:30	SM 2540 D	

050514-RL-02,03-Eff. Comp Sampler A (4050321-02) Wastewater (Composite) Sampled: 05/05/14 12:33 Received:
05/05/14 14:50

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Legend Technical Services of Arizona, Inc.

Inorganic Chemistry

Biochemical Oxygen Demand	2	2	mg/L	1	B4E0142	05/06/14 13:00	05/06/14 13:00	SM 5210B	K5
Total Suspended Solids	11	1	mg/L	1	B4E0242	05/08/14 09:30	05/08/14 09:30	SM 2540 D	

050514-RL-04@Eff Flow Tap A (4050321-03) Wastewater (Grab) Sampled: 05/05/14 12:46 Received: 05/05/14 14:50

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Legend Technical Services of Arizona, Inc.

Microbiology

E. coli, MPN (WW-Colilert)	7	1	MPN/100 mL	1	B4E0292	05/05/14 16:25	05/05/14 16:25	SM 9223B	
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Legend Technical Services of Arizona, Inc.

Laboratory Work Order No.: 4050321

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

Palm Valley WRF
14222 W. McDowell
Goodyear, AZ 85395

Project: Daily and Weekly
Project Number: 100310 5/7/2014
Project Manager: Ray Scott

Reported:
05/13/14 09:51

050714-DA-01@EFF FLOW TAP A (4050666-01) Wastewater (Grab) Sampled: 05/07/14 11:03 Received: 05/07/14 15:10

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Legend Technical Services of Arizona, Inc.

Microbiology

E. coli, MPN (WW-Colilert)	<1	1 MPN/100 mL	1	B4E0294	05/07/14 16:25	05/07/14 16:25	SM 9223B		
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Legend Technical Services of Arizona, Inc.

Laboratory Work Order No.: 4050666

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

Palm Valley WRF
14222 W. McDowell
Goodyear, AZ 85395

Project: Daily and Weekly
Project Number: 100310 6/7/2014
Project Manager: Ray Scott

Reported:
06/16/14 12:05

14-MK-01@Eff Flow Tap A (4060667-01) Wastewater (Grab) Sampled: 06/07/14 10:23 Received: 06/07/14 11:23

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Legend Technical Services of Arizona, Inc.									
Microbiology									
E. coli, MPN (WW-Colilert)	<1	1	MPN/100 mL	1	B4F0212	06/07/14 12:30	06/07/14 12:30	SM 9223B	

Legend Technical Services of Arizona, Inc.

Laboratory Work Order No.: 4060667

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

Palm Valley WRF
14222 W. McDowell
Goodyear, AZ 85395

Project: Daily and Weekly
Project Number: 100310 6/15/14
Project Manager: Ray Scott

Reported:
06/19/14 12:28

514-MK-01@Eff Flow Tap A (4061210-01) Wastewater (Grab) Sampled: 06/15/14 11:36 Received: 06/15/14 13:25

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Legend Technical Services of Arizona, Inc.

Microbiology

E. coli, MPN (WW-Colilert)	<1	1	MPN/100 mL	1	B4F0467	06/15/14 13:35	06/15/14 13:35	SM 9223B	
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Legend Technical Services of Arizona, Inc.

Laboratory Work Order No.: 4061210

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

Palm Valley WRF
14222 W. McDowell
Goodyear, AZ 85395

Project: Daily and Weekly
Project Number: 100310 7/11/2014
Project Manager: Ray Scott

Reported:
07/14/14 13:50

114-MK-01@Eff Flow Tap A (4071119-01) Wastewater (Grab) Sampled: 07/11/14 12:58 Received: 07/11/14 14:15

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Legend Technical Services of Arizona, Inc.

Microbiology

E. coli, MPN (WW-Colilert)	<1	1 MPN/100	ml	1	B4G0354	07/11/14 15:20	07/11/14 16:20	SM 9223B	
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Legend Technical Services of Arizona, Inc.

Laboratory Work Order No.: 4071119

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

Palm Valley WRF
14222 W. McDowell
Goodyear, AZ 85395

Project: Daily and Weekly
Project Number: 100310 10/14/14
Project Manager: Ray Scott

Reported:
10/22/14 10:12

1414-RD-01@Eff Flow Tap A (4101303-01) Wastewater (Grab) Sampled: 10/14/14 12:26 Received: 10/14/14 15:20

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Legend Technical Services of Arizona, Inc.

Microbiology

E. coli, MPN (WW-Colilert)	<1	1	MPN/100 mL	1	B4J0423	10/14/14 17:40	10/14/14 17:40	SM 9223B	
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Legend Technical Services of Arizona, Inc.

Laboratory Work Order No.: 4101303

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

Palm Valley WRF
14222 W. McDowell
Goodyear, AZ 85395

Project: Daily and Weekly
Project Number: 100310 1/12/2015
Project Manager: Ray Scott

Reported:
01/15/15 11:58

011215-RD-01@Eff Flow Tap A (5010852-01) Wastewater (Grab) Sampled: 01/12/15 11:19 Received: 01/12/15 15:00

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Legend Technical Services of Arizona, Inc.

Microbiology

E. coli, MPN (WW-Colilert)	<1	1 MPN/100	mL	1	B5A0253	01/12/15 16:10	01/12/15 16:10	SM 9223B	
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Legend Technical Services of Arizona, Inc.

Laboratory Work Order No.: 5010852

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.