

JOHNSON UTILITIES L.L



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PH: (480) 998-3300; FAX: (480) 483-7908

ORIGINAL

RECEIVED

2015 DEC 30 P 2: 28

December 30, 2015

Thomas M. Broderick, Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED
DEC 30 2015

DOCKETED BY

RE: Johnson Utilities, LLC
Compliance with Decision No. 65840
Notice of Violation from ADEQ dated December 16, 2015, Case ID# 159676
WS-02987A-99-0583; WS-02987A-00-0618; W-02234A-00-0371; W-02859A-00-0774;
W-01395A-00-0784

Dear Mr. Broderick:

This letter is to notify you that on December 23, 2015, Johnson Utilities, LLC received a Notice of Violation ("NOV"), dated December 16, 2015 from the Arizona Department of Environmental Quality ("ADEQ"). A copy of the NOV is attached and we will follow up with all correspondences with ADEQ.

Should you have any questions or would like to meet and discuss, please do not hesitate to contact me. Thank you for your time and consideration on this matter.

Sincerely,

Katherine Nierva

Katherine F. Nierva

Cc: Docket Control
Brian Bozzo, Compliance Manager



Douglas A. Ducey
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



Misael Cabrera
Director

CERTIFIED MAIL
Return Receipt Requested

December 16, 2015

Johnson Utilities, LLC
Attention: George Johnson
5230 E Shea Blvd
Ste 200
Scottsdale, AZ 85254

Case ID #: 159676



Subject: Santan Water Reclamation Plant, Place ID 18584
200 E Hunt Hwy / Queen Creek, AZ 85143

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ) has reason to believe that Johnson Utilities, LLC as the owner/operator of Santan Water Reclamation Plant 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 September 10, 2015.

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

1. **A.A.C. R18-9-718(B)(2)**

Failure to maintain a contractual agreement with each end user stipulating any end user responsibilities for the requirements under subsection (A).

Johnson Utilities does not have an end user agreement with the San Tan Heights Community Home Owners' Association (HOA) stipulating the end users' responsibility to comply with reclaimed water rule.

2. **A.A.C. R18-9-718(B)(1)**

A person holding a Type 3 Reclaimed Water Permit for a Reclaimed Water Agent is responsible for the direct reuse of reclaimed water by more than one end user instead of direct reuse by the end users under separate Type 2 Reclaimed Water General Permits.

Johnson Utilities does not have an end user agreement with the San Tan Heights Community HOA stipulating the responsibilities of the San Tan Heights Community HOA, with respect to reclaimed water usage requirements. Therefore, responsibility for conforming with Arizona reclaimed water rules falls back to the Type 3 Reclaimed Water Agent (Johnson Utilities).

II. DOCUMENTING COMPLIANCE

Main Office

1110 W Washington Street • Phoenix, AZ 85007
(602) 771-2300

Southern Regional Office

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

www.azdeq.gov

Printed on recycled paper

1. Within 30 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or an executed (signed) end user agreement stipulating any end user responsibilities for the requirements in A.C.C. R18-9-718(A). An agreement is required explicitly between Johnson Utilities and each end user served under the Type 3 Agent General Reclaimed Water Permit R105778. End users listed on the most current reclaimed water annual report are: Johnson Ranch Golf Course; San Tan Heights Community HOA; and, Cross Cane Land & Cattle.

III. SUBMITTING COMPLIANCE DOCUMENTATION

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

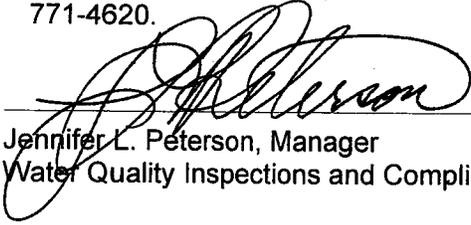
Arizona Department of Environmental Quality, Attention: Jason D. Freshwater, Water Quality Inspections and Compliance Unit, 1110 W Washington St, Phoenix, AZ 85007 MC: 5415B-1

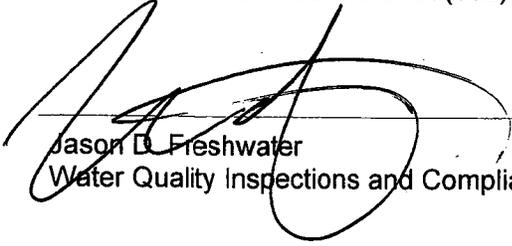
IV. STATEMENT OF CONSEQUENCES

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.


Jennifer L. Peterson, Manager
Water Quality Inspections and Compliance Unit


Jason D. Freshwater
Water Quality Inspections and Compliance Unit