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Docket #(s): SW-01428A-17-0120

Arizona Corporation Commission

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Exhibit #: S1 ; A1 ; A2

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EXHIBIT
S-1
ADMITTED

MEMORANDUM

Arizona Corporation Commission

TO: Docket Control

DOCKETED

FROM: Elijah O. Abinah
Director
Utilities Division

JUL 31 2017

DATE: July 31, 2017

DOCKETED BY

RE: STAFF REPORT IN THE MATTER OF THE APPLICATION OF LIBERTY UTILITIES (LITCHFIELD PARK WATER AND WASTEWATER) CORP. - APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WASTEWATER SERVICE IN MARICOPA COUNTY (DOCKET NO. SW-01428A-17-0120)

Attached is the Staff Report for the application of Liberty Utilities (Litchfield Park Water and Sewer), Corp. for extension of its existing Certificate of Convenience and Necessity ("CC&N").

EOA:BNC:mr\AK

Originator: Blessing Chukwu

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Service List for: Liberty Utilities Corp.
Docket No. SW-01428A-17-0120

On this 31st day of July, 2017, the foregoing document was filed with Docket Control as a Staff Report, and copies of the foregoing were mailed on behalf of the Utilities Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

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By:



Nanisha Ross
Administrative Support Specialist

**STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

**LIBERTY UTILITIES (LITCHFIELD PARK WATER AND WASTEWATER) CORP.
DOCKET NO. SW-01428A-17-0120**

**APPLICATION FOR EXTENSION OF ITS
CERTIFICATE OF CONVENIENCE
AND NECESSITY**

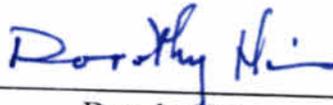
JULY 31, 2017

STAFF ACKNOWLEDGMENT

The Staff Report for Liberty Utilities (Litchfield Park Water and Sewer) Corp. (Docket No. SW-01428A-17-0120) was the responsibility of the Staff members signed below. Blessing Chukwu was responsible for the review and analysis of the Company's application. Dorothy Hains was responsible for the engineering and technical analysis.



Blessing Chukwu
Executive Consultant



Dorothy Hains
Utilities Engineer

EXECUTIVE SUMMARY
LIBERTY UTILITIES (LITCHFIELD PARK WATER AND WASTEWATER) CORP.
DOCKET NO. SW-01428A-17-0120

On April 28, 2017, Liberty Utilities (Litchfield Park Water and Sewer), Corp. ("Liberty" or "Company") filed an Application for an extension of its Certificate of Convenience and Necessity ("CC&N"), with the Arizona Corporation Commission ("ACC" or "Commission"), to provide wastewater service, to a portion of Maricopa County. On May 30, 2017, Staff informed Liberty the application was sufficient for administrative purposes. A hearing was set for August 29, 2017.

Liberty is an Arizona corporation engaged in providing water and wastewater utility services to the public in communities within the cities of Litchfield Park, Goodyear, and Avondale, and in adjacent unincorporated areas of Maricopa County. By this application, the Company is seeking Commission authority to extend its wastewater service territory to include Falcon Ridge Development and Falcon View II Development. Falcon Ridge consists of 178 residential lots on approximately 55.3 acres. Falcon View II consists of 22 residential lots on approximately 9.84 acres. The property owners have requested wastewater service from Liberty. Valley Utilities Water Company, Inc. will be the water provider to the proposed extension area.

Staff recommends the Commission approve Liberty's application for an extension of its Certificate of Convenience and Necessity to provide wastewater service in a portion of Maricopa County, Arizona, subject to compliance with the following conditions:

1. To require Liberty to charge its existing rates and charges in the proposed extension area.
2. To require Liberty to file with Docket Control, as a compliance item in this docket, a copy of the Approval of Construction ("AOC") for the Falcon View II by June 30, 2019, and an AOC for the Falcon Ridge Phase I, by December 31, 2019.
3. To require Liberty to file with Docket Control, by June 30, 2020, documentation demonstrating that the first parcels have been served in the Falcon Ridge and Falcon View II Developments.
4. To require Liberty to file with Docket Control, a copy of the county franchise agreement for the extension area as a compliance item in this docket no later than June 30, 2019.

Staff further recommends that the Commission's Decision granting this extension of Certificate of Convenience and Necessity to Liberty be considered null and void, after due process, should Liberty fail to meet conditions Nos. 2, 3, and 4 within the time specified.

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INTRODUCTION

On April 28, 2017, Liberty Utilities (Litchfield Park Water and Sewer), Corp. ("Liberty" or "Company") filed an Application for an extension of its Certificate of Convenience and Necessity ("CC&N") with the Arizona Corporation Commission ("ACC" or "Commission") to provide wastewater service, to a portion of Maricopa County. On May 30, 2017, Staff informed Liberty the application was sufficient for administrative purposes. A hearing was set for August 29, 2017.

LIBERTY'S BACKGROUND

Liberty is an Arizona corporation in good standing with the Commission's Corporations Division. Liberty provides water and wastewater utility services to the public in communities within the cities of Litchfield Park, Goodyear, and Avondale, and in adjacent unincorporated areas of Maricopa County in the west Phoenix valley, west of the Agua Fria River and north of Interstate Highway 10. Liberty's affiliates provide services in Santa Cruz County, Cochise County, and Pinal County. According to the Company's 2016 Annual Report filed with the Commission, the Company provides water utility service to over 18,500 customers and wastewater utility service to over 17,500 customers.

Liberty is wholly owned by Liberty Utilities (Sub) Corp., a Delaware corporation, which is a wholly owned subsidiary of Liberty Utilities Co., a Delaware corporation. Liberty Utilities' ultimate parent is Algonquin Power & Utilities Corp., a Canadian corporation whose shares are traded on the Toronto Stock Exchange.

PROPOSED EXTENSION AREA

Liberty is requesting Commission approval to serve Falcon Ridge and Falcon View II Developments. Falcon Ridge is approximately 55.3 acres, will consist of 178 residential lots and is bound by Glendale Avenue on the north Maryland Avenue on the south, 129th Avenue on the west and 127th Avenue on the east. Falcon View II is approximately 9.84 acres, will consist of 22 residential lots and is contiguous with Falcon Ridge property with 127th Avenue as its western boundary and 126th Avenue as its eastern boundary. Falcon Ridge Subdivision will be developed in two-phases while Falcon View II will be single phase. Both Developments are located in Section 11 of Township 2 North, Range 1 West. The requested area is in the unincorporated area of Maricopa County. Valley Utilities Water Company, Inc. will be the water provider to Falcon Ridge and Falcon View II. Attachment B contains a map which shows the portion of Maricopa County at issue.

THE WASTEWATER SYSTEM

Liberty owns and operates Casitas Bonitas Lift Station and Palm Valley Water Reclamation Facility ("PVWRF"). Currently, PVWRF has a treatment capacity of 5.1 million gallon per day ("MGD"), and is in the process of being expanded to 5.8 MGD. The expected completion date is by the end of July 2017. The Casitas Bonitas Lift Station has a limited capacity and is only capable of serving an additional 35 lots in Falcon Ridge. Attachment A is Staff's Engineering Report which describes Liberty's current wastewater system, the proposed wastewater plan, the projected

wastewater construction schedule and the costs to serve the requested area. The report includes the findings that Liberty is in compliance with Commission decisions and that the Arizona Department of Environmental Quality ("ADEQ") has determined that as of May 3, 2017, Liberty's PVWRF was in compliance for the review period noted (1/1/2016 – 3/31/2017). The report indicates that Liberty's PVWRF has adequate treatment capacity to serve the requested areas. Further, that the proposed wastewater plan by Liberty is appropriate and the costs are reasonable. No "used and useful" determination of the proposed plants was made, and no conclusions should be inferred for future rate making or rate base purposes.

Staff recommends that Liberty file with Docket Control, as a compliance item in this docket, a copy of the Approval of Construction ("AOC") for Falcon View II by June 30, 2019, and an AOC for Falcon Ridge Phase I, by December 31, 2019.

Staff further recommends that Liberty file with Docket Control, as a compliance item in this docket, documentation demonstrating that the first parcels have been served in Falcon Ridge and Falcon View II Developments, by June 30, 2020.

PROPOSED RATES

Liberty intends to provide wastewater utility service to the extension area under its authorized rates and charges.

SPECIAL SERVICE TARIFFS

Liberty has an approved Offsite Hookup Fee Tariff for wastewater on file.

FRANCHISE

Every applicant for a CC&N and/or CC&N extension is required to submit to the Commission evidence showing that the applicant has received the required consent, franchise or permit from the proper authority, authorizing the use of public roads or lands to construct, install, operate and maintain a water and/or wastewater system. If the applicant operates in an unincorporated area, the company has to obtain the franchise from the County. If the applicant operates in an incorporated area of the County, the applicant has to obtain the franchise from the City/Town.

Liberty did not file, in the docket, a copy of the franchise agreement it had entered into with Maricopa County, for its proposed extension area.

REQUEST FOR SERVICE

The Falcon Ridge property is owned by EH CCF Liberty, LLC and EH RKCF Liberty, LLC. Falcon View II is owned by Everest Falcon View II, LLC. EH CCF Liberty, LLC, EH RKCF Liberty, LLC and Falcon View II (collectively "Owners") have requested wastewater service from

Liberty to their respective properties. A request for service is fundamental in determining whether a need for a CC&N exists.

According to the application, there is no affiliation of any kind between the landowner/developer of Falcon Ridge and Liberty Utilities; the similarity in name is a mere coincidence.

RECOMMENDATIONS

Staff recommends the Commission approve Liberty's application for extension of its Certificate of Convenience and Necessity to provide wastewater service in a portion of Maricopa County, Arizona, subject to compliance with the following conditions:

1. To require Liberty to charge its existing rates and charges in the proposed extension area.
2. To require Liberty to file with Docket Control, as a compliance item in this docket, a copy of the AOC for the Falcon View II by June 30, 2019, and an AOC for the Falcon Ridge Phase I, by December 31, 2019.
3. To require Liberty to file with Docket Control, by June 30, 2020, documentation demonstrating that the first parcels have been served in the Falcon Ridge and Falcon View II Developments.
4. To require Liberty to file with Docket Control, a copy of the county franchise agreement for the extension area as a compliance item in this docket no later than June 30, 2019.

Staff further recommends that the Commission's Decision granting this extension of Certificate of Convenience and Necessity to Liberty be considered null and void, after due process, should Liberty fail to meet conditions Nos. 2, 3, and 4 within the time specified.

MEMORANDUM

DATE: July 17, 2017

TO: Blessing Chukwu
Executive Consultant

FROM: Dorothy Hains, P. E.
Utilities Engineer

RE: The Application of Liberty Utilities (Litchfield Park Water and Wastewater) Corp. For Approval of An Extension of its Certificate Of Convenience and Necessity To Provide Wastewater Utility Service In Maricopa County, Arizona (Docket No. SW-01428A-17-0120)

BACKGROUND

On April 28, 2017, Liberty Utilities (Litchfield Park Water and Sewer) Corp. ("Applicant" or "Liberty") filed an application (Docket No. SW-01428A-17-0120) for an extension of its wastewater Certificate of Convenience and Necessity ("CC&N") to serve the Falcon Ridge development ("Falcon Ridge") and Falcon View II development ("Falcon View II"). Both developments are located within Section 11 of Township 2 North and Range 1 West in the City of Avondale, Maricopa County.

Falcon Ridge contains approximately 55.3 acres which is bounded by Maryland Ave., 127th Ave., and Glendale Ave.; the developer proposes to install a total of 178 residential dwelling units in Falcon Ridge.

Falcon View II contains approximately 9.84 acres which is bounded by 126th Ave. and 126th Ln.; the developer proposes to install a total of 22 residential dwelling units in Falcon View II.

Constructions, including offsite and onsite facilities, will be financed through a combination of contributions and advances in aid of construction via Hook-up fees paid by the developers¹, as well as capital improvements paid by the Applicant.

II. WATER UTILITY SERVICE

The requested area is in the Valley Utilities Water Company ("Valley Utilities") service area. Valley Utilities is the water provider and will provide water service to Falcon Ridge and Falcon View II.

¹ The developers include EH CCF Liberty, LLC, EH RKCF Liberty, LLC, and Everest Falcon View II, LLC.

Maricopa County Environmental Services Department, acting as the formally delegated agent of Arizona Department of Environmental Quality ("ADEQ") has reported in a Compliance Status Report dated May 25, 2017 that Valley Utilities' system, operating under public water system ("PWS") No. 07-079 has no major deficiencies and is delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and Arizona Administrative Code, Title 18, Chapter 4..

III. PROPOSED WASTEWATER PLAN

The developers plan two-phases of construction in Falcon Ridge and a single phase of construction in Falcon View II.

Falcon Ridge Subdivision

Phase I construction includes but is not limited to on-site infrastructures of 8-inch and 10-inch sewer mains, outfall structure No. 2, eight manholes ("MH"); and an off-site infrastructures of 5,280' of 6" force main ("FM"). Sewage from 35 lots² in Falcon Ridge flows to the Casitas Bonitas Lift Station ("Casitas Bonitas"); Casitas Bonitas connects to an existing 15-inch interceptor on Dysart Rd and Bethany Home Rd, from here, sewage continues flowing to the Palm Valley Water Reclamation Facility ("PVWRF") for treatment and disposal.

Phase II construction includes but is not limited to on-site infrastructures of 8-inch sewer main, outfall structure No. 1 and twenty two MHs. The proposed Phase II sewer system will connect to an existing 10-inch interceptor on El Mirage Rd; from this interceptor, sewage flows to PVWRF for treatment. The Phase II construction will serve the remaining 143 lots³ in Falcon Ridge.

Falcon View II Subdivision

Sewage from Falcon View II will flow through a proposed 8-inch main sewer collection system which will connect to the sewer mains serving the Falcon View Subdivision once they are completed. Although the Falcon View Subdivision sewer mains have not yet been constructed, according to the applicant the Falcon View II Subdivision facilities will be completed by March 2018.

IV. WASTEWATER TREATMENT FACILITY

The Applicant owns and operates both the Casitas Bonitas and the PVWRF. Based on the PVWRF wastewater flow data from April 2016 to March 2017, maximum peak day flow was 4.73 million gallons per day ("MGD"). At present time, PVWRF has a 5.1 MGD treatment capacity, however, the Applicant is in the process of expanding the PVWRF, final treatment capacity is projected to be 5.8 MGD, and the expansion is expected to be completed in July 2017.

² Lots #128-134, Lots #140-166, and Lot #167.

³ Lots #1-133, Lot #169-178.

Casitas Bonitas has limited capacity and is only capable of serving the additional 35 lots as proposed.

V. ESTIMATED ENGINEERING COST

The Applicant estimates approximately \$714,664 will be needed to complete the entire Falcon Ridge sewer project and approximately \$84,021 will be needed to complete the Falcon View II sewer system. The following tables illustrate the estimated construction cost and the year construction is projected to start in each phase.

Estimated Engineering Costs For Wastewater Infrastructure

Project Description	Estimated Costs by the Applicant (\$)
Falcon Ridge	
A. Phase I	
Off-site Sewer Line	
5,280' 6" FM (@ \$30/ft) & backfill material	158,400
Connect to existing FM	1,000
Connection to existing MH	1,000
subtotal	160,400
On-site Sewer Line	
5,933' of 8" PVC (@ \$30/ft)	177,990
1,484' of 10" PVC (@\$30/ft)	44,430
Twenty nine 5'-diameter MH (@\$5,500/MH)	159,500
Two Clean outs (\$500/unit)	1,000
154 Sewer taps (\$500/unit)	77,000
Camera Air testing 7,414' (@ \$3/ft)	22,242
53 square yards Asphalt Repair (@ \$70/square yards)	3,733
Two Connect to existing MH (@ \$750/connection)	1,500
subtotal	487,395
Contingency (5%)	24,370
subtotal	511,765
Total of Phase I	672,165
B. Phase II	
803' of 8" PVC (@ \$30/ft)	24,090
Two 5'-diameter MH (@\$5,500/MH)	11,000
One Clean out (\$500/unit)	500
24 Sewer taps (\$500/unit)	12,000
Camera Air testing 803' (@ \$3/ft)	2,409
subtotal	49,999
Contingency (5%)	2,500

subtotal	52,499
Total of Phase II	52,499
Total Falcon Ridge Project	714,664
Falcon View II	
1,334' of 8" PVC (@ \$30/ft)	40,020
Five 5'-diameter MH (@\$5,500/MH)	27,500
Twenty two 4" Sewer taps (\$500/unit)	11,000
Two Connection to existing MH	1,500
subtotal	80,020
Contingency (5%)	4,001
subtotal	84,021
Total Falcon View II Project	84,021
Total Costs of Falcon Ridge & Falcon View II	798,685

Staff concludes that the listed system improvements are appropriate and the costs are reasonable. No "used and useful" determination of the proposed plant was made, and no conclusions should be inferred for future rate making or rate base purposes.

VI. PROPOSED CONSTRUCTION SCHEDULE

The following table illustrates the estimated construction cost and the year construction is projected to start in each phase.

Subdivision.	Construction Begins	Construction Ends
Falcon Ridge (Phase I)	January – March 2018	July – September 2018
Falcon Ridge (Phase II)	January – March 2018	July – September 2018
Falcon View II	October – December 2017	January – March 2018

Staff would note that the Falcon View II project has to interconnect to the sewer collection system needed to serve the Falcon View development which has been delayed. The Developer had a Certificate of Approval to Construct ("ATC") issued in 2015 for the Falcon View project which expired, a renewal was issued in June 2016 which has also since expired. A second renewal of the ATC must be issued and an Approval of Construction ("AOC") is needed by June 2018; since no construction has occurred in the Falcon View project, Staff is concerned that the proposed construction schedule for Falcon View II might not be met.

Staff recommends that the Applicant file with Docket Control, as a compliance item in this docket, a copy of the AOC for the Falcon View II by June 30, 2019 and an AOC for the Falcon Ridge Phase I by December 31, 2019. Staff further recommends that the Applicant file with Docket Control by June 30, 2020, documentation demonstrating that the first parcels have been served in the Falcon Ridge and Falcon View II Developments.

VII. ADEQ COMPLIANCE

Staff received a compliance status report for PVWRF dated May 3, 2017, in which ADEQ has determined that based upon the data submitted by the facility, ADEQ has determined that as of this date the facility was currently in compliance for the review period noted (1/1/2016 – 3/31/2017).

VIII. ARIZONA CORPORATION COMMISSION (“ACC”) COMPLIANCE

A check of the Commission’s Compliance Section database dated June 22, 2017, indicates there are no delinquent compliance items for the Applicant.

SUMMARY

Recommendations

1. Staff recommends that the Applicant file with Docket Control, as a compliance item in this docket, a copy of the AOC for the Falcon View II by June 30, 2019 and an AOC for the Falcon Ridge Phase I by December 31, 2019.
2. Staff further recommends that the Applicant file with Docket Control by June 30, 2020, documentation demonstrating that the first parcels have been served in the Falcon Ridge and Falcon View II Developments.

Conclusions

1. Staff concludes that PVWRF has adequate treatment capacity to serve the requested areas.
2. Staff concludes that the listed system improvements for Wastewater Infrastructures in Falcon Ridge and Falcon View II are appropriate and the costs are reasonable. No "used and useful" determination of the proposed plant was made, and no conclusions should be inferred for future rate making or rate base purposes.
3. A check of the Commission’s Compliance Section database dated June 22, 2017, indicates there is no delinquent compliance items for the Applicant.
4. Staff received a compliance status report for PVWRF dated May 3, 2017, in which ADEQ has determined that based upon the data submitted by the facility, ADEQ has determined that as of this date the facility was currently in compliance for the review period noted (1/1/2016 – 3/31/2017).
5. Casitas Bonitas has limited capacity and is only capable of serving the additional 35 lots as proposed.

MEMORANDUM

TO: Vicki Wallace
Executive Consultant III
Utilities Division

FROM: Lori H. Miller 
GIS Specialist
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: June 7, 2017

RE: LIBERTY UTILITIES (LITCHFIELD PARK WATER AND SEWER) CORP.
(DOCKET NO. SW-01303A-17-0120) - APPLICATION FOR EXTENSION OF
CC&N (SEWER ONLY)

The area requested by Litchfield Park Water and Sewer for an extension has been plotted with no complications using the legal description provided with the application (a copy of which is attached).

Also attached is a copy of the map for your files.

/lhm

Attachments

cc: Mr. Jay L. Shapiro
Ms. Deb Person (Hand Carried)
Ms. Dorothy Hains
File

Exhibit 3

Legal Description
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Wastewater CC&N Extension

Parcel 1 – Falcon View II

The Southwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 11, Township 2 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel 2 – Falcon Ridge

The East half of the Northwest quarter of Section 11, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the North 65 feet;

EXCEPT the North 1,310 feet of the East 770 feet;

Also Excepting therefrom, that part of the Northwest quarter of Section 11, Township 2 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Maricopa County Brass Cap marking the North Quarter corner of said Section 11, from which the Maricopa County Department of Transportation Brass Cap marking the Northwest corner of said Section 11 bears North 89° 02' 11" West, a distance of 2,607.43 feet;

Thence North 89° 02' 11" West, along the North line of the Northwest quarter of said Section 11, a distance of 770.07 feet to a point on the West line of the East 770 feet of the East half of said Northwest quarter, said West line being coincident with Parcel 1 and Parcel 2 as recorded in Instrument No. 94-0859174, Maricopa County Records;

Thence South 00°12' 08" West along said West line, a distance of 676.75 feet to the TRUE POINT OF BEGINNING;

Thence continuing South 00°12' 08" West, along said West line, a distance of 100.00 feet;

Thence North 89° 47' 52" West, departing said West line, a distance of 100.00 feet to a point on a line which is parallel with and 100.00 feet Westerly, as measured at right angles, from said West line;

Thence North 00°12' 08" East, along said parallel line, a distance of 100.00 feet;

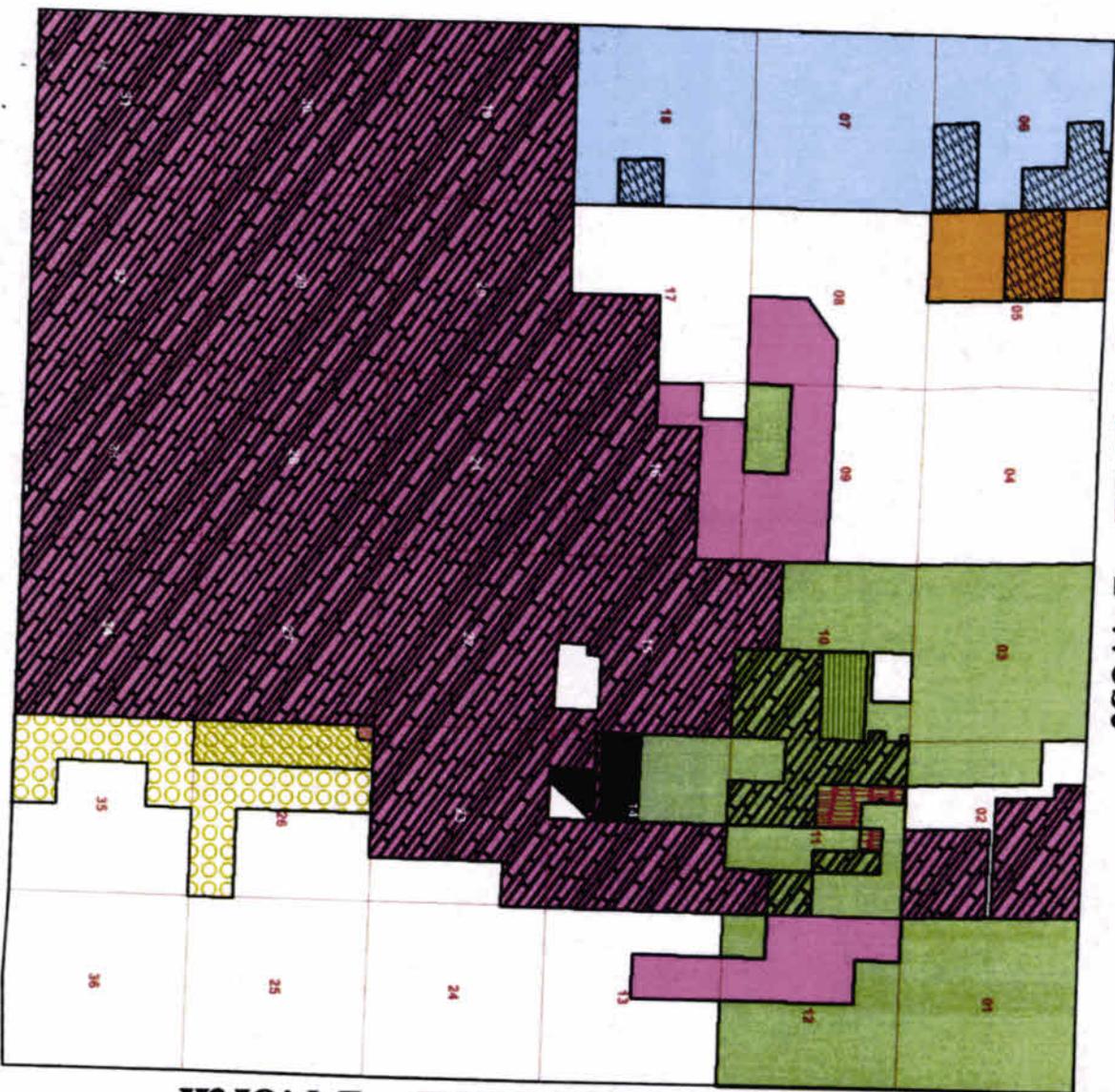
Thence South 89° 47' 52" East, departing said parallel line, a distance of 100.00 feet to the TRUE POINT OF BEGINNING.

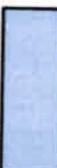
MARICOPA COUNTY

Map No. 17

RANGE 1 West

TOWNSHIP 2 North



-  W-01997A (2)
Adamam Mutual Water Company
-  Sewer
WS-01303A (15)/(4)
EPCOR Water Arizona, Inc. (Luke 303)
-  W-01427A (4)
Litchfield Park Service Company
-  Sewer
SW-01428A (4)
Litchfield Park Service Company
-  W-02076A (1)
Tierra Buena Water Company
-  W-01412A (1)
Valley Utilities Water Company, Inc.
-  Sewer (1)
Castias Bonitas Wastewater Improvement District (Nonjurisdictional)
-  (1)
Adamam Mutual Water Company (Contiguous Area)
-  (4)
City of Avondale (Nonjurisdictional)
-  (4)
Litchfield Park Service Company
Docket No. WS-01303A-17-0120
Request for CC&N Extension-Sewer

Pursuant to ARS § 39-121.03 this map is 'Not for Commercial Use'

NEW APPLICATION



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1 SHAPIRO LAW FIRM, P.C.
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Arizona Corporation Commission

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APR 27 2017

4 Liberty Utilities
5 Todd C. Wiley (No. 015358)
12725 W. Indian School Road
6 Suite D-101
Avondale, AZ 85392
7 Telephone: (623) 240-2087
8 Todd.Wiley@LibertyUtilities.com

DOCKETED BY

SW-01428A-17-0120

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

10
11 **BEFORE THE ARIZONA CORPORATION COMMISSION**

12 IN THE MATTER OF THE APPLICATION
13 OF LIBERTY UTILITIES (LITCHFIELD
14 PARK WATER & SEWER) CORP. FOR A
15 CERTIFICATE OF CONVENIENCE AND
16 NECESSITY TO PROVIDE WASTEWATER
UTILITY SERVICE IN MARICOPA
COUNTY, ARIZONA.

DOCKET NO: SW-01428A-17-

**APPLICATION FOR EXTENSION
OF CERTIFICATE OF
CONVENIENCE AND NECESSITY**

17 In accordance with A.A.C. R14-2-602, Liberty Utilities (Litchfield Park Water &
18 Sewer) Corp. ("Liberty Utilities" or "Applicant"), an Arizona public service corporation,
19 applies to the Arizona Corporation Commission ("Commission") for an order approving
20 the extension of Liberty Utilities' existing Certificate of Convenience and Necessity
21 ("CC&N") for wastewater utility service to include the Falcon Ridge and Falcon View II
22 developments located in certain defined portions of Maricopa County, Arizona.

23 **FALCON RIDGE AND FALCON VIEW II**

24 1. Falcon Ridge is an approximately 55.3-acre property generally bound by
25 Glendale Avenue on the north, Maryland Avenue on the south, 129th Avenue on the west
26 and 127th Avenue on the east. Falcon View II is an approximately 9.84-acre property that



1 is contiguous with the Falcon Ridge property with 127th Avenue as its western boundary
2 and 126th Avenue as its eastern boundary. Both properties are within Section 11 of
3 Township 2 North, Range 1 West of the Gila and Salt River Meridian (the "Properties").

4 2. Falcon Ridge consists of 178 residential lots and is owned by EH CCF
5 Liberty, LLC and EH RKCF Liberty, LLC.¹ The Maricopa County Board of Supervisors
6 approved the Falcon Ridge preliminary plat and zoning on January 11, 2017. Falcon
7 View II consists of 22 residential lots and is owned by Everest Falcon View II, LLC.
8 The Maricopa County Planning and Zoning Commission approved the Preliminary Plat
9 for Falcon View II on March 10, 2016. The Improvement plans and Final Plat for Falcon
10 View II are currently in the review phase with Maricopa County.

11 3. EH CCF Liberty, LLC, EH RKCF Liberty, LLC and Everest Falcon View
12 II, LLC have requested that wastewater utility service to the Properties be provided by
13 Liberty Utilities. All wastewater flows generated by the Properties will be delivered to
14 Liberty Utilities' existing Palm Valley Water Reclamation Facility ("PVWRF"). It is
15 anticipated that the Properties will have a total of 200 residential dwelling units at build
16 out.

17 CC&N EXTENSION APPLICATION

18 4. Applicant's legal name, mailing address and telephone number are:
19 Liberty Utilities (Litchfield Park Water & Sewer) Corp., 12725 W. Indian School Road,
20 Suite D-101, Avondale, Arizona, (623) 935-9367. Applicant is a public service
21 corporation formed for the purpose of providing water and wastewater utility service in
22 Maricopa County, Arizona. Liberty Utilities is a private water and wastewater utility
23 company in the Phoenix Active Management Area. Liberty Utilities holds CC&Ns issued
24 by the Commission authorizing Liberty Utilities to provide public water and wastewater

25 _____
26 ¹ There is no affiliation of any kind between the landowner/developer and Liberty
Utilities; the similarity in names is mere coincidence.

1 utility service within its certificated service areas. Liberty Utilities' CC&Ns generally
2 encompass an approximately 20 square mile area west of the Agua Fria River between
3 Luke Air Force Base and interstate highway I-10.

4 5. The name, address and corporate structure for Liberty Utilities are set forth
5 in the attached **Exhibit 1**, including the amount of stock authorized and subsequently
6 issued. The names, titles and mailing addresses for Liberty Utilities' officers and
7 directors are also set forth on the attached **Exhibit 1**. Applicant does not own an interest
8 in any other utility companies. Liberty Utilities' parent company owns five other public
9 service corporations providing water and/or wastewater utility service in Arizona.

10 6. Liberty Utilities' Certificate of Good Standing from the Commission is
11 attached hereto as **Exhibit 2**.

12 7. Liberty Utilities' management contact is Matthew Garlick, President, 12725
13 W. Indian School Road, Suite D-101, Avondale, AZ 85392. Mr. Garlick's telephone
14 number is (623) 298-3763 and his email address is
15 Matthew.Garlick@LibertyUtilities.com.

16 8. Liberty Utilities' operator certified by the Arizona Department of
17 Environmental Quality ("ADEQ") is Rick Rhoads, Senior Operations Manager, whose
18 business address is 12725 W. Indian School Road, Suite D-101, Avondale, AZ 85392.
19 Mr. Rhoads' telephone number is (623) 298-4824. Mr. Rhoads is also the on-site
20 manager for Liberty Utilities.

21 9. Liberty Utilities' attorneys for this application are as follows:

22 Jay L. Shapiro
23 SHAPIRO LAW FIRM
24 1819 E. Morten Avenue, Suite 280
25 Phoenix, Arizona 85020
26 Telephone: (602) 559-9575
Email: Jay@shapslawaz.com

1 Project Memorandum, both Falcon Ridge and Falcon View II will connect to Liberty
2 Utilities' existing wastewater collection system adjacent to the projects. The facilities
3 proposed to be constructed are necessary on-site wastewater facilities and an off-site force
4 main. The on-site wastewater facilities for Falcon Ridge include 8,247 lineal feet of
5 8" diameter gravity sewer main, 33 manholes, 178 - 4" sewer services and two
6 connections to Liberty Utilities' existing wastewater collection system. The off-site
7 facilities for Falcon Ridge consists of an approximately 1-mile long extension of the
8 6" force main serving the Casitas Bonitas Lift Station. The on-site wastewater facilities
9 for Falcon View II include 1,334 lineal feet of 8" diameter gravity sewer main, five
10 manholes, 22 - 4" sewer services and two connections to Liberty Utilities' existing
11 wastewater collection system.

12 15. The estimated total cost for construction of facilities required to provide
13 wastewater service to the Extension Area is attached as **Exhibit 5**. Construction of the
14 required on-site facilities will be financed through advances in aid of construction
15 pursuant to line extension agreements. Construction of any required off-site facilities
16 (El Mirage Road and downstream to and including the PVWRF) will be financed using
17 either contributions in aid of construction from hook-up fees or paid in capital.

18 16. A general Statement of Financial Condition for Liberty Utilities is attached
19 as **Exhibit 6**.

20 17. For service to the Extension Area, Liberty Utilities will be charging its
21 existing rates and charges as approved by the Commission. A copy of Liberty Utilities'
22 existing tariff schedule is attached as **Exhibit 7**.

23
24
25 for Falcon Ridge and 23 for Falcon View II for a total of 202 lots. As previously
26 described, the current actual lot counts are 178 for Falcon Ridge and 22 for Falcon View
II for a total of 200 lots. The difference in lot counts is not material and does not impact
the validity of the engineering report or change the requirements for any facilities.

1 18. Liberty Utilities' estimated annual operating revenue and operating
2 expenses, projected income statements, projected balance sheets and plant expenditures
3 for the first five years of operation in the Extension Area is attached as **Exhibit 8**.

4 19. Falcon View II is planned to be constructed in a single-phase beginning in
5 the 4th quarter of 2017. Construction is expected to be completed by the 2nd quarter of
6 2018. Falcon Ridge is planned to be constructed in two phases. Phase I, located north of
7 Ocotillo Road and containing 34 lots, is planned to begin construction in the 1st quarter of
8 2018 and be completed by the 3rd quarter of 2018. The second phase of Falcon Ridge,
9 containing 144 lots, is planned to begin construction in the 1st quarter of 2018 and be
10 completed in the 3rd quarter of 2018.

11 20. The written request for extension of wastewater utility service to the
12 Extension Area by the owners of the Properties is attached as **Exhibit 9**.

13 21. Detailed maps of Liberty Utilities' existing wastewater CC&N area and the
14 Extension Area are attached as **Exhibit 10**. **Exhibit 10** includes five separate maps,
15 including (1) CC&N Extension and Nearby Service Areas within 1 mile, (2) CC&N
16 Extension and Nearby Municipalities within 5 miles, (3) CC&N Extension and Land
17 Ownership, (4) Falcon View II – Wastewater Facilities Map, and (5) Falcon Ridge –
18 Wastewater Facilities Map. These maps show the Extension Area and municipal
19 corporate limits that overlap with or are within five miles of the Extension Area, and the
20 Extension Area and its relationship to the service areas of other public service
21 corporations, municipalities and/or districts currently providing water or wastewater
22 service within one mile of the Extension Area with identification of the entity providing
23 service and each type of service being provided. These maps also include:
24
25
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- 1 • the boundaries of the Extension Area with the total acreage noted.
- 2 • the land ownership boundaries within the Extension Area with the
- 3 acreage of each separately owned parcel within the Extension Area
- 4 noted.
- 5 • the owner of each parcel within the Extension Area.
- 6 • evidence that there are not any known wastewater service connections
- 7 already being provided service by the Applicant within the Extension
- 8 Area.
- 9 • the location of all parcels for which a copy of a request for service has
- 10 been submitted.

11 These maps further show the proposed location of the principal components of the
12 wastewater system planned for the Extension Area.

13 22. A copy of the form of notice to be sent to municipal
14 managers/administrators for municipalities within a five-mile radius of the Extension Area
15 is attached as **Exhibit 11**. Liberty Utilities will provide such other such public notice as
16 the Commission directs.

17 23. The Extension Area is already included within Liberty Utilities’ Maricopa
18 Association of Governments (“MAG”) 208 Water Quality Management Plan.

19 24. The estimated numbers of customers to be served during the first five years
20 of wastewater utility service to the Extension Area are shown in attached **Exhibit 12**.

21 25. Liberty Utilities is submitting a franchise application to the Maricopa
22 County Board of Supervisors concurrently with this filing. Liberty Utilities anticipates
23 the franchise application to go before the Board at the next formal meeting.

24 26. ADEQ Approvals to Construct issued for facilities to be constructed in the
25 Extension Area will be provided to the Commission as soon as Liberty Utilities receives
26 them.

1 27. The Extension Area is currently within Valley Utilities Water Company,
2 Inc.'s water service area. Applicant will treat all wastewater generated within the
3 Extension Area at Liberty Utilities' PVWRF. Treated effluent either will be delivered for
4 direct use or recharged into the regional aquifer at Liberty Utilities' Aquifer
5 Replenishment Facility.

6 28. ADEQ no longer issues compliance status reports directly to wastewater
7 providers. Applicant will send a written request to ADEQ asking that the agency send the
8 most current compliance status report for Liberty Utilities directly to the Commission.

9 29. Liberty Utilities' Aquifer Protection Permit issued by ADEQ is attached as
10 **Exhibit 13**.

11 30. Liberty Utilities' Wastewater Flows Data Sheet for the period April 2016 to
12 March 2017 is attached as **Exhibit 14**.

13 31. A notarized signature on behalf of Applicant is attached as **Exhibit 15**.

14 32. For the reasons stated herein, Liberty Utilities maintains that this
15 Application is in the public interest and should be granted. There is a need for regulated
16 wastewater utility service to the Extension Area in Maricopa County to ensure the public
17 health, and foster orderly growth.

18 WHEREFORE, Liberty Utilities respectfully requests the following:

19 A. That the Commission consider and act upon this Application as timely as
20 possible and to schedule a hearing, if necessary, on this matter;

21 B. That upon completion of said hearing, the Commission enter an Order
22 approving this Application and extending Liberty Utilities' CC&N to include the
23 Extension Area as shown on **Exhibit 3**; and,

24 C. That the Commission grant such other and further relief as may be
25 appropriate under the circumstances herein.

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RESPECTFULLY SUBMITTED this 27th day of April, 2017.

SHAPIRO LAW FIRM, P.C.

By: 
Jay L. Shapiro
1819 E. Mullen Avenue, Suite 280
Phoenix, Arizona 85020
Jay@shapslawaz.com

and

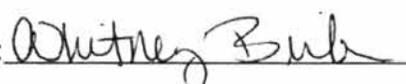
LIBERTY UTILITIES

Todd C. Wiley
General Counsel (West Region)
12725 W. Indian School Road, Suite D-101
Avondale, Arizona 85392
Todd.Wiley@LibertyUtilities.com

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

ORIGINAL and fifteen (15) copies
of the foregoing were filed
this 27th day of April, 2017, with:

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

By: 

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EXHIBITS

- 1. Corporate Information for Liberty Utilities (Litchfield Park Water & Sewer) Corp.**
- 2. Applicant's Certificate of Good Standing from the Arizona Corporation Commission.**
- 3. Legal Description of Extension Area.**
- 4. Engineering Report – Project Memorandum.**
- 5. Estimated Total Construction Costs.**
- 6. General Statement of Financial Condition.**
- 7. Liberty's Schedule of Rates and Charges.**
- 8. Annual Operating Revenue and Expenses, Income Statements, Balance Sheets and Plant Expenditures – First Five Years.**
- 9. Written Requests for Service.**
- 10. Maps of Existing CC&N and Extension Area.**
- 11. Form of Notice to be Sent to Municipalities within 5-mile of Extension Area.**
- 12. Estimated Number of Customers – First Five Years.**
- 13. ADEQ Aquifer Protection Permit.**
- 14. Applicant's Wastewater Flows Data Sheet.**
- 15. Notarized Signature on Behalf of Applicant.**

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EXHIBIT 1

CORPORATE INFORMATION

Applicant Proper Name: Liberty Utilities (Litchfield Park Water & Sewer) Corp.

Applicant Address: 12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Corporate Structure: For-profit Chapter "C" Corporation
500,000 Shares authorized
7,820 shares issued on February 24, 2003

Officers: Matthew Garlick, President
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Todd Wiley, Treasurer and Secretary
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Directors: Ian Robertson, Director
354 Davis Road
Oakville, ON L6J 2X1

Richard Leehr, Director
28 South Shore Road
Salem, NH 03079

Gregory S. Sorensen, Director
701 National Ave
Tahoe Vista, CA 96148

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EXHIBIT 2

ARIZONA CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

FOR

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Ted Vogt, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.*****

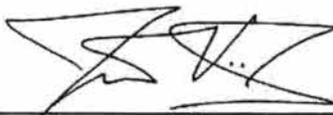
a domestic corporation organized under the laws of the State of Arizona, did incorporate on September 21 1954.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 26th day of April, 2017, A. D.




Ted Vogt, Executive Director

By: _____ 1644790

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EXHIBIT 3

LEGAL DESCRIPTION OF EXTENSION AREA

Exhibit 3

Legal Description Liberty Utilities (Litchfield Park Water & Sewer) Corp. Wastewater CC&N Extension

Parcel 1 – Falcon View II

The Southwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 11, Township 2 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel 2 – Falcon Ridge

The East half of the Northwest quarter of Section 11, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the North 65 feet;

EXCEPT the North 1,310 feet of the East 770 feet;

Also Excepting therefrom, that part of the Northwest quarter of Section 11, Township 2 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Maricopa County Brass Cap marking the North Quarter corner of said Section 11, from which the Maricopa County Department of Transportation Brass Cap marking the Northwest corner of said Section 11 bears North 89° 02' 11" West, a distance of 2,607.43 feet;

Thence North 89° 02' 11" West, along the North line of the Northwest quarter of said Section 11, a distance of 770.07 feet to a point on the West line of the East 770 feet of the East half of said Northwest quarter, said West line being coincident with Parcel 1 and Parcel 2 as recorded in Instrument No. 94-0859174, Maricopa County Records;

Thence South 00°12' 08" West along said West line, a distance of 676.75 feet to the TRUE POINT OF BEGINNING;

Thence continuing South 00°12' 08" West, along said West line, a distance of 100.00 feet;

Thence North 89° 47' 52" West, departing said West line, a distance of 100.00 feet to a point on a line which is parallel with and 100.00 feet Westerly, as measured at right angles, from said West line;

Thence North 00°12' 08" East, along said parallel line, a distance of 100.00 feet;

Thence South 89° 47' 52" East, departing said parallel line, a distance of 100.00 feet to the TRUE POINT OF BEGINNING.

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EXHIBIT 4

ENGINEERING REPORT
PROJECT MEMORANDUM



4600 East Washington St., Suite 500
Phoenix, Arizona 85034
P. 602.263.9500
F. 602.265.1422

PROJECT MEMORANDUM

Project Name: Everest Holdings – Liberty Utilities Sewer Study **Date:** March 22, 2016
Client: Everest Holdings **Project Number:** 9760A.00
Prepared By: Richard Humpherys, PE
Reviewed By: Eric McLeskey, PE
Subject: Liberty Utilities Sewer Capacity to serve the Falcon Ridge and Falcon View II Developments
Distribution: Ed DePinto, Everest Holdings, Inc.

1.0 BACKGROUND

Everest Holdings has proposed two residential developments (Developments) between Glendale Avenue and Bethany Home Road on 127th Avenue. The North and South Falcon Ridge Developments will have 179 lots and the Falcon View II Development will have 23 lots. For convenience in this project memorandum, the portion of the Falcon Ridge Development that will be served by the Liberty Utilities' Casitas Bonitas Lift Station is referred to as North Falcon Ridge and the remainder is referred to as South Falcon Ridge. The South Falcon Ridge and Falcon View II Developments will be served through sewer interceptors along El Mirage Road. Figure 1 shows the layout of the Developments and the way that the collection system will initially be connected. The Developments will receive sanitary sewer service from Liberty Utilities. The purpose of this memorandum is to evaluate the capacity of the sewer infrastructure that would serve the Developments to ensure sufficient capacity and to identify the locations where the sanitary sewer pipes from the Developments will connect to the Liberty Utilities collection system.

2.0 HYDRAULIC EVALUATION

Liberty Utilities calculates wastewater flows in terms of Equivalent Dwelling Units (EDUs) as follows:

$$\text{wastewater EDU} = 320 \text{ gpd} (100 \text{ gpcd} \times 3.2 \text{ people per EDU}) \text{ or } 0.222 \text{ gpm per EDU}$$

PROJECT MEMORANDUM

2.1 Wastewater Load Estimates

There will be 202 total single family residential lots in the Developments. At 3.2 people per dwelling and using Liberty Utilities' design criteria of 100 gallons per capita per day (gpcd) of wastewater flow the collection system needs to be sized to convey an average daily flow of 64,640 gallons per day (gpd). Up to 34 lots will be in the North Falcon Ridge Development. Table 1 shows the flows associated with each development. Peak hour loads are assumed to be three times the average daily load, consistent with Liberty Utility's Development Guide.

Development Area	Lots	Person/ DU	Unit Load (gpcd)	Average Daily Flow (gpd)	Average Daily Flow (gpm)	Peak Hour Flow (gpm)
North Falcon Ridge (To Casitas Bonitas Lift Station)	34	3.2	100	10,880	7.6	22.7
South Falcon Ridge	145	3.2	100	46,400	32.2	96.7
Falcon View II	23	3.2	100	7,360	5.1	15.3
Total	202	-	-	64,640	45.2	134.6

2.2 Sewer Capacity

Pipe capacity is evaluated by dividing the peak flow water depth (d) by the pipe diameter (D). For new pipes, the pipes are sized to have a d/D no greater than 0.75. For existing pipes, a parallel or upsize pipe recommendation is made when d/D exceeds 0.9. The Liberty Utilities' H₂OMap Sewer model was used to predict the flows and flow capacity in the collection system.

2.2.1 North Falcon Ridge

The gravity main downstream from the Casitas Bonitas Lift Station is capacity limited. For this reason, Liberty Utilities will only allow up to 34 lots to be developed that will flow into the lift station. The Casitas Bonitas Lift Station has two pumps with a total capacity in excess of 500 gpm, so a single pump can produce a flow of about 250 gpm. The force main from the lift station discharges to a manhole that surcharges when the pump is operating.

Based on model results the gravity main downstream of the Casitas Bonitas Lift Station has insufficient capacity to convey existing or future flows from the lift station. Figure 2 includes results from the model showing pipes downstream from the Casitas Bonitas Lift Station that are out of capacity. The actual peak flows do not increase downstream from the lift station as the number of housing units served increases. The frequency of lift station on/off cycles goes up with the increased flows.

PROJECT MEMORANDUM

The force main from the Casitas Bonitas Lift Station can be lengthened and reconfigured to discharge into a 15-inch interceptor along Dysart Road beginning at Dysart 1/2 mile south of Bethany Home Road. This will alleviate the capacity limitations for flows coming from the existing developments plus additional flows from the North Falcon Ridge Development. Figure 3 shows the proposed force main with adequate capacity downstream from the end of the force main.

2.2.2 South Falcon Ridge and Falcon View II

Wastewater from lots in South Falcon Ridge will flow south through an 8-inch main on Bethany Home road, just west of 127th Avenue, through the existing downstream system and eventually connect to the existing 10-inch interceptor running south along El Mirage Road. The Falcon View II Development will discharge wastewater into the Falcon View Development located immediately to the east. Wastewater will then go into the interceptor along El Mirage Road.

The model shows that sewer pipes along Camelback Road and the 127th Avenue alignment have insufficient capacity to convey existing or future flows when the future Marbella Ranch flows are conveyed through the same pipes. Figure 2 shows the pipes that are out of capacity when the entire wastewater flow from both the existing and future Developments plus Marbella Ranch is conveyed, showing the capacity limitations in the Liberty collection system.

The South Falcon Ridge and Falcon View II Developments are expected to start developing before the Marbella Ranch sewer pipe is constructed. Wastewater flows will go into the 10-inch sewer in El Mirage Road until the Marbella Ranch pipe is constructed.

After the Marbella Ranch sewer pipeline is in place, the flows from the two developments could go into a proposed interceptor that will serve the future Marbella Development. This interceptor will be 12 inches at the point that the Falcon View II Development connects, and will increase to 18 inches at the point where flows from the South Falcon Ridge Development connects to this interceptor. This interceptor will convey wastewater flows south along El Mirage Road to Indian School Road, then west along Indian School Road towards the Palm Valley Water Reclamation Plant. One pipe segment is still shown as being out of capacity along Indian School Road. Periodic flow monitoring of this pipe section is recommended as development progresses, and replacement is recommended if flows begin to exceed the capacity of this pipe. Figure 3 shows the improvements to the collection system that have sufficient capacity to convey wastewater flows to the treatment plant.

PROJECT MEMORANDUM

3.0 RECOMMENDATIONS

1. Up to 34 lots of the Falcon Ridge North Development can be developed that would discharge wastewater to the Casitas Bonitas Lift Station. Capacity is already reached in the gravity main downstream from the lift station's force main. In order to eliminate the capacity limitations for flows coming from the existing and future projects, the force main will ultimately need to be extended to convey wastewater flows to a 15-inch interceptor at Dysart Road and 1/2 mile south of Bethany Home Road.
2. Wastewater from the remaining lots of the Falcon Ridge South and Falcon View II Developments can be conveyed through 8-inch mains to El Mirage Road and initially into a 10-inch main in El Mirage Road. After the Marbella sewer pipe is constructed, the wastewater flows can be moved to the 18-inch future interceptor along El Mirage Road that will also serve the Marbella Development that will be located north of Glendale Road.

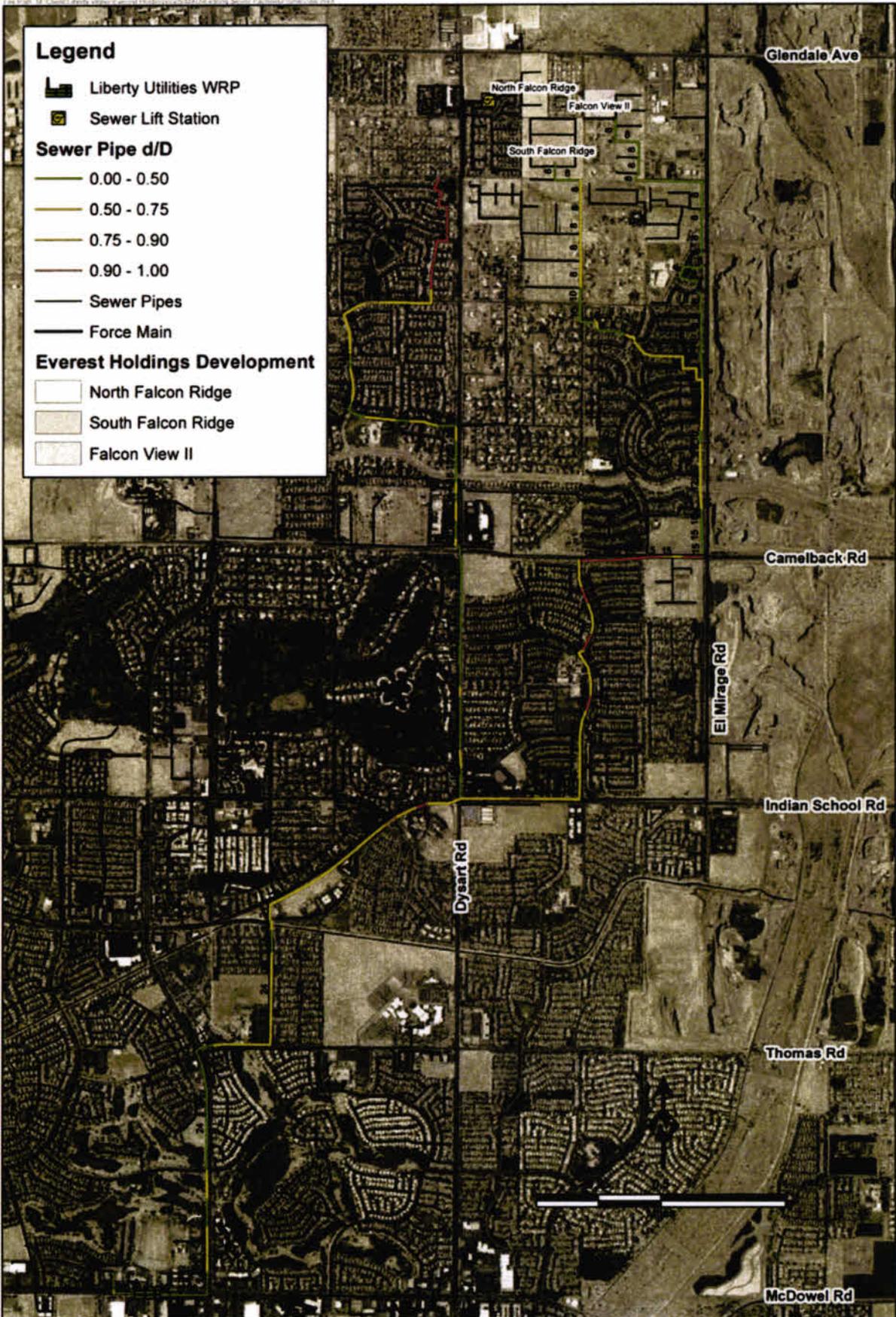
Please contact us regarding any questions you may have about this study.



EXPIRES 09-30-2016

Prepared By:


Richard A. Humpherys



EXISTING SEWER CAPACITY LIMITATIONS

FIGURE 2

EVEREST HOLDINGS DEVELOPMENT SEWER STUDY

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EXHIBIT 5

**ESTIMATED TOTAL CONSTRUCTION COSTS AND
PLANT COST PROJECTIONS**

**FALCON VIEW II - ON-SITE FACILITIES
COST ESTIMATE AND FACILITIES DESCRIPTION**



Owner: Everest Falcon View II, LLC

Maricopa County, Arizona

Total # of Lots = 22

	UNIT	QUANTITY SUBTOTAL	UNIT COST	EXTENDED COST
SEWER IMPROVEMENTS				
8" PVC Sewer Line	LF	1,334	\$30.00	\$40,020.00
5' Dia Conc Manhole	EA	5	\$5,500.00	\$27,500.00
4" PVC Sewer Tap	EA	22	\$500.00	\$11,000.00
Connect to Existing	EA	2	\$750.00	\$1,500.00
SEWER IMPROVEMENTS TOTAL				\$80,020.00

PROJECT CATEGORY TOTALS			
SEWER IMPROVEMENTS TOTAL			\$80,020.00
SUBTOTAL			\$80,020.00
CONTIGENCY	5%	\$80,020.00	\$4,001.00
TOTAL COST ESTIMATE			\$84,021.00

**FALCON RIDGE - ON-SITE FACILITIES
COST ESTIMATE AND FACILITIES DESCRIPTION**



Owners: EH CCF Liberty, LLC
EH RKCF Liberty, LLC

Maricopa County, Arizona

Total # of Lots = 178

Full Project Cost Estimate

	UNIT	QUANTITY SUBTOTAL	UNIT COST	EXTENDED COST
SEWER IMPROVEMENTS				
8" PVC Sewer Line	LF	8,247	\$30.00	\$247,399.41
5' Dia Conc Manhole	EA	33	\$5,500.00	\$181,500.00
4" PVC Sewer Service Line	EA	178	\$500.00	\$89,000.00
Connect to Existing Manhole	EA	2	\$750.00	\$1,500.00
SEWER IMPROVEMENTS TOTAL				\$519,399.41

PROJECT CATEGORY TOTALS				
SEWER IMPROVEMENTS TOTAL				\$519,399.41
SUBTOTAL				\$519,399.41
CONTINGENCY		5%	\$519,399.41	\$25,969.97
TOTAL COST ESTIMATE				\$545,369.38

Phase I Cost Estimate

	UNIT	QUANTITY SUBTOTAL	UNIT COST	EXTENDED COST
SEWER IMPROVEMENTS				
8" PVC Sewer Line	LF	1,649	\$30.00	\$49,476.00
5' Dia Conc Manhole	EA	10	\$5,500.00	\$55,000.00
4" PVC Sewer Service Line	EA	34	\$500.00	\$17,000.00
Connect to Existing Manhole	EA	1	\$750.00	\$750.00
SEWER IMPROVEMENTS TOTAL				\$122,226.00

PROJECT CATEGORY TOTALS				
SEWER IMPROVEMENTS TOTAL				\$122,226.00
SUBTOTAL				\$122,226.00
CONTINGENCY		5%	\$122,226.00	\$6,111.30
TOTAL PHASE 1 COST ESTIMATE				\$128,337.30

PHASE 2 COST ESTIMATE				\$417,032.08
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**FALCON RIDGE - OFF-SITE FACILITIES
COST ESTIMATE AND FACILITIES DESCRIPTION**



Owners: EH CCF Liberty, LLC
EH RKCF Liberty, LLC

Maricopa County, Arizona

Total # of Lots = 178

	UNIT	QUANTITY SUBTOTAL	UNIT COST	EXTENDED COST
OFF-SITE SEWER IMPROVEMENTS				
6" PVC Force Main	LF	5,280	\$30.00	\$158,400.00
Connect to Existing Forcemain	EA	1	\$1,000.00	\$1,000.00
Connect to Existing Manhole	EA	1	\$1,000.00	\$1,000.00
OFF-SITE SEWER IMPROVEMENTS TOTAL				\$160,400.00

PROJECT CATEGORY TOTALS				
OFF-SITE SEWER IMPROVEMENTS TOTAL				\$160,400.00
SUBTOTAL				\$160,400.00
CONTINGENCY		5%	\$160,400.00	\$8,020.00
TOTAL COST ESTIMATE				\$168,420.00

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EXHIBIT 6

GENERAL STATEMENT OF FINANCIAL CONDITION

COMPANY NAME

Litchfield Park (Water & Sewer) Co.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 73,012	\$ 37,844
132	Special Deposits	\$ 1,882,694	\$ 3,683,451
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$ 1,658,885	\$ 1,618,793
146	Notes/Receivables from Associated Companies	\$ 7,007,404	\$ 1,341,872
151	Plant Material and Supplies		
162	Prepayments	\$ 128,333	\$ 27,669
174	Miscellaneous Current and Accrued Assets	\$ -	\$ 225,287
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 10,750,328	\$ 6,934,916
	FIXED ASSETS		
101	Utility Plant in Service	77,851,821	77,627,331
103	Property Held for Future Use	3,547,445	3,547,445
105	Construction Work in Progress	1,800,152	3,589,804
108	Accumulated Depreciation - Utility Plant	(17,802,627)	(20,113,092)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 65,396,791	\$ 64,651,487
	TOTAL ASSETS	\$ 76,147,119	\$ 71,586,404

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the

COMPANY NAME

Litchfield Park (Water & Sewer) Co.

BALANCE SHEET (CONTINUED)

Account No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT LIABILITIES			
231	Accounts Payable		\$ (135)
232	Notes Payable (Current Portion)	\$ -	
234	Notes/Accounts Payable to Associated Compa	\$ -	
235	Customer Deposits		
236	Accrued Taxes	\$ 90,935	\$ 42,376
237	Accrued Interest	\$ 76,717	
241	Miscellaneous Current and Accrued Liabilities	\$ 2,137,349	\$ 292,840
	TOTAL CURRENT LIABILITIES	\$ 2,305,001	\$ 335,081
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$ 4,544,762	\$ -
DEFERRED CREDITS			
252	Advances in Aid of Construction	\$ 11,055,093	\$ 11,045,756
253	Other Deferred Credits	\$ 1,893,783	\$ 3,066,999
255	Accumulated Deferred Investment Tax Credits	\$ -	
271	Contributions in Aid of Construction	\$ 33,029,736	\$ 35,210,323
272	Less: Amortization of Contributions	\$ (5,301,378)	\$ (5,890,812)
281	Accumulated Deferred Income Tax	\$ 2,446,938	\$ 1,937,159
	TOTAL DEFERRED CREDITS	\$ 43,124,172	\$ 45,369,425
	TOTAL LIABILITIES	\$ 49,973,935	\$ 45,704,506
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$ 33,626	\$ 33,626
211	Other Paid in Capital	\$ 14,772,655	\$ 11,078,568
215	Retained Earnings	\$ 11,366,904	\$ 14,769,704
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 26,173,185	\$ 25,881,898
	TOTAL LIABILITIES AND CAPITAL	\$ 76,147,120	\$ 71,586,404

COMPANY NAME

Litchfield Park (Water & Sewer) Co.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 10,345,767	\$ 10,904,230
522	Measured Revenues	\$ 663,127	\$ 609,772
536	Other Wastewater Revenues	\$ 3,365	\$ 137
	TOTAL REVENUES	\$ 11,012,259	\$ 11,514,139
	OPERATING EXPENSES		
701	Salaries and Wages	\$ -	\$ -
710	Purchased Wastewater Treatment	\$ 26,008	\$ 20,204
711	Sludge Removal Expense	\$ 251,738	\$ 266,284
715	Purchased Power	\$ 629,688	\$ 609,697
716	Fuel for Power Production	\$ 3,114	\$ 1,713
718	Chemicals	\$ 359,790	\$ 327,311
720	Materials and Supplies	\$ 107,267	\$ 97,635
731	Contractual Services - Professional	\$ 2,461,012	\$ 2,099,560
735	Contractual Services - Testing	\$ 33,337	\$ 32,462
736	Contractual Services - Other	\$ 1,411,890	\$ 1,456,807
740	Rents	\$ 5,696	\$ 9,262
750	Transportation Expense	\$ 16,827	\$ 17,423
755	Insurance Expense	\$ 48,329	\$ 63,490
765	Regulatory Commission Expense		
775	Miscellaneous Expense	\$ 184,914	\$ 140,557
403	Depreciation Expense	\$ 1,366,575	\$ 1,953,044
408	Taxes Other Than Income		
408.11	Property Taxes	\$ 856,251	\$ 858,817
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$ 7,762,436	\$ 7,954,266
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ -	
420	AFUDC Income	12,367	139,597
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	26,659	296,670
	TOTAL OTHER INCOME/EXP	\$ (14,292)	\$ (157,073)
	NET INCOME/(LOSS)	\$ 3,235,531	\$ 3,402,800

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EXHIBIT 7

LIBERTY UTILITIES' SCHEDULE OF RATES AND CHARGES

Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

I. RATES

In Decision No. 74437, dated April 18, 2014, the Commission authorized the following rates and charges to become effective May 1, 2014:

A. Monthly Usage Charge

Meter Size	Minimum Charge Per Month
Residential Service	\$40.35
Low Income Residential Service	34.30
Multiple Unit Housing – Monthly Per Unit	37.46
Small Commercial Service – Monthly	68.24
Regular Domestic – Monthly Service Charge	38.20
Restaurants, Motels,* Grocery Store, Dry Cleaning Estab. – Monthly Service Charge	38.20
Wigwam Resort Monthly Rate – Per Room	37.46
Wigwam Resort Main Hotel Facilities – Per Month	1,483.47
Elementary Schools	1,008.75
Middle & High Schools	1,186.77
Community College	1,839.50
Effluent Sales Charge Per 1,000 gallons	**

*Motels without restaurants charges Multi-Unit Housing – Monthly Unit rate

**Market Rate – Maximum effluent rate shall not exceed \$430 per acre foot based on a potable water rate of \$1.32 per thousand gallons.

Issued: April 30, 2014

Effective: May 1, 2014

ISSUED BY:

Greg Sorenson, President - Arizona
 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

B. Commodity Charge

(per 1,000 gallons of water)	
Regular Domestic	\$3.33
Restaurants, Motels, Grocery Store, Dry Cleaning Estab.	4.45

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Effective: May 1, 2014

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Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

C. Miscellaneous Service Charges

<u>Service</u>	<u>Charge</u>
Establishment	\$20.00
Re-Establishment (within 12 months)	(a)
Reconnection	\$20.00
NSF Check	25.00
Deferred Payment (per month)	1.50%
After Hours Service Calls*	\$40.00
Deposit	(b)
Deposit Interest	6.00%
Late Charge	(c)
Service Lateral Connection Charge – All Sizes	(d)
Main Extension Tariff	(e)

(a) Number of full months off the system times the minimum charge, per A.A.C. R14-2-603(D).

(b) Per Rule R14-2-603(B). Residential – two times the average monthly bill. Non-residential – two and one half times the average monthly bill.

(c) Greater of \$5.00 or 1.50% of unpaid balance.

(d) At cost. Customer/Developer shall install or cause to be installed all Service Laterals as a non-refundable contributions in aid of construction.

(e) Per A.A.C. R14-2606(b). All Main Extensions shall be completed at cost and shall be treated as non-refundable contribution-in-aid of construction.

*For After Hours Service Calls for work performed on the customer's property after hours, at customer's request. In addition to the charge for an utility service provided.

Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-608(D)(5).

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Effective: May 1, 2014

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Applies to all WASTEWATER service areas
PART THREE
STATEMENT OF CHARGES FOR WASTEWATER SERVICE

III. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, costs shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

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12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WASTEWATER service areas
PART FOUR

STATEMENT OF TERMS AND CONDITIONS FOR WASTEWATER SERVICE

I. CUSTOMER DISCHARGE TO SYSTEM

A. Service Subject to Regulation

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

B. Waste Limitations

The Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

C. Inspection and Right of Entry

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to sewer; sewage pumping plants; all processes; devices and connection sewer; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at

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Liberty Utilities (Litchfield Park Water & Sewer) Corp.
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Applies to all WASTEWATER service areas

PART FOUR

STATEMENT OF TERMS AND CONDITIONS FOR WASTEWATER SERVICE

the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in an empty condition. Inspection will be required of said units prior to their being allowed to hookup to the wastewater system.

D. Termination of Water Service for Violation of Wastewater Rules and Regulations

The Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates the Company's wastewater terms and conditions as set forth in this PART FOUR or in any way creates a public health hazard or the likelihood of such a public health hazard. This termination authority does not apply to non-payment for water or wastewater services.

Applies to all WASTEWATER service areas
PART FOUR
STATEMENT OF TERMS AND CONDITIONS FOR WASTEWATER SERVICE

II. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-609 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER and WASTEWATER service areas
PART FIVE
ALTERNATE RATES FOR WATER AND WASTEWATER (ARWW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

APPLICABILITY

Applicable to residential water and wastewater service for domestic use rendered to low-income households where the customer meets all the program qualifications and special conditions of this rate schedule.

TERRITORY

Within all customer service areas served by Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Liberty Utilities").

RATES

Thirty percent (30%) discount applied to the regular filed tariff.

PROGRAM QUALIFICATIONS

1. The Liberty Utilities bill must be in your name and the address must be your primary residence or you must be a tenant receiving water service by a sub-metered system.
2. You may not be claimed as a dependent on another person's tax return.
3. You must reapply each time you move residences.
4. You must renew your application once every two (2) years, or sooner, if requested.
5. You must recertify each year by submitting a declaration attesting to your continuing eligibility, and provide one of the following items as proof of eligibility: 1) copy of tax return from prior year, or 2) copy of W2 form from prior year; or 3) copy of welfare / food stamp cards.
6. You must notify Liberty Utilities within thirty (30) days if you become ineligible for ARWW.
7. Your total gross annual income of all persons living in your household cannot exceed the income levels below:

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Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER and WASTEWATER service areas
PART FIVE
ALTERNATE RATES FOR WATER AND WASTEWATER (ARWW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

Effective January 1, 2014

<u>No. of Person in Household</u>	<u>Total Gross Annual Income</u>
1	\$17,505
2	\$23,595
3	\$29,685
4	\$35,775
5	\$41,865
6	\$47,955

For each additional person residing in the household, add \$6,090

For the purpose of the program the “gross household income” means all money and non cash benefits, available for living expenses, from all sources, both taxable and non taxable, before deductions for all people who live in your home. This includes, but is not limited to:

Wages or salaries	Social Security, SSI, SSP	Rental or royalty income
Interest or dividends from:	Scholarships, grants, or other aid	Profit from self-employment
Savings account, stocks or bonds	used for living expenses	(IRS form Schedule C, Line 29)
Unemployment benefits	Disability payments	Worker's Compensation
TANF (AFDC)	Food Stamps	Child Support
Pensions	Insurance settlements	Spousal Support
Gifts		

Issued: April 30, 2014

Effective: May 1, 2014

ISSUED BY:

Greg Sorensen, President - Arizona
 Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WATER and WASTEWATER service areas
PART FIVE
ALTERNATE RATES FOR WATER AND WASTEWATER (ARWW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

SPECIAL CONDITIONS

1. **Application:** An application on a form authorized by the Commission is required for each request for service under this schedule. A customer must reapply every two (2) years.
2. **Recertification:** A customer enrolled in the ARWW program must, each year, recertify by submitting a declaration attesting to continuing eligibility, and provide one of the following items as proof of eligibility: 1) copy of tax return from prior year; or 2) copy of W2 form from prior year; or 3) copy of welfare / food stamp cards.
3. **Commencement of Rate:** Eligible customers whose applications have been approved shall be billed on this schedule commencing with the next regularly scheduled billing period that follows receipt of application by Liberty Utilities.
4. **Verification:** Information provided by the applicant is subject to verification by Liberty Utilities. Refusal or failure of a customer to provide documentation of eligibility acceptable to Liberty Utilities, upon request by Liberty Utilities, shall result in removal from this rate schedule.
5. **Notice from Customer:** It is the customer's responsibility to notify Liberty Utilities if there is a change of eligibility status.
6. **Rebilling:** Customers may be re-billed retroactively for periods of ineligibility under the applicable rate schedule.
7. **Master-metered:** A reduction will be calculated in the bill of master-metered customers, who have sub-metered tenants that meet the income eligibility criteria, so an equivalent discount (30%) can be passed through to eligible customer(s).
8. **Participation Cap:** The ARWW program is limited to 5,000 water division customers and 5,000 wastewater division customers. Applications will be reviewed and approved on a first come, first served basis. Applicants will be placed on a waiting list if the participation cap has been met.

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

**Application for
Alternate Rates for Water and Wastewater (ARWW)**

To qualify for Liberty Utilities ARWW please check (✓) all that apply:

- I am a Liberty Utilities residential customer and the Liberty Utilities account is in my name.
- I am a sub-metered tenant within the Liberty Utilities service area.
- My household income is at or below the income level in the listing below.

Household Size	Total Gross Annual Income from All Sources
1	\$17,505
2	\$23,595
3	\$29,685
4	\$35,775
5	\$41,865
6	\$47,955

For each additional person residing in the household, add \$4,020.

The definition of "gross household income" (before taxes) is all money and non cash benefits available for living expenses from all sources, both taxable and non taxable, before deductions, including expenses, for all people who live in your home. **This includes, but is not limited to the following (please check (✓) all that apply):**

- | | |
|--|--|
| <input type="checkbox"/> Wages, salaries or profit from self-employment | <input type="checkbox"/> Social Security, SSI or SSP |
| <input type="checkbox"/> Disability and/or Workers' Compensation payments | <input type="checkbox"/> Food Stamps |
| <input type="checkbox"/> Insurance and/or legal settlements | <input type="checkbox"/> TANF (AFDC) |
| <input type="checkbox"/> Pensions | <input type="checkbox"/> Veterans Affairs benefits |
| <input type="checkbox"/> Spousal and/or child support | <input type="checkbox"/> Unemployment benefits |
| <input type="checkbox"/> Scholarships, grants, or other aid used for living | <input type="checkbox"/> Rental and/or royalty income |
| <input type="checkbox"/> Interest/dividends from: savings, stocks, bonds, or retirement accounts | <input type="checkbox"/> Cash, gifts and/or other income |

Please print the following information. **Incomplete information will delay your discount.** The name used to apply for the discount must be the same as the name on the Liberty Utilities statement.

PLEASE PRINT LEGIBLY											
Liberty Utilities Account Number (As shown on statement)											
Total No. of persons living in household:				Household's Total Gross Annual Income: \$				Contact Phone Number			
Name as shown on Liberty Utilities statement											
Liberty Utilities Service Address											
City				State				Zip Code			

Please attach one of the items listed as proof of income for eligibility verification: Copy of tax return from prior year, or copy of W2 from prior year, or copy of welfare / food stamp cards.

By signing below, I certify under penalty of perjury that this information is true and correct under the laws of the State of Arizona. I will provide proof of income and I will notify Liberty Utilities of any changes that affect my eligibility. I understand that if I receive the discount without meeting the qualifications for it, I may be required to pay back the discount I received.

Customer Signature _____

Date _____

Note: An Application for ARWW must be submitted every two years. A Declaration of Eligibility must be submitted annually for verification. Please allow 30-45 days for processing.

Office Use Only: Date Verified _____ Verified By _____ Expires _____

Issued: April 30, 2014

Effective: May 1, 2014

ISSUED BY:

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

**Declaration of Eligibility
Alternate Rates for Water and Wastewater (ARWW)**

To recertify enrollment in the ARWW Program please fill out the following attesting to continuing eligibility:

PLEASE PRINT LEGIBLY													
Name as shown on Liberty Utilities statement													
Liberty Utilities Account Number (As shown on statement)													
Liberty Utilities Service Address													
City				State				Zip Code					
Contact Phone Number							Work Phone Number						

I,

Your Name (Please Print)

Last submitted an Application for Alternative Rates (ARWW)
on

(dd/mm/yyyy)

and hereby confirm my eligibility for the year ending

(dd/mm/yyyy)

Please attach one of the items listed below as proof of income for eligibility verification:

**Copy of tax return from prior year,
or copy of W2 form from prior year,
or copy of welfare / food stamp cards.**

By signing below, I certify under penalty of perjury that this information is true and correct under the laws of the State of Arizona. I will provide proof of income and I will notify Liberty Utilities of any changes that affect my eligibility. I understand that if I receive the discount without meeting the qualifications for it, I may be required to pay back the discount I received.

Customer Signature

Date

Note: An Application for ARWW must be submitted every two years. A Declaration of Eligibility must be submitted annually for verification.

**Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Alternate Rates for Water and Wastewater (ARWW)**

Applicability

Applicable to residential water and wastewater service for domestic use rendered to low-income households where the customer meets all the Program Qualifications and Special Conditions of this rate schedule.

Territory

Within all customer service areas served by Liberty Utilities (Litchfield Park Water & Sewer) Corp.

Discount

Thirty percent (30%) discount applied to the regular filed tariff. The discount will be applied to the customer's total bill before any adjustments and application of any other taxes, credit, penalties or fees.

Program Qualifications

- The Liberty Utilities account must be in your name and the address must be your primary residence in our service area or you must be a tenant receiving water service by a sub-metered system.
- You may not be claimed as a dependent on another person's tax return.
- You must reapply each time you move residences.
- You must renew your application once every two (2) years or sooner if requested.
- You must recertify each year by submitting a declaration attesting to your continuing eligibility, and provide one of the following items as proof of eligibility: 1) copy of tax return from prior year, or 2) copy of W2 form from prior year, or 3) copy of welfare/food stamp cards.
- You must notify Liberty Utilities within thirty (30) days if you become ineligible for ARWW.
- Your total gross annual income of all persons living in your household cannot exceed the income levels provided on the application.

Special Conditions

- You must fill out and sign the ARWW Application completely. Incomplete information will delay your discount. You must reapply every two (2) years.
- You must recertify your enrollment in the ARWW annually by submitting a Declaration of Eligibility and providing one of the following items as proof of eligibility: 1) copy of tax return from prior year, or 2) copy of W2 form from prior year, or 3) copy of welfare/food stamp cards.
- Customers shall be billed on this schedule commencing with the next regularly scheduled billing period that follows the receipt and approval of the application by Liberty Utilities.
- Documentation of your gross annual income must be provided to Liberty Utilities for verification of eligibility for ARWW. Refusal or failure to provide documentation of acceptable eligibility to Liberty Utilities shall result in removal from this rate schedule.
- It is the customer's responsibility to notify Liberty Utilities if there is a change in eligibility status.
- You may be re-billed for any periods of ineligibility under the applicable rate schedule.
- Master-metered customers who have sub-metered tenants will receive a reduction in the billing. Sub-metered tenants must qualify and meet the income eligibility criteria so an equivalent discount (30%) can be passed through to eligible customer(s).
- The ARWW program is limited to 5,000 water division customers and 5,000 wastewater division customers.

How to Submit Completed ARWW Application and/or Declaration of Eligibility

Mail, Fax or Email your ARWW Application and Declaration of Eligibility to:

Liberty Utilities (Litchfield Park Water & Sewer) Corp.

12725 W. Indian School Rd. Ste. D101

Avondale, AZ 85392

Fax: 623-935-1020

Email: customerserviceavondale@libertywater.com

Issued: April 30, 2014

ISSUED BY:

Effective: May 1, 2014

Greg Sorensen, President - Arizona
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

PART SIX
HOOK-UP FEE TARIFF

WASTEWATER HOOK-UP FEE

I. Purpose and Applicability

The purpose of the off-site facilities hook-up fees payable to Liberty Utilities (Litchfield Park Water & Sewer) Corp. – Wastewater Division (the “Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities to provide wastewater treatment and disposal facilities among all new service laterals. These charges are applicable to all new service laterals undertaken via Collection Main Extension Agreements, or requests for service not requiring a Collection Main Extension Agreement, entered into after the effective date of this tariff. The charges are one-time charges and are payable as a condition to Company’s establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-601 of the Arizona Corporation Commission’s (“Commission”) rules and regulations governing sewer utilities shall apply interpreting this tariff schedule.

“Applicant” means any party entering into an agreement with Company for the installation of wastewater facilities to serve new service laterals, and may include Developers and/or Builders of new residential subdivisions, and industrial or commercial properties.

“Company” means Liberty Utilities (Litchfield Park Water & Service) Corp. – Wastewater Division.

“Collection Main Extension Agreement” means an agreement whereby an Applicant, Developer and/or Builder agrees to advance the costs of the installation of wastewater facilities necessary to serve new service laterals, or install wastewater facilities to serve new service laterals and transfer ownership of such wastewater facilities to the Company, which agreement does not require the approval of the Commission pursuant to A.A.C. R-14-2-606, and shall have the same meaning as “Wastewater Facilities Agreement.”

“Off-site Facilities” means the wastewater treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenances necessary for proper operation, including engineering and design costs. Offsite facilities may also include lift stations, force mains, transportation mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the applicant and benefit the entire wastewater system.

“Service Lateral” means and includes all service laterals for single-family residential, commercial, industrial or other uses.

III. Wastewater Hook-up Fee

For each new residential service lateral, the Company shall collect a Hook-Up Fee of \$1,800 based on the Equivalent Residential Unit ("ERU") of 320 gallons per day. Commercial and industrial applicants shall pay based on the total ERUs of their development calculated by dividing the estimated total daily wastewater capacity usage needed for service using standard engineering standards and criteria by the ERU factor of 320 gallons per day. For "Active Adult" communities with demonstrated age-restricted zoning and/or CCRs providing for age-restricted living, the Hook-Up Fee shall be \$1,070, based on an ERU factor of 190 gallons per day.

IV. Terms and Conditions

(A) Assessment of One Time Off-Site Facilities Hook-up Fee: The off-site facilities hook-up fee may be assessed only once per parcel, service lateral, or lot within a subdivision (similar to a service lateral installation charge).

(B) Use of Off-Site Facilities Hook-up Fee: Off-site facilities hook-up fees may only be used to pay for capital items of Off-site Facilities, or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site hook-up fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under the tariff as CIAC; however, such amounts shall not be deducted from rate base until such amounts have been expended for plant.

(C) Time of Payment:

- (1) In the event that the person or entity that will be constructing improvements ("Applicant", "Developer" or "Builder") is otherwise required to enter into a Collection Main Extension Agreement, payment of the fees required hereunder shall be made by the Applicant, Developer or Builder within 15 days of execution of a Main Extension Agreement.
- (2) In the event that the Applicant, Developer or Builder for service is not required to enter into a Collection Main Extension Agreement, the Hook-Up Fee charges hereunder shall be due and payable at the time wastewater service is requested for the property.

(D) Off-Site Facilities Construction by Developer: Company and Applicant, Developer, or Builder may agree to construction of off-site facilities necessary to serve a particular development by Applicant, Developer or Builder, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site hook-up fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant, Developer or Builder and conveyed to Company is less than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall pay the remaining amount of off-site hook-up fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant, Developer or Builder and conveyed to Company is more than the applicable off-site hook-up fees under this Tariff, Developer or Builder shall be refunded the difference upon acceptance of the off-site facilities by the Company.

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide wastewater service to any Developer, Builder or other applicant for service in the event that the Developer, Builder or other applicant for service has not paid in full all charges hereunder. Under no circumstances will the Company connect service or otherwise allow service to be established if the entire amount of any payment has not been paid.

(F) Large Subdivision and/or Development Projects: In the event that the Applicant, Developer or Builder is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its reasonable discretion, agree to payment of off-site hook-up fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's, Developer's or Builder's construction schedule and water service requirements. In the alternative, the Applicant, Developer, or Builder shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.

(G) Off-Site Hook-Up Fees Non-refundable: The amounts collected by the Company pursuant to the off-site facilities hook-up fee tariff shall be non-refundable contributions in aid of construction.

(H) Use of Off-Site Hook-Up Fees Received: All funds collected by the Company as off-site facilities hook-up fees shall be deposited into a separate account and bear interest and shall be used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

(I) Off-Site Facilities Hook-up Fee in Addition to On-site Facilities: The off-site facilities hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Collection Main Extension Agreement.

(J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the off-site facilities hook-up fees, or if the off-site facilities hook-up fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(K) Status Reporting Requirements to the Commission: The Company shall submit a calendar year Off-Site Facilities Hook-Up Fee status report each January to Docket Control for the prior twelve (12) month period, beginning January 2015, until the hook-up fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the hook-up fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and an itemization of all facilities that have been installed using the tariff funds during the 12 month period.

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EXHIBIT 8

ESTIMATED ANNUAL OPERATING REVENUE
AND EXPENSES – FIRST FIVE YEARS

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 Falcon Ridge and Falcon View II Projects
 Projected Incremental Statements of Income

Line No.		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1	Flat Rate Wastewater Revenue /a					
2	Residential	9,684	33,894	62,946	87,156	96,840
3	Commercial	-	-	-	-	-
4	Industrial	-	-	-	-	-
5						
6	Other Wastewater Revenues	800	1,200	1,200	800	-
7	Total Estimated Revenues	10,484	35,094	64,146	87,956	96,840
8						
9	Purchased Power/1	658	2,303	4,278	5,923	6,581
10	Chemicals & Sludge Removal/1	623	2,180	4,048	5,606	6,228
11	Repairs & Maint/2	126	440	817	1,131	1,257
12	Insurance/2	13	46	86	119	132
13	Office, Billing, Postage, Ops. /2	104	364	676	936	1,040
14	Total Variable Costs	1,524	5,333	9,905	13,715	15,238
15						
16	Depreciation /3	7,978	17,756	22,256	27,656	32,156
17	CIAC Amort /4	(4,349)	(18,859)	(23,485)	(28,573)	(32,156)
18	Property Taxes /5	133	552	1,349	2,331	3,128
19	Income Taxes /6	1,841	10,737	19,171	25,797	27,797
20	Total Other Expense	5,603	10,186	19,291	27,211	30,925
21						
22	Total Operating Expenses	7,127	15,520	29,196	40,925	46,163
23						
24	Operating Income (Expense)	3,357	19,574	34,950	47,031	50,677
25						
26	/a - Based on customer growth and flat rate revenue					
27	/1 - Based on gallons treated					
28	/2 - Based on number of customers					
29	/3 - Based on plant estimate & authorized depreciation rates					
30	/4 - Based on customer growth at current HUF					
31	/5 - ADOR property tax calculation					
32	/6 - Based on composite rate last rate case					
33						

Line No.		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1	Assets					
2						
3	Utility Plant /1	797,810	797,810	797,810	797,810	797,810
4	Utility Plant /2	-	72,000	180,000	288,000	360,000
5	Accumulated Depreciation /3	(7,978)	(25,734)	(47,991)	(75,647)	(107,803)
6						
7	Cash	78,986	133,458	167,179	177,293	155,970
8						
9	Total Assets	868,818	977,534	1,096,999	1,187,457	1,205,978
10						
11	Equity					
12						
13	Retained Earnings	3,357	22,931	57,882	104,913	155,590
14						
15	Total Equity	3,357	22,931	57,882	104,913	155,590
16						
17	Liabilities & Deferred Credits					
18	Advances in Aid of Const.					
19	Contribution in Aid of Const. /4	869,810	977,810	1,085,810	1,157,810	1,157,810
20	CIAC Amortization	(4,349)	(23,208)	(46,693)	(75,266)	(107,422)
21	Total Liabilities and Deferred Credits	865,461	954,603	1,039,117	1,082,544	1,050,388
22						
23	Total Equity and Liabilities	868,818	977,534	1,096,999	1,187,457	1,205,978
24						
25		-	-	-	-	-
26						
27						
28	/1 - Developer Constructed Facilities per Line Extension Agreement					
29	/2 - Utility Constructed Plant Using HUFs					
30	/3 - See pages 3-7, Exhibit 8					
31	/4 - Developer Constructed Facilities plus HUFs					

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 Falcon Ridge and Falcon View II Projects
 Projected Plant and Depreciation

Exhibit 8

Page 3

NARUC Account No.		Description	2018					Net Plant
Line No.			Allowed Deprec. Rate	Plant Additions	Depreciation	Plant Balance	A/D Balance	
1	351	Organization Cost	0.00%	-	-	-	-	-
2	352	Franchise Cost	0.00%	-	-	-	-	-
3	353	Land and Land Rights	0.00%	-	-	-	-	-
4	354	Structures & Improvements	3.33%	-	-	-	-	-
5	355	Power Generating Equipment	5.00%	-	-	-	-	-
6	360	Collection Sewers - Force	2.00%	168,420	1,684	168,420	1,684	166,736
7	361	Collection Sewers - Gravity	2.00%	524,390	5,244	524,390	5,244	519,146
8	362	Special Collecting Structures	2.00%	-	-	-	-	-
9	363	Services to Customers	2.00%	105,000	1,050	105,000	1,050	103,950
10	364	Flow Measuring Devices	10.00%	-	-	-	-	-
11	365	Flow Measuring Installations	10.00%	-	-	-	-	-
12	366	Reuse Services	2.00%	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	8.33%	-	-	-	-	-
14	370	Receiving Wells	3.33%	-	-	-	-	-
15	371	Pumping Equipment	12.50%	-	-	-	-	-
16	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-
17	375	Reuse Transmission and Dist. Sys.	2.50%	-	-	-	-	-
18	380	Treatment and Disposal Equipment	5.00%	-	-	-	-	-
19	381	Plant Sewers	5.00%	-	-	-	-	-
20	382	Outfall Sewer Lines	3.33%	-	-	-	-	-
21	389	Other Plant and Misc. Equipment	6.67%	-	-	-	-	-
22	390	Office Furniture & Equipment	6.67%	-	-	-	-	-
23	390.1	Computers & Software	20.00%	-	-	-	-	-
24	391	Transportation Equipment	20.00%	-	-	-	-	-
25	392	Stores Equipment	4.00%	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-
27	394	Laboratory Equipment	10.00%	-	-	-	-	-
28	395	Power Operated Equipment	5.00%	-	-	-	-	-
29	396	Communications Equipment	10.00%	-	-	-	-	-
30	397	Miscellaneous Equipment	10.00%	-	-	-	-	-
31	398	Other Tangible Plant	10.00%	-	-	-	-	-
32				-	-	-	-	-
33				-	-	-	-	-
34				-	-	-	-	-
35		TOTAL		797,810	7,978	797,810	7,978	789,832

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EXHIBIT 9

WRITTEN REQUEST FOR SERVICE

March 6, 2017

Mr. Matthew Garlick
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W Indian School Rd., Suite D101
Avondale, AZ 85392

Re: Request for Water and Sewer Service

Dear Mr. Garlick:

EH CCF Liberty, LLC and EH RKCF Liberty, LLC ("Owners") are the current owners of the planned Falcon Ridge development. Falcon Ridge is located in Section 11, Township 2 North, Range 1 West consisting of tax parcel number 501-56-004D.

Owners hereby request that Liberty Utilities (Litchfield Park Water & Sewer) Corp. provide wastewater services to the indicated tax parcel and include the property in the Company's planned extension of its Certificate of Convenience and Necessity for water and sewer services.

EH CCF LIBERTY, LLC,
an Arizona limited liability company
By: Everest RFC, Inc.,
an Arizona corporation, Manager

By: 

Name: Kathryn m. Beatty

Its: VP Financial Operations

EH RKCF LIBERTY, LLC,
an Arizona limited liability company
By: Everest RFC, Inc.,
an Arizona corporation, Manager

By: 

Name: Kathryn m. Beatty

Its: VP Financial Operations

March 6, 2017

Mr. Matthew Garlick
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W Indian School Rd., Suite D101
Avondale, AZ 85392

Re: Request for Water and Sewer Service

Dear Mr. Garlick:

Everest Falcon View II, LLC ("Owner") is the current owner of the planned Falcon View II development. Falcon View II is located in Section 11, Township 2 North, Range 1 West consisting of tax parcel number 501-56-006C.

Owners hereby request that Liberty Utilities (Litchfield Park Water & Sewer) Corp. provide wastewater services to the indicated tax parcel and include the property in the Company's planned extension of its Certificate of Convenience and Necessity for water and sewer services.

EVEREST FALCON VIEW II, LLC,
a Delaware limited liability company

By: Everest RFC, Inc.,
an Arizona corporation, Manager

By: KM Beatty

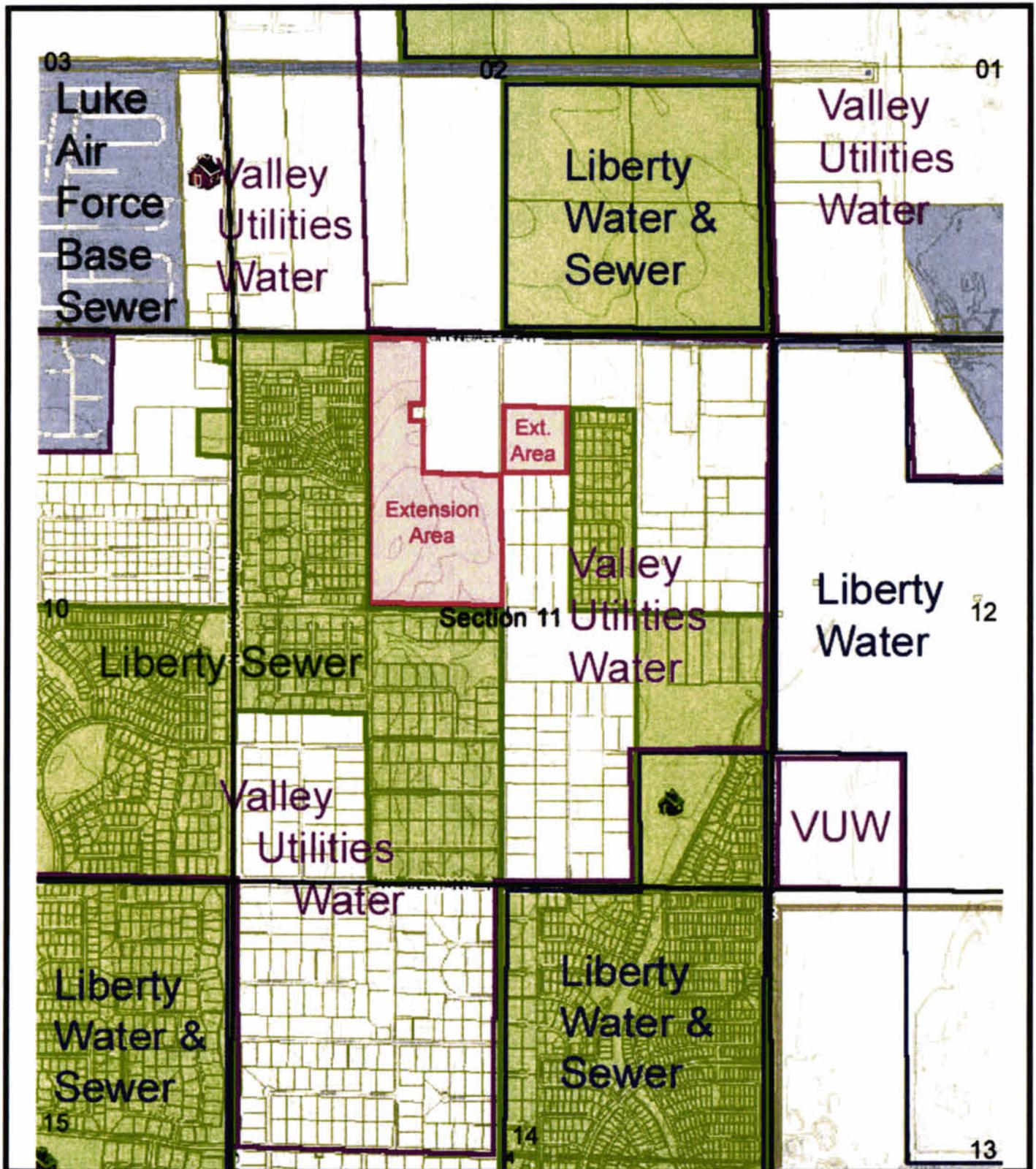
Name: Kathryn m. Beatty

Its: VP Financial Operations

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EXHIBIT 10

MAPS OF EXISTING SERVICE AREA AND EXTENSION AREA



CC&N Extension and Nearby Service Areas

FIGURE:

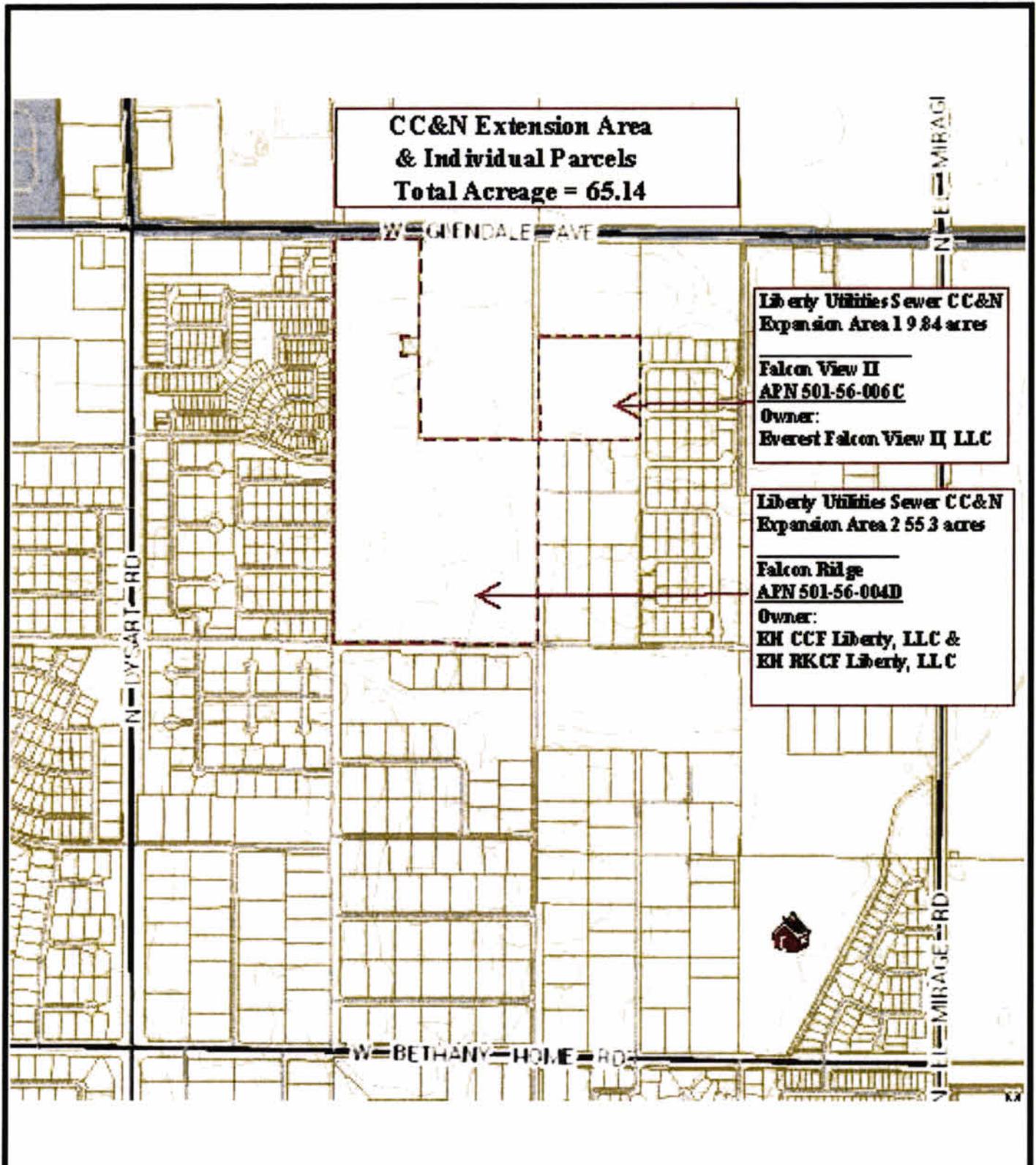
10.1

ARICOR
Water Solutions

**Liberty Utilities (Litchfield Park
Water & Sewer) Corp.**

DATE:

3-5-17



CC&N Extension and Land Ownership

FIGURE:

10.3



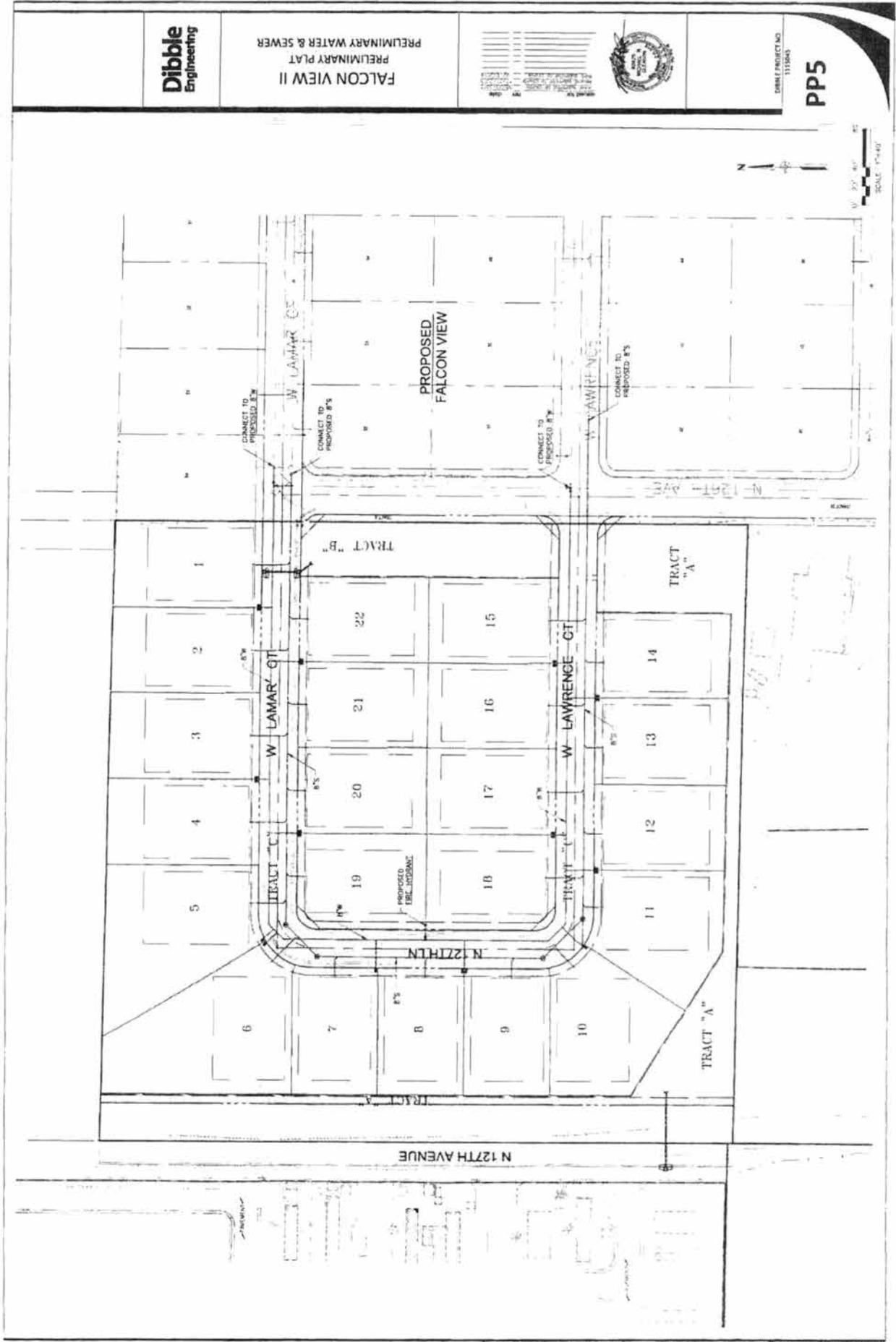
**Liberty Utilities (Litchfield Park
Water & Sewer) Corp.**

DATE:

3-5-17

Falcon View II - Wastewater Facilities Map

Exhibit 10.4



Dibble
Engineering

FALCON VIEW II
PRELIMINARY WATER & SEWER
PRELIMINARY PLAN

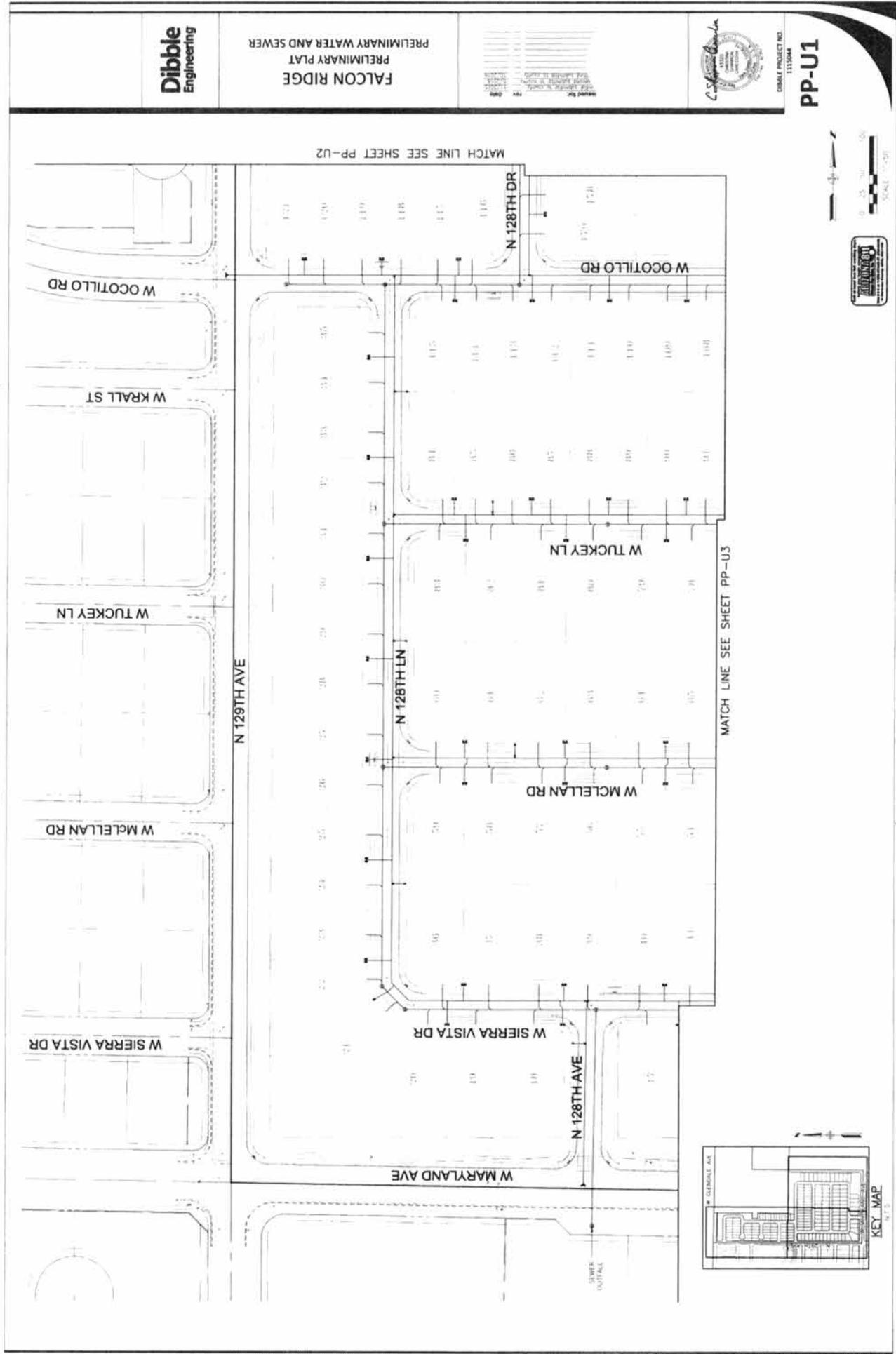


DIBBLE PROJECT NO.
1115043

PP5

Falcon Ridge - Wastewater Facilities Map

Exhibit 10.5



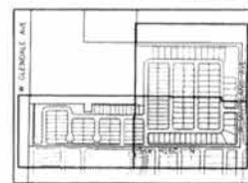
Dibble
Engineering

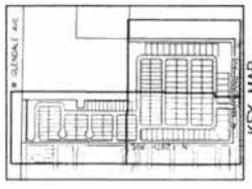
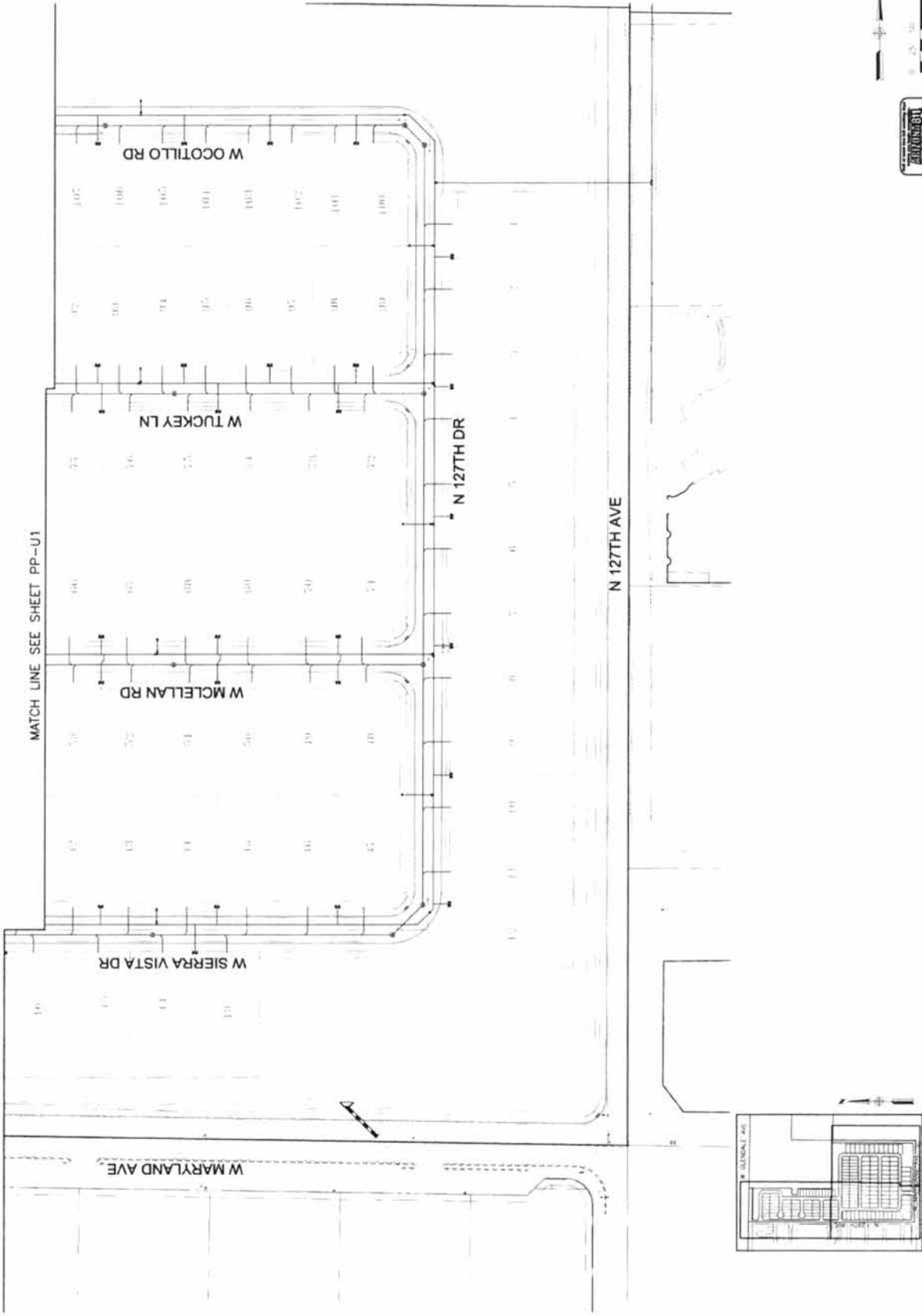
FALCON RIDGE
PRELIMINARY PLAT
PRELIMINARY WATER AND SEWER

DATE: 11/11/04
BY: [Signature]
CHECKED: [Signature]
APPROVED: [Signature]



DIBBLE PROJECT NO.
111504
PP-U1





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EXHIBIT 11
FORM OF NOTICE TO BE SENT TO MUNICIPALITIES
WITHIN 5 MILES OF EXTENSION AREA

[Liberty Utilities Letterhead]

Notice Required Pursuant to R14-2-602.B.4
Request for Certificate of Convenience and Necessity Extension
Filed by Liberty Utilities (Litchfield Park Water & Sewer) Corp.

Pursuant to A.A.C. R14-2-602.B.4, Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Liberty") is providing this notice that Liberty has made application to the Arizona Corporation Commission ("ACC") to extend its Certificate of Convenience and Necessity to provide wastewater utility service to the Certificate of Convenience and Necessity Extension Area set forth below. The requested Extension Area is within five miles of your municipality's corporate limits. The specific notice requirements are as follows:

Applicant Name, Mailing Address and Telephone Number

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
623-935-9367

Date Application was Filed

The CC&N Extension Application was filed on _____, 2017.

Type of Service to be Provided

Wastewater Service

A Description of Requested Service Area

Falcon Ridge is an approximately 55.3-acre property generally bound by Glendale Avenue on the north, Maryland Avenue on the south, 129th Avenue on the west and 127th Avenue on the east. Falcon View II is an approximately 9.84-acre property that is contiguous with the Falcon Ridge property with 127th Avenue as its western boundary and 126th Avenue as its eastern boundary. Both properties are within Section 11 of Township 2 North, Range 1 West of the Gila and Salt River Meridian.

Commission Docket Number

ACC Docket No. SW-01428A-17-_____

Instructions on How to Obtain a Copy of Application

The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, and at Liberty Utilities, 12725 W. Indian School Road, Suite D-101, Avondale, AZ 85392. In addition, Liberty will provide a printed copy or electronic copy upon request.

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EXHIBIT 12

ESTIMATED NUMBER OF CUSTOMERS – FIRST FIVE YEARS

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
 Falcon Ridge and Falcon View II Projects
 Customer Projections

Exhibit 12

Line
 No.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1 Customer Additions:					
2 Residential	40	60	60	40	0
3 Commercial	0	0	0	0	0
4 Industrial	0	0	0	0	0
5					
6 Cumulative Customers:					
7 Residential	40	100	160	200	200
8 Commercial	0	0	0	0	0
9 Industrial	0	0	0	0	0
10					

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EXHIBIT 13

ADEQ AQUIFER PROTECTION PERMIT

STATE OF ARIZONA
AQUIFER PROTECTION PERMIT NO. P-100310
PLACE ID 815, LTF 53068

1.0 AUTHORIZATION

In compliance with the provisions of Arizona Revised Statutes (A.R.S.) Title 49, Chapter 2, Articles 1, 2 and 3, Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, Articles 1 and 2, A.A.C. Title 18, Chapter 11, Article 4 and amendments thereto, and the conditions set forth in this permit, Litchfield Park Service Company is hereby authorized to operate Palm Valley Water Reclamation Facility, located in Goodyear, Arizona, in Maricopa County, over groundwater of the Phoenix Active Management Area, in Township 2 N, Range 1 W, Section 33, SE¼, SW¼, SW¼, of the Gila and Salt River Baseline and Meridian.

This permit becomes effective on the date of the Water Quality Division Director's signature and shall be valid for the life of the facility (operational, closure, and post-closure periods) unless suspended or revoked pursuant to A.A.C. R18-9-A213. The permittee shall construct, operate and maintain the permitted facilities:

1. Following all the conditions of this permit including the design and operational information documented or referenced below, and
2. Such that Aquifer Water Quality Standards (AWQS) are not violated at the applicable point(s) of compliance (POC) set forth below or if an AWQS for a pollutant has been exceeded in an aquifer at the time of permit issuance, that no additional degradation of the aquifer relative to that pollutant and as determined at the applicable POC occurs as a result of the discharge from the facility.

1.1 PERMITTEE INFORMATION

Facility Name: Palm Valley Water Reclamation Facility
Facility Address: 14222 West McDowell Road
Goodyear, Arizona 85338
County: Maricopa

Permittee: Litchfield Park Service Company
Permittee Address: 12725 W Indian School Rd, Suite D101
Avondale, AZ 85392

Facility Contact: Matthew Garlick
Emergency Phone No.: (623) 935-9367

Latitude/Longitude: 33° 27' 55" N / 112° 21' 55" W
Legal Description: Township 2 N, Range 1 W, Section 33, SE¼, SW¼, SW¼ of the Gila and Salt River Baseline and Meridian

1.2 AUTHORIZING SIGNATURE



Michael A. Fulton, Director
Water Quality Division
Arizona Department of Environmental Quality

Signed this 13th day of April, 2012

2.0 SPECIFIC CONDITIONS [A.R.S. §§ 49-203(4), 49-241(A)]

2.1 Facility / Site Description [A.R.S. § 49-243(K)(8)]

Litchfield Park Service Company (LPSCO) is authorized to operate Palm Valley Water Reclamation Facility (WRF), 5.1 million gallons per day (mgd) facility. The treatment process consists of two (2) bar screens, a vortex grit removal unit, an influent pump station, an influent equalization basin, three (3) sequential batch reactor (SBR) basins, a surge tank, four (4) cloth media disk filters, three (3) ultraviolet (UV) disinfection units, three (3) sludge holding tanks, two (2) centrifuges and two (2) rotary drum thickeners. The WRF is designed and constructed according to plans approved by ADEQ.

Effluent shall be reused for any allowable use under a valid reclaimed water permit (A.A.C. R18-9, Article 7), discharged to the Roosevelt Irrigation District (RID) canal under a valid AZPDES permit, or used for on-site process water applications (such as equipment cleaning). Discharges to the RID canal are exempt from APP requirements pursuant to A.R.S. § 49-250(B)(6) and (16). The Palm Valley WRF reclaimed water distribution system may also be connected to the reclaimed water distribution system for the City of Goodyear 157th Avenue WRF (APP No. P-101324), after the APP for the City of Goodyear 157th Avenue WRF has been amended to allow the connection (as per Section 3.0, Compliance Schedule). Once the reclaimed water distribution systems for the two facilities have been connected, reclaimed water from each of the facilities may be delivered to either facility's reclaimed water customers. Sludge shall be dewatered onsite by centrifuges and/or rotary drum thickeners. The dewatered sludge, including screenings, grit, and scum, shall be hauled off-site for management and disposal in accordance with state and federal regulations.

4.1 mgd Facility

The existing 4.1 mgd WRF includes two (2) bar screens, three (3) SBR basins, three (3) cloth media disc filters, and two (2) UV disinfection units. Discharge monitoring for this stage of operation shall be conducted as per Section 4.2, Table IA-1. Upon completion of construction of the 5.1 mgd expansion, monitoring under Table IA-1 shall be discontinued as per Section 3.0, Compliance Schedule.

5.1 mgd Expansion

The 5.1 mgd WRF shall include two (2) bar screens, three (3) SBR basins, four (4) cloth media disc filters, and three (3) UV disinfection units. In addition, two (2) of the three (3) existing SBR basins shall be retrofitted with new floating decanters and jet aeration systems, in order to expand the capacity of the facility without constructing additional SBR basins. Discharge monitoring for this stage of operation shall be conducted as per Section 4.2, Table IA-2.

Amendment Description

The purpose of this amendment is to increase the capacity of the WRF from 4.1 mgd to 5.1 mgd by adding a disc filter unit and a UV disinfection unit to the existing plant, to retrofit two (2) of the three (3) existing SBRs with new equipment to expand the capacity of the plant, and to allow connection between the Palm Valley WRF reclaimed water distribution system and the City of Goodyear 157th Avenue WRF reclaimed water distribution system.

The depth to groundwater is approximately 120 feet below land surface, and the direction of groundwater flow is toward the west-northwest.

All industrial hookups and other non-residential hookups to the treatment system shall be authorized according to the applicable federal, state or local regulations.

The site includes the following permitted discharging facility:

Facility Name	Latitude	Longitude
Palm Valley Water Reclamation Facility	33° 27' 55" N	112° 21' 55" W

Annual Registration Fee [A.R.S. § 49-242 and A.A.C. R18-14-104]

The Annual Registration Fee for this permit is established by A.R.S. § 49-242 and is payable to ADEQ each year. The design flow is 5.1 mgd.

Financial Capability [A.R.S. § 49-243(N) and A.A.C. R18-9-A203]

The permittee has demonstrated financial capability under A.R.S. § 49-243(N) and A.A.C. R18-9-A203(C)(5). The permittee shall maintain financial capability throughout the life of the facility. Litchfield Park Service Company submitted a Letter of Credit in the amount of \$500,000.00 to ADEQ as a financial assurance mechanism.

2.2 Best Available Demonstrated Control Technology [A.R.S. § 49-243(B) and A.A.C. R18-9-A202(A)(5)]

The WRF shall be designed, constructed, operated, and maintained to meet the treatment performance criteria for new facilities as specified in A.A.C. R18-9-B204. The facility shall meet the performance requirement for industrial pre-treatment as per A.A.C. R18-9-B204(B)(6)(b).

2.2.1 Engineering Design

This expansion of the WRF was designed and shall be constructed as per the design report stamped, dated, and signed (sealed) on August 17, 2010, by Brian P. McBride, P.E. (Professional Engineer) with McBride Engineering Solutions, Inc., and subsequent sealed submittals that served as additions to the design report.

2.2.2 Site-specific Characteristics

Not applicable.

2.2.3 Pre-operational Requirements

The permittee shall submit a signed, dated, and sealed Engineer's Certificate of Completion in a format approved by the Department per Compliance Schedule in Section 3.0. The Certificate shall be submitted to the Groundwater Section, and a copy shall be sent to the Water Quality Compliance Section.

2.2.4 Operational Requirements

1. The permittee shall maintain a copy of the up-to-date operations and maintenance manual at the WRF site at all times; the manual shall be available upon request during inspections by ADEQ personnel.
2. The pollution control structures shall be inspected for the items listed in Section 4.2, Table III - Facility Inspection (Operational Monitoring).
3. If any damage of the pollution control structures is identified during inspection, proper repair procedures shall be performed. All repair procedures and material(s) used shall be documented on the Self-Monitoring Report Form submitted quarterly to the ADEQ Water Quality Compliance Section.

2.2.5 Reclaimed Water Classification

[A.A.C. R18-9-703(C)(2)(a), A.A.C. R18-11-303 through 307]

The treatment facility is rated as producing reclaimed water meeting the Class A+ Reclaimed Water Quality Standards (A.A.C. R18-11, Article 3), which may be used for any allowable Class A, B, or C use under a valid reclaimed water permit (A.A.C. R18-9, Article 7).

2.2.6 Certified Area-wide Water Quality Management Plan Conformance
 [A.A.C. R18-9-A201(B)(6)(a)]

Facility operations must conform to the approved Certified Area-wide Water Quality Management Plan according to the 208 consistency determination in place at the time of permit issuance.

2.3 Discharge Limitations [A.R.S. §§ 49-201(14), 49-243 and A.A.C. R18-9-A205(B)]

1. The permittee is authorized to operate the WRF with a maximum average monthly flow of 5.1 mgd.
2. The permittee shall notify all users that the materials authorized to be disposed of through the WRF are typical household sewage and pre-treated commercial wastewater and shall not include motor oil, gasoline, paints, varnishes, hazardous wastes, solvents, pesticides, fertilizers or other materials not generally associated with toilet flushing, food preparation, laundry facilities and personal hygiene.
3. 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 BACT pollutant control technologies including liner failure, uncontrollable leakage, overtopping (e.g., exceeding the maximum storage capacity, defined as a fluid level exceeding the crest elevation of a permitted impoundment), of basins, lagoons, impoundments or sludge drying beds, berm breaches, accidental spills, or other unauthorized discharges.
4. Specific discharge limitations are listed in Section 4.2, Tables 1A-1, 1A-2 and 1B.

2.4 Points of Compliance (POCs) [A.R.S. § 49-244]

The POCs are established at the following designated locations:

POC	POC Location	Bearing	Distance
1	Theoretical POC located at the northwest corner of the WRF	33° 27' 56" N	112° 21' 54" W

Groundwater monitoring is not required at the point of compliance, except as a contingency action.

The Director may amend this permit to require the installation of a well and the initiation of groundwater monitoring at the POC, or to designate additional points of compliance, if information on groundwater gradients or groundwater usage indicates the need.

2.5 Monitoring Requirements [A.R.S. § 49-243(K)(1), A.A.C. R18-9-A206(A)]

All monitoring required in this permit shall continue for the duration of the permit, regardless of the status of the facility. All sampling, preservation and holding times shall be in accordance with currently accepted standards of professional practice. Trip blanks, equipment blanks and duplicate samples shall also be obtained, and Chain-of-Custody procedures shall be followed, in accordance with currently accepted standards of professional practice. The permittee shall develop a site-specific Quality Management Plan (QMP) which describes the sample collection and analysis procedures to ensure that the result of work

¹Liner failure in a single-lined impoundment is any condition that would result in leakage exceeding 550 gallons per day per acre.

performed under this permit will satisfy the data quality objectives of the permit. The permittee shall be responsible for the quality and accuracy of all data required by this permit. If a third party collects or analyzes samples on behalf of the permittee, the permittee shall obtain a copy of the third party site-specific QMP. The permittee shall consult with the most recent version of the ADEQ QMP and Title 40, PART 136, of the Environmental Protection Agency's Code of Federal Regulations (CFR) for guidance in this regard. Copies of laboratory analyses and Chain-of-Custody forms shall be maintained at the permitted facility. Upon request, these documents shall be made immediately available for review by ADEQ personnel.

2.5.1 Pre-operational Monitoring

Not applicable at the time of permit issuance.

2.5.2 Routine Discharge Monitoring

The permittee shall monitor the effluent on a routine basis according to Section 4.2, Table IA-1 or IA-2, as applicable. Representative samples of the effluent shall be collected downstream of the UV disinfection channel.

2.5.3 Reclaimed Water Monitoring

On a routine basis, the permittee shall monitor the reclaimed water parameters listed under Section 4.2, Table IB in addition to the routine discharge monitoring parameters listed in Section 4.2, Tables IA-1 and IA-2. Representative samples of the reclaimed water shall be collected downstream of the UV disinfection channel.

2.5.4 Facility / Operational Monitoring

Operational monitoring inspections shall be conducted according to Section 4.2, Table III.

1. If any damage of the pollution control structures is identified during inspection, proper repair procedures shall be performed. All repair procedures and materials used shall be documented on the SMRF submitted quarterly to the ADEQ Water Quality Compliance Section, Data Unit. If none of the conditions occur, the report shall say "no event" for a particular reporting period. If the facility is not in operation, the permittee shall indicate this on the SMRF.
2. The permittee shall submit data required in Section 4.2, Table III regardless of the operating status of the facility unless otherwise approved by the Department or allowed in this permit.

2.5.5 Groundwater Monitoring and Sampling Protocols

Not applicable.

2.5.6 Surface Water Monitoring and Sampling Protocols

Not applicable.

2.5.7 Analytical Methodology

All samples collected for compliance monitoring shall be analyzed using Arizona state-approved methods. If no state-approved method exists, then any appropriate EPA-approved method shall be used. Regardless of the method used, the detection limits must be sufficient to determine compliance with the regulatory limits of the parameters specified in this permit. Analyses shall be performed by a laboratory licensed by the Arizona Department of Health Services, Office of Laboratory Licensure and Certification. For results to be considered valid, all analytical work shall meet quality control standards specified in the approved methods. A list of state-certified laboratories in Arizona can be obtained at the address below:

Arizona Department of Health Services
Office of Laboratory Licensure and Certification
250 North 17th Avenue
Phoenix, Arizona 85007
Phone: (602) 364-0720

2.5.8. Installation and Maintenance of Monitoring Equipment

Monitoring equipment required by this permit shall be installed and maintained so that representative samples required by the permit can be collected. If new groundwater wells are determined to be necessary, the construction details shall be submitted to the ADEQ Groundwater Section for approval prior to installation, and the permit shall be amended to include any new monitoring points.

2.6 Contingency Plan Requirements

[A.R.S. § 49-243(K)(3), (K)(7) and A.A.C. R18-9-A204 and R18-9-A205]

2.6.1 General Contingency Plan Requirements

At least one copy of this permit and the approved contingency and emergency response plan(s) submitted in the application shall be maintained at the location where day-to-day decisions regarding the operation of the facility are made. The permittee shall be aware of and follow the contingency and emergency plans.

Any AL exceedance, violation of a DL, AQL, or other permit condition shall be reported to ADEQ following the reporting requirements in Section 2.7.3.

Some contingency actions involve verification sampling. Verification sampling shall consist of the first follow-up sample collected from a location that previously indicated a violation or the exceedance of an AL. Collection and analysis of the verification sample shall use the same protocols and test methods to analyze for the pollutant or pollutants that exceeded an AL or violated an AQL. The permittee is subject to enforcement action for the failure to comply with any contingency actions in this permit. Where verification sampling is specified in this permit, it is the option of the permittee to perform such sampling. If verification sampling is not conducted within the timeframe allotted, ADEQ and the permittee shall presume the initial sampling result to be confirmed as if verification sampling had been conducted. The permittee is responsible for compliance with contingency plans relating to the exceedance of an AL or violation of a DL, AQL, or any other permit condition.

2.6.2 Exceeding of Alert Levels/Performance Levels

2.6.2.1 Exceeding of Performance Levels Set for Operational Conditions

1. If an operational performance level (PL) set in Section 4.2, Table III has been exceeded the permittee shall:
 - a. Notify the ADEQ Water Quality Compliance Section within five days of becoming aware of the exceedance.
 - b. Submit a written report within 30 days after becoming aware of the exceedance. The report shall document all of the following:
 - (1) A description of the exceedance and its cause;
 - (2) the period of the exceedance, including exact date(s) and time(s), if known, and the anticipated time period during which the exceedance is expected to continue;
 - (3) any action taken or planned to mitigate the effects of the exceedance or spill, or to eliminate or prevent recurrence of the exceedance or spill;

- (4) any monitoring activity or other information which indicates that any pollutants would be reasonably expected to cause a violation of an AWQS; and
 - (5) any malfunction or failure of pollution control devices or other equipment or process;
2. The facility is no longer on alert status once the operational indicator no longer indicates that a PL is being exceeded. The permittee shall, however, complete all tasks necessary to return the facility to its pre-alert operating condition.

2.6.2.2 Exceeding of Alert Levels (ALs) Set for Discharge Monitoring

1. If an AL set in Section 4.2, Tables IA-1 and IA-2 has been exceeded, the permittee shall immediately investigate to determine the cause. The investigation shall include the following:
 - a. Inspection, testing, and assessment of the current condition of all treatment or pollutant discharge control systems that may have contributed to the exceedance;
 - b. Review of recent process logs, reports, and other operational control information to identify any unusual occurrences; and
 - c. If the investigation procedures indicated in (a) and (b) above fail to reveal the cause of the exceedance, the permittee shall sample individual waste streams composing the wastewater for the parameters in question, if necessary to identify the cause of the exceedance.
2. The permittee shall initiate actions identified in the approved contingency plan and specific contingency measures identified in Section 2.6 to resolve any problems identified by the investigation which may have led to an AL exceedance. To implement any other corrective action the permittee shall obtain prior approval from ADEQ according to Section 2.6.6.
3. Within 30 days of an AL exceedance, the permittee shall submit the laboratory results to the ADEQ Water Quality Compliance Section, Data Unit, along with a summary of the findings of the investigation, the cause of the exceedance, and actions taken to resolve the problem.
4. Upon review of the submitted report, the Department may amend the permit to require additional monitoring, increased frequency of monitoring, amendments to permit conditions or other actions.

2.6.2.2.1 Exceeding Permit Flow Limit

1. If the AL for average monthly flow in Section 4.2, Tables IA-1 or IA-2 has been exceeded, the permittee shall submit an application for an APP amendment to expand the WRF or submit a report detailing the reasons that expansion is not necessary.
2. Acceptance of the report instead of an application for expansion requires ADEQ approval.

2.6.3 Discharge Limit Violation

1. If a DL set in Section 4.2, Tables IA-1, IA-2, or IB has been violated, the permittee shall immediately investigate to determine the cause of the violation. The investigation shall include the following:
 - a. Inspection, testing, and assessment of the current condition of all treatment or pollutant discharge control systems that may have contributed to the violation;
 - b. Review of recent process logs, reports, and other operational control information to identify any unusual occurrences; and

- c. If the investigation procedures indicated in (a) and (b) above fail to reveal the cause of the violation, the permittee shall sample individual waste streams composing the wastewater for the parameters in violation, if necessary to identify the cause of the violation.

The permittee also shall submit a report according to Section 2.7.3, which includes a summary of the findings of the investigation, the cause of the violation, and actions taken to resolve the problem. The permittee shall consider and ADEQ may require corrective action that may include control of the source of discharge, cleanup of affected soil, surface water or groundwater, and mitigation of the impact of pollutants on existing uses of the aquifer. Corrective actions shall either be specifically identified in this permit, included in an ADEQ-approved contingency plan, or separately approved according to Section 2.6.6.

2. Upon review of the submitted report, the Department may amend the permit to require additional monitoring, increased frequency of monitoring, amendments to permit conditions, or other actions.

2.6.4 Aquifer Quality Limit Violation

Not applicable - Groundwater monitoring is not required under this permit.

2.6.5 Emergency Response and Contingency Requirements for Unauthorized Discharges pursuant to A.R.S. § 49-201(12) and pursuant to A.R.S. § 49-241

2.6.5.1 Duty to Respond

The permittee shall act immediately to correct any condition resulting from a discharge pursuant to A.R.S. § 49-201(12) if that condition could pose an imminent and substantial endangerment to public health or the environment.

2.6.5.2 Discharge of Hazardous Substances or Toxic Pollutants

In the event of any unauthorized discharge pursuant to A.R.S. § 49-201(12) of suspected hazardous substances (A.R.S. § 49-201(19)) or toxic pollutants (A.R.S. § 49-243(I)) on the facility site, the permittee shall promptly isolate the area and attempt to identify the discharged material. The permittee shall record information, including name, nature of exposure and follow-up medical treatment, if necessary, on persons who may have been exposed during the incident. The permittee shall notify the ADEQ Water Quality Compliance Section within 24 hours of discovering the discharge of hazardous material which (a) has the potential to cause an AWQS or AQL exceedance, or (b) could pose an endangerment to public health or the environment.

2.6.5.3 Discharge of Non-hazardous Materials

In the event of any unauthorized discharge pursuant to A.R.S. § 49-201(12) of non-hazardous materials from the facility, the permittee shall promptly attempt to cease the discharge and isolate the discharged material. Discharged material shall be removed and the site cleaned up as soon as possible. The permittee shall notify the ADEQ Water Quality Compliance Section within 24 hours of discovering the discharge of non-hazardous material which (a) has the potential to cause an AQL exceedance, or (b) could pose an endangerment to public health or the environment.

2.6.5.4 Reporting Requirements

The permittee shall submit a written report for any unauthorized discharges reported under Sections 2.6.5.2 and 2.6.5.3 to the ADEQ Water Quality Compliance Section within 30 days of the discharge or as required by subsequent ADEQ action. The report shall summarize the event, including any human exposure, and facility response activities and include all information specified in Section 2.7.3. If a notice is issued by ADEQ subsequent to the discharge notification, any additional information requested in the notice shall also be submitted within the time frame

specified in the notice. Upon review of the submitted report, ADEQ may require additional monitoring or corrective actions.

2.6.6 Corrective Actions

Specific contingency measures identified in Section 2.6 have already been approved by ADEQ and do not require written approval to implement.

With the exception of emergency response actions taken under Section 2.6.5, the permittee shall obtain written approval from the Groundwater Section prior to implementing a corrective action to accomplish any of the following goals in response to exceedance of an AL or violation of an AQL, DL, or other permit condition:

1. Control of the source of an unauthorized discharge;
2. Soil cleanup;
3. Cleanup of affected surface waters;
4. Cleanup of affected parts of the aquifer;
5. Mitigation to limit the impact of pollutants on existing uses of the aquifer.

Within 30 days of completion of any corrective action, the operator shall submit to the ADEQ Water Quality Compliance Section a written report describing the causes, impacts, and actions taken to resolve the problem.

2.7 Reporting and Recordkeeping Requirements [A.R.S. § 49-243(K)(2) and A.A.C. R18-9-A206(B) and R18-9-A207]

2.7.1 Self-monitoring Report Form

1. The permittee shall complete the SMRFs provided by ADEQ, and submit them to the Water Quality Compliance Section, Data Unit.
2. The permittee shall complete the SMRF to the extent that the information reported may be entered on the form. If no information is required during a reporting period, the permittee shall enter "not required" on the SMRF and submit the report to ADEQ. The permittee shall use the format devised by ADEQ.
3. The tables contained in Section 4.0 list the parameters to be monitored and the frequency for reporting results for compliance monitoring. Analytical methods shall be recorded on the SMRFs.
4. In addition to the SMRF, the information contained in A.A.C. R18-9-A206(B)(1) shall be included for exceeding an AL or violation of an AQL, DL, or any other permit condition being reported in the current reporting period.

2.7.2 Operation Inspection / Log Book Recordkeeping

A signed copy of this permit shall be maintained at all times at the location where day-to-day decisions regarding the operation of the facility are made. A log book (paper copies, forms, or electronic data) of the inspections and measurements required by this permit shall be maintained at the location where day-to-day decisions are made regarding the operation of the facility. The log book shall be retained for ten years from the date of each inspection, and upon request, the permit and the log book shall be made immediately available for review by ADEQ personnel. The information in the log book shall include, but not be limited to, the following information as applicable:

1. Name of inspector;
2. Date and shift inspection was conducted;
3. Condition of applicable facility components;
4. Any damage or malfunction, and the date and time any repairs were performed;
5. Documentation of sampling date and time; and
6. Any other information required by this permit to be entered in the log book.

Monitoring records for each measurement shall comply with A.A.C. R18-9-A206(B)(2).

2.7.3. Permit Violation and Alert Level Status Reporting

1. The permittee shall notify the Water Quality Compliance Section in writing (by mail or by fax - see Section 2.7.5) within five days (except as provided in Section 2.6.5) of becoming aware of a violation of any permit condition, discharge limitation, or of an AL exceedance.
2. The permittee shall submit a written report to the Water Quality Compliance Section within 30 days of becoming aware of the violation of any permit condition or discharge limitation. The report shall document all of the following:
 - a. Identification and description of the permit condition for which there has been a violation and a description of the cause;
 - b. The period of violation including exact date(s) and time(s), if known, and the anticipated time period during which the violation is expected to continue;
 - c. Any corrective action taken or planned to mitigate the effects of the violation, or to eliminate or prevent a recurrence of the violation;
 - d. Any monitoring activity or other information which indicates that any pollutants would be reasonably expected to cause a violation of an AWQS;
 - e. Proposed changes to the monitoring which include changes in constituents or increased frequency of monitoring; and
 - f. Description of any malfunction or failure of pollution control devices or other equipment or processes.

2.7.4. Operational, Other or Miscellaneous Reporting

The permittee shall complete the SMRF provided by the Department to reflect facility inspection requirements designated in Section 4.2, Table III and submit to the ADEQ Water Quality Compliance Section, Data Unit quarterly along with other reports required by this permit. Facility inspection reports shall be submitted no less frequently than quarterly, regardless of operational status.

If the treatment facility is classified for reclaimed water under this permit, the permittee shall submit the reclaimed water monitoring results as required in Section 4.2, Table IB and flow volumes to any of the following in accordance with A.A.C. R18-9-703(C)(2)(c):

1. Any reclaimed water agent who has contracted for delivery of reclaimed water from the permittee; and
2. Any end user who has not waived interest in receiving this information.

2.7.5. Reporting Location

All SMRFs shall be submitted to:

Arizona Department of Environmental Quality
Water Quality Compliance Section, Data Unit
Mail Code 5415B-1
1110 West Washington Street
Phoenix, Arizona 85007
Phone (602) 771-4681

All documents required by this permit to be submitted to the Water Quality Compliance Section shall be directed to the following address:

Arizona Department of Environmental Quality
Water Quality Compliance Section
Mail Code 5415B-1
1110 West Washington Street
Phoenix, Arizona 85007
Phone (602) 771-4497
Fax (602) 771-4505

All documents required by this permit to be submitted to the Groundwater Section shall be directed to:

Arizona Department of Environmental Quality
Groundwater Section
Mail Code 5415B-3
1110 West Washington Street
Phoenix, Arizona 85007
Phone (602) 771-4428

2.7.6 Reporting Deadline

The following table lists the quarterly report due dates²:

Quarter	Due Date
January-March	April 30
April-June	July 30
July-September	October 30
October-December	January 30

The following table lists the semi-annual and annual report due dates:

Report Period	Due Date
Semi-annual: January-June	July 30
Semi-annual: July-December	January 30
Annual: January-December	January 30

2.7.7 Changes to Facility Information in Section 1.0

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.

2.8 Temporary Cessation [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A209(A)]

The permittee shall give written notice to the Water Quality Compliance Section before ceasing operation of the facility for a period of 60 days or greater. The permittee shall take the following measures upon temporary cessation:

²A post-mark date no later than the due date is considered meeting the due date requirements under this Section.

1. If applicable, direct the wastewater flows from the facility to another state-approved wastewater treatment facility;
2. Correct the problem that caused the temporary cessation of the facility; and
3. Notify the ADEQ Water Quality Compliance Section with a monthly facility status report describing the activities conducted on the treatment facility to correct the problem.

At the time of notification the permittee shall submit for ADEQ approval a plan for maintenance of discharge control systems and for monitoring during the period of temporary cessation. Immediately following ADEQ approval, the permittee shall implement the approved plan. If necessary, ADEQ shall amend permit conditions to incorporate conditions to address temporary cessation. During the period of temporary cessation, the permittee shall provide written notice to the Water Quality Compliance Section of the operational status of the facility every three years. If the permittee intends to permanently cease operation of any facility, the permittee shall submit closure notification, as set forth in Section 2.9 below.

2.9 Closure [A.R.S. §§ 49-243(K)(6), 49-252 and A.A.C. R18-9-A209(B)]

For a facility addressed under this permit, the permittee shall give written notice of closure to the Water Quality Compliance Section of the intent to cease operation without resuming activity for which the facility was designed or operated.

2.9.1 Closure Plan

Within 90 days following notification of closure, the permittee shall submit for approval to the Groundwater Section a closure plan which meets the requirements of A.R.S. § 49-252 and A.A.C. R18-9-A209(B)(3).

If the closure plan achieves clean-closure immediately, ADEQ shall issue a letter of approval to the permittee. If the closure plan contains a schedule for bringing the facility to a clean-closure configuration at a future date, ADEQ may incorporate any part of the schedule as an amendment to this permit.

2.9.2 Closure Completion

Upon completion of closure activities, the permittee shall give written notice to the Groundwater Section indicating that the approved closure plan has been implemented fully and providing supporting documentation to demonstrate that clean-closure has been achieved (soil sample results, verification sampling results, groundwater data, as applicable). If clean-closure has been achieved, ADEQ shall issue a letter of approval to the permittee at that time. If any of the following conditions apply, the permittee shall follow the terms of post-closure stated in this permit:

1. Clean-closure cannot be achieved at the time of closure notification or within one year thereafter under a diligent schedule of closure actions;
2. Further action is necessary to keep the facility in compliance with AWQS at the applicable POC;
3. Continued action is required to verify that the closure design has eliminated discharge to the extent intended;
4. Remediation or mitigation measures are necessary to achieve compliance with Title 49, Ch. 2; and
5. Further action is necessary to meet property use restrictions.

2.10 Post-closure [A.R.S. §§ 49-243(K)(6), 49-252 and A.A.C. R18-9 A209(C)]

Post-closure requirements shall be established based on a review of facility closure actions and will be subject to review and approval by the Groundwater Section.

In the event clean-closure cannot be achieved pursuant to A.R.S. § 49-252, the permittee shall submit for approval to the Groundwater Section a post-closure plan that addresses post-closure maintenance and monitoring actions at the facility. The post-closure plan shall meet all requirements of A.R.S. §§ 49-201(30)

and 49-252 and A.A.C. R18-9-A209(C). Upon approval of the post-closure plan, this permit shall be amended or a new permit shall be issued to incorporate all post-closure controls and monitoring activities of the post-closure plan.

2.10.1 Post-closure Plan

A specific post-closure plan may be required upon the review of the closure plan.

2.10.2 Post-closure Completion

Not required at the time of permit issuance.

3.0 COMPLIANCE SCHEDULE [A.R.S. § 49-243(K)(5) and A.A.C. R18-9-A208]

For each compliance schedule item listed below, the permittee shall submit the required information, including a cover letter that lists the compliance schedule items, to the Groundwater Section. A copy of the cover letter must also be submitted to the ADEQ Water Quality Compliance Section.

<p>The permittee shall submit a signed, dated, and sealed Engineer's Certificate of Completion for the 5.1 mgd expansion in a format approved by the Department that confirms that the facility is constructed according to the Department-approved design report or plans and specifications, as applicable.</p>	<p>Within 90 days after completion of construction of the 5.1 mgd expansion.</p>
<p>The permittee may cease monitoring as per Section 4.2, Table IA-1, begin monitoring as per Section 4.2, Table IA-2, and notify the Water Quality Compliance Section, Data Unit, of the change in monitoring.</p>	<p>Within 30 days after submitting the Engineer's Certificate of Completion for the 5.1 mgd expansion.</p>
<p>The permittee shall notify ADEQ of commencement of discharge from the 5.1 mgd WRF.</p>	<p>Within 15 days after commencement of monitoring under Section 4.2, Table IA-2.</p>
<p>The permittee may apply for a permit amendment to remove Section 4.2, Table IA-1.</p>	<p>After commencement of monitoring under Section 4.2, Table IA-2.</p>
<p>The permittee may connect the Palm Valley WRF reclaimed water distribution system to the City of Goodyear 157th Avenue WRF reclaimed water distribution system.</p>	<p>After a permit amendment is issued to the City of Goodyear allowing the City of Goodyear 157th Avenue WRF (APP No. P-101324) to connect its reclaimed water distribution system to the Palm Valley WRF reclaimed water distribution system.</p>

4.0 TABLES OF MONITORING REQUIREMENTS

4.1 PRE-OPERATIONAL MONITORING (OR CONSTRUCTION REQUIREMENTS)

Not applicable.

4.0 TABLES OF MONITORING REQUIREMENTS

4.2 COMPLIANCE (or OPERATIONAL) MONITORING

TABLE IA-1
ROUTINE DISCHARGE MONITORING - 4.1 MGD³

Sampling Point Number	Sampling Point Identification			Latitude	Longitude
1	Immediately downstream of the UV Channel			33° 27' 55" N	112° 21' 56" W
Total Flow ⁴ : Daily	NE ⁵	NE	mgd ²	Everyday	Quarterly
Total Flow: Monthly Average ¹⁰	3.9	4.1	mgd	Monthly Calculation	Quarterly
Reuse Flow: Daily	NE	4.1	mgd	Everyday	Quarterly
Reuse Flow: Monthly Average	NE	4.1	mgd	Monthly Calculation	Quarterly
<i>E. coli</i> : Single sample maximum	NE	15.0	CFU or MPN ¹¹	Daily	Quarterly
<i>E. coli</i> : four (4) of seven (7) samples in a week ¹²	NE	Non-detect ¹³	CFU or MPN	Daily	Quarterly
Total Nitrogen ¹⁴ : Five-sample rolling geometric mean	8.0	10.0	mg/l ¹⁵	Monthly ¹⁶	Quarterly

³Monitoring under Table IA-1 is no longer required after the commencement of monitoring under Table IA-2.

⁴AL = Alert Level

⁵DL = Discharge Limit

⁶Total flow is the total of flows to on-site process use, reclaimed water, discharge to the RID canal, and the City of Goodyear 157th Avenue WRF, and flow from the City of Goodyear 157th Avenue WRF.

⁷Flow shall be measured using a continuous recording flow meter which totals the flow daily.

⁸NE = Not Established = Monitoring is required but no limits are specified.

⁹mgd = million gallons per day

¹⁰Monthly average of daily flow values.

¹¹CFU = Colony Forming Units / 100 ml sample. MPN = Most Probable Number / 100 ml sample. For CFU, a value of <1.0 shall be considered to be non-detect. For MPN, a value of <2.2 shall be considered to be non-detect.

¹²Week means a seven-day period starting on Sunday and ending on the following Saturday.

¹³If at least four (4) of seven (7) samples in a week are non-detect, report "yes" in the appropriate space on the SMRF (indicating that the standard has been met). If at least four (4) of seven (7) samples in a week have detections of *E. coli*, report "no" in the appropriate space on the SMRF (indicating that the standard has not been met).

¹⁴Total Nitrogen = Nitrate as N + Nitrite as N + Total Kjeldahl Nitrogen

¹⁵mg/l = milligrams per liter

¹⁶A five-month geometric mean of the results of the five (5) most recent samples

TABLE IA-1
ROUTINE DISCHARGE MONITORING - 4.1 MGD (continued)

Sampling Point Number	Sampling Point Identification	Latitude	Longitude		
2	Flow meter at the connection to the City of Goodyear 157 th Avenue WRF reclaimed water distribution system, located 3,000 feet west of Palm Valley WRF at the intersection of McDowell Road and Bullard Avenue	33° 27' 51.48" N	112° 22' 31.08" W		
Parameter	AL	DL	Units	Sampling Frequency	Reporting Frequency
Flow from the Palm Valley WRF reclaimed water distribution system to the City of Goodyear 157 th Avenue WRF reclaimed water distribution system	NE	NE	mgd	Everyday	Quarterly
Flow from the City of Goodyear 157 th Avenue WRF reclaimed water distribution system to the Palm Valley WRF reclaimed water distribution system	NE	NE	mgd	Everyday	Quarterly

TABLE IA-1
ROUTINE DISCHARGE MONITORING - 4.1 MGD (continued)

Sampling Point Number	Sampling Point Identification			Latitude	Longitude
1	Immediately downstream of the UV Channel			33° 27' 55" N	112° 21' 56" W
Parameter	AD	DL	Units	Sampling Frequency	Reporting Frequency
Metals (total):					
Antimony	0.0048	0.006	mg/l	Quarterly	Quarterly
Arsenic	0.04	0.05	mg/l	Quarterly	Quarterly
Barium	1.60	2.00	mg/l	Quarterly	Quarterly
Beryllium	0.0032	0.004	mg/l	Quarterly	Quarterly
Cadmium	0.004	0.005	mg/l	Quarterly	Quarterly
Chromium	0.08	0.1	mg/l	Quarterly	Quarterly
Cyanide (as free cyanide)	0.16	0.2	mg/l	Quarterly	Quarterly
Fluoride	3.2	4.0	mg/l	Quarterly	Quarterly
Lead	0.04	0.05	mg/l	Quarterly	Quarterly
Mercury	0.0016	0.002	mg/l	Quarterly	Quarterly
Nickel	0.08	0.1	mg/l	Quarterly	Quarterly
Selenium	0.04	0.05	mg/l	Quarterly	Quarterly
Thallium	0.0016	0.002	mg/l	Quarterly	Quarterly

TABLE IA-1
ROUTINE DISCHARGE MONITORING -- 4.1 MGD (continued)

Parameter	AL	DE	Units	Sampling Frequency	Reporting Frequency
Volatle and Semi-Volatile Organic Compounds (VOCs and SVOCs):					
Benzene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Carbon tetrachloride	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
o-Dichlorobenzene	0.48	0.6	mg/l	Semi-Annually	Semi-Annually
para-Dichlorobenzene	0.06	0.075	mg/l	Semi-Annually	Semi-Annually
1,2-Dichloroethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
1,1-Dichloroethylene	0.0056	0.007	mg/l	Semi-Annually	Semi-Annually
cis-1,2-Dichloroethylene	0.056	0.07	mg/l	Semi-Annually	Semi-Annually
trans-1,2-Dichloroethylene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Dichloromethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
1,2-Dichloropropane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Ethylbenzene	0.56	0.7	mg/l	Semi-Annually	Semi-Annually
Hexachlorobenzene	0.0008	0.001	mg/l	Semi-Annually	Semi-Annually
Hexachlorocyclopentadiene	0.04	0.05	mg/l	Semi-Annually	Semi-Annually
Monochlorobenzene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Styrene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Tetrachloroethylene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Toluene	0.8	1.0	mg/l	Semi-Annually	Semi-Annually
1,1,1-Trichloroethane	0.16	0.2	mg/l	Semi-Annually	Semi-Annually
1,2,4-Trichlorobenzene	0.056	0.07	mg/l	Semi-Annually	Semi-Annually
1,1,2-Trichloroethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Trichloroethylene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Vinyl Chloride	0.0016	0.002	mg/l	Semi-Annually	Semi-Annually
Xylenes (Total)	8.0	10.0	mg/l	Semi-Annually	Semi-Annually

TABLE IA-2
ROUTINE DISCHARGE MONITORING - 5.1 MGD¹⁷

Sampling Point Number	Sampling Point Description			Latitude	Longitude
1	Immediately downstream of the UV Channel			33° 27' 55" N	112° 21' 56" W
Parameter	Alert Level ¹⁸	Discharge Limit ¹⁹	Units	Sampling Frequency	Reporting Frequency
Total Flow ²⁰ : Daily ²¹	NE ²²	NE	mgd ²³	Everyday	Quarterly
Total Flow: Monthly Average ²⁴	4.9	5.1	mgd	Monthly Calculation	Quarterly
Reuse Flow: Daily	NE	5.1	mgd	Everyday	Quarterly
Reuse Flow: Monthly Average	NE	5.1	mgd	Monthly Calculation	Quarterly
<i>E. coli</i> : Single sample maximum	NE	15.0	CFU or MPN ²⁵	Daily	Quarterly
<i>E. coli</i> : four (4) of seven (7) samples in a week ²⁶	NE	Non-detect ²⁷	CFU or MPN	Daily	Quarterly
Total Nitrogen ²⁸ : Five-sample rolling geometric mean	8.0	10.0	mg/l ²⁹	Monthly ³⁰	Quarterly

¹⁷Monitoring under Table IA-1 is no longer required upon commencement of monitoring under Table IA-2. The permittee shall notify the Water Quality Compliance Section, Data Unit, of the change in monitoring as per Section 3.0, Compliance Schedule.

¹⁸AL = Alert Level

¹⁹DL = Discharge Limit

²⁰Total flow is the total of flows to on-site process use, reclaimed water, discharge to the RID canal, and the City of Goodyear 157th Avenue WRF, and flow from the City of Goodyear 157th Avenue WRF.

²¹Flow shall be measured using a continuous recording flow meter which totals the flow daily.

²²NE = Not Established = Monitoring is required but no limits are specified.

²³mgd = million gallons per day

²⁴Monthly average of daily flow values.

²⁵CFU = Colony Forming Units / 100 ml sample. MPN = Most Probable Number / 100 ml sample. For CFU, a value of <1.0 shall be considered to be non-detect. For MPN, a value of <2.2 shall be considered to be non-detect.

²⁶Week means a seven-day period starting on Sunday and ending on the following Saturday.

²⁷If at least four (4) of seven (7) samples in a week are non-detect, report "yes" in the appropriate space on the SMRF (indicating that the standard has been met). If at least four (4) of seven (7) samples in a week have detections of *E. coli*, report "no" in the appropriate space on the SMRF (indicating that the standard has not been met).

²⁸Total Nitrogen = Nitrate as N + Nitrite as N + Total Kjeldahl Nitrogen

²⁹mg/l = milligrams per liter

³⁰A five-month geometric mean of the results of the five (5) most recent samples

TABLE IA-2
ROUTINE DISCHARGE MONITORING – 5.1 MGD (continued)

Sample Well Number	Sampling Point Identification	Latitude	Longitude		
2	Flow meter at the connection to the City of Goodyear 157 th Avenue WRF reclaimed water distribution system, located 3,000 feet west of Palm Valley WRF, at the intersection of McDowell Road and Bullard Avenue	33° 27' 51.48" N	112° 22' 31.08" W		
Parameter	Unit	Units	Sampling Frequency	Reporting Frequency	
Flow from the Palm Valley WRF reclaimed water distribution system to the City of Goodyear 157 th Avenue WRF reclaimed water distribution system	NE	NE	mgd	Everyday	Quarterly
Flow from the City of Goodyear 157 th Avenue WRF reclaimed water distribution system to the Palm Valley WRF reclaimed water distribution system	NE	NE	mgd	Everyday	Quarterly

TABLE IA-2
 ROUTINE DISCHARGE MONITORING - 5.1 MGD (continued)

Sampling Point Number	Sampling Point Description			Latitude	Longitude
1	Immediately downstream of the UV Channel			33° 27' 55" N	112° 21' 56" W
Parameter	ADD	MDL	Unit	Sampling Frequency	Reporting Frequency
Metals (total):					
Antimony	0.0048	0.006	mg/l	Quarterly	Quarterly
Arsenic	0.04	0.05	mg/l	Quarterly	Quarterly
Barium	1.60	2.00	mg/l	Quarterly	Quarterly
Beryllium	0.0032	0.004	mg/l	Quarterly	Quarterly
Cadmium	0.004	0.005	mg/l	Quarterly	Quarterly
Chromium	0.08	0.1	mg/l	Quarterly	Quarterly
Cyanide (as free cyanide)	0.16	0.2	mg/l	Quarterly	Quarterly
Fluoride	3.2	4.0	mg/l	Quarterly	Quarterly
Lead	0.04	0.05	mg/l	Quarterly	Quarterly
Mercury	0.0016	0.002	mg/l	Quarterly	Quarterly
Nickel	0.08	0.1	mg/l	Quarterly	Quarterly
Selenium	0.04	0.05	mg/l	Quarterly	Quarterly
Thallium	0.0016	0.002	mg/l	Quarterly	Quarterly

TABLE IA-2
ROUTINE DISCHARGE MONITORING - 5.1 MGD (continued)

Parameter	AI	DI	Unit	Sampling Frequency	Reporting Frequency
Volatile and Semi-Volatile Organic Compounds (VOCs and SVOCs):					
Benzene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Carbon tetrachloride	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
o-Dichlorobenzene ^{1,4-Dichlorobenzene}	0.48	0.6	mg/l	Semi-Annually	Semi-Annually
para-Dichlorobenzene	0.06	0.075	mg/l	Semi-Annually	Semi-Annually
1,2-Dichloroethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
1,1-Dichloroethylene	0.0056	0.007	mg/l	Semi-Annually	Semi-Annually
cis-1,2-Dichloroethylene	0.056	0.07	mg/l	Semi-Annually	Semi-Annually
trans-1,2-Dichloroethylene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Dichloromethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
1,2-Dichloropropane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Ethylbenzene	0.56	0.7	mg/l	Semi-Annually	Semi-Annually
Hexachlorobenzene	0.0008	0.001	mg/l	Semi-Annually	Semi-Annually
Hexachlorocyclopentadiene	0.04	0.05	mg/l	Semi-Annually	Semi-Annually
Monochlorobenzene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Styrene	0.08	0.1	mg/l	Semi-Annually	Semi-Annually
Tetrachloroethylene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Toluene	0.8	1.0	mg/l	Semi-Annually	Semi-Annually
1,1,1-Trichloroethane	0.16	0.2	mg/l	Semi-Annually	Semi-Annually
1,2,4 - Trichlorobenzene	0.056	0.07	mg/l	Semi-Annually	Semi-Annually
1,1,2 - Trichloroethane	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Trichloroethylene	0.004	0.005	mg/l	Semi-Annually	Semi-Annually
Vinyl Chloride	0.0016	0.002	mg/l	Semi-Annually	Semi-Annually
Xylenes (Total)	8.0	10.0	mg/l	Semi-Annually	Semi-Annually

TABLE IB
RECLAIMED WATER MONITORING - CLASS A³¹

Sampling Point Number	Sampling Point Identification	Latitude	Longitude	
1	Immediately downstream of the UV Channel	33° 27' 55" N	112° 21' 56" W	
Parameter	DL	Units	Sampling Frequency	Reporting Frequency
Total Nitrogen ³² ; Five-sample rolling geometric mean	10.0	mg/l	Monthly	Quarterly
<i>E. coli</i> ; Single-sample maximum	15.0	CFU or MPN ³³	Daily ³⁴	Quarterly
<i>E. coli</i> ; Four (4) of last seven (7) samples	Non-detect ³⁵	CFU or MPN	Daily	Quarterly
Turbidity ³⁶ ; Single reading	5.0	NTU ³⁷	Everyday ³⁸	Quarterly
Turbidity; 24-hour average	2.0	NTU	Everyday	Quarterly
Enteric Virus; Four (4) of last seven (7) samples	Non-detect	PFU ³⁹	Suspended/ Monthly ⁴⁰	Quarterly

³¹ Reclaimed water monitoring under Table IB shall be performed in addition to routine discharge monitoring required under Section 4.2, Tables IA-1 and IA-2.

³² Nitrate N, plus Nitrite N, plus Total Kjeldahl Nitrogen (TKN)

³³ CFU = Colony Forming Units per 100 ml; MPN = Most Probable Number per 100 ml. For CFU, a value of <1.0 shall be considered to be non-detect. For MPN, a value of <2.2 shall be considered to be non-detect.

³⁴ For fecal coliform, "daily" sampling means every day in which a sample can practically be obtained and delivered in sufficient time for proper analysis, provided that no less than four (4) samples in each seven-day period are obtained and analyzed.

³⁵ If at least four (4) of the last seven (7) samples are non-detect, report "yes" in the appropriate space on the SMRF (indicating that the standard has been met). If at least four (4) of the last seven (7) samples have detections of fecal coliform, report "no" in the appropriate space on the SMRF (indicating that the standard has not been met).

³⁶ Turbidimeter shall have a signal averaging time not exceeding 120 seconds. Occasional spikes due to back-flushing or instrument malfunction shall not be considered an exceedance. All exceedances must be explained and submitted to the Department with the corresponding quarterly SMRF.

³⁷ NTU = Nephelometric Turbidity Units

³⁸ For the single turbidity reading, "everyday" means the maximum reading during the 24-hour period.

³⁹ Plaque Forming Units per 40 Liters. A value of <1:1 PFU/40 L shall be considered to be non-detect.

⁴⁰ Enteric virus sampling shall resume only when the discharge limit for the 24-hour average for turbidity is exceeded for two (2) consecutive 24-hour monitoring periods. Monthly enteric virus monitoring shall continue until four (4) out of seven (7) consecutive sample results show no detection. During times when enteric virus sampling is suspended, enter "suspended" in the appropriate space on the SMRF.

TABLE II
GROUNDWATER MONITORING

Not applicable.

TABLE III
FACILITY INSPECTION (Operational Monitoring)

Pollution Control Structure/Component	Performance	Inspection Frequency	Reporting Frequency
Pump Integrity	Good working condition	Weekly	Quarterly
Treatment Plant Components	Good working condition	Weekly	Quarterly

5.0 REFERENCES AND PERTINENT INFORMATION

The terms and conditions set forth in this permit have been developed based upon the information contained in the following, which are on file with the Department:

1. APP Application, dated: August 24, 2010
2. Final Engineering Report, dated: March 24, 2011
3. Public Notice, dated: January 26, 2012
4. Public Hearing, dated: Not applicable.
5. Responsiveness Summary, dated: Not applicable.

6.0 NOTIFICATION PROVISIONS

6.1 Annual Registration Fees

The permittee is notified of the obligation to pay an Annual Registration Fee to ADEQ. The Annual Registration Fee is based upon the amount of daily influent or discharge of pollutants in gallons-per-day (gpd) as established by A.R.S. § 49-242.

6.2 Duty to Comply [A.R.S. §§ 49-221 through 263]

The permittee is notified of the obligation to comply with all conditions of this permit and all applicable provisions of Title 49, Chapter 2, Articles 1, 2 and 3 of the Arizona Revised Statutes, Title 18, Chapter 9, Articles 1 through 4, and Title 18, Chapter 11, Article 4 of the Arizona Administrative Code. Any permit non-compliance constitutes a violation and is grounds for an enforcement action pursuant to Title 49, Chapter 2, Article 4 or permit amendment, suspension, or revocation.

6.3 Duty to Provide Information [A.R.S. §§ 49-243(K)(2) and 49-243(K)(8)]

The permittee shall furnish to the Director, or an authorized representative, within a time specified, any information which the Director may request to determine whether cause exists for amending or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

6.4 Compliance with Aquifer Water Quality Standards [A.R.S. §§ 49-243(B)(2) and 49-243(B)(3)]

The permittee shall not cause or contribute to a violation of an AWQS at the applicable POC for the facility. Where, at the time of issuance of the permit, an aquifer already exceeds an AWQS for a pollutant, the permittee shall not discharge that pollutant so as to further degrade, at the applicable point of compliance for the facility, the water quality of any aquifer for that pollutant.

6.5 Technical and Financial Capability

[A.R.S. §§ 49-243(K)(8) and 49-243(N) and A.A.C. R18-9-A202(B) and R18-9-A203(E) and (F)]

The permittee shall have and maintain the technical and financial capability necessary to fully carry out the terms and conditions of this permit. Any bond, insurance policy, trust fund, or other financial assurance mechanism provided as a demonstration of financial capability in the permit application, pursuant to A.A.C. R18-9-A203(D), shall be in effect prior to any discharge authorized by this permit and shall remain in effect for the duration of the permit.

6.6 Reporting of Bankruptcy or Environmental Enforcement [A.A.C. R18-9-A207(C)]

The permittee shall notify the Director within five days after the occurrence of any one of the following:

1. The filing of bankruptcy by the permittee; or
2. The entry of any order or judgment not issued by the Director against the permittee for the enforcement of any environmental protection statute or rule.

6.7 Monitoring and Records [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A206]

The permittee shall conduct any monitoring activity necessary to assure compliance with this permit, with the applicable water quality standards established pursuant to A.R.S. §§ 49-221 and 49-223 and §§ 49-241 through 49-252.

6.8. Inspection and Entry [A.R.S. §§ 41-1009, 49-203(B), and 49-243(K)(8)]

In accordance with A.R.S. §§ 41-1009 and 49-203(B), the permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents, as may be required by law, to enter and inspect the facility as reasonably necessary to ensure compliance with Title 49, Chapter 2, Article 3 of the Arizona Revised Statutes, and Title 18, Chapter 9, Articles 1 through 4 of the Arizona Administrative Code and the terms and conditions of this permit.

6.9. Duty to Modify [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A211]

The permittee shall apply for and receive a written amendment before deviating from any of the designs or operational practices authorized by this permit.

6.10. Permit Action: Amendment, Transfer, Suspension, and Revocation
[A.R.S. §§ 49-201, 49-241 (through 251), A.A.C. R18-9-A211, R18-9-A212 and R18-9-A213]

This permit may be amended, transferred, suspended, or revoked for cause, under the rules of the Department. The permittee shall notify the Groundwater Section in writing within 15 days after any change in the owner or operator of the facility. The notification shall state the permit number, the name of the facility, the date of property transfer, and the name, address, and phone number where the new owner or operator can be reached. The operator shall advise the new owner or operators of the terms of this permit and the need for permit transfer in accordance with the rules.

7.0. ADDITIONAL PERMIT CONDITIONS

7.1. Other Information [A.R.S. § 49-243(K)(8)]

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, the permittee shall promptly submit the correct facts or information.

7.2. Severability [A.R.S. §§ 49-201, 49-241 (through 251), A.A.C. R18-9-A211, R18-9-A212 and R18-9-A213]

The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby. The filing of a request by the permittee for a permit action does not stay or suspend the effectiveness of any existing permit condition.

7.3. Permit Transfer

This permit may not be transferred to any other person except after notice to and approval of the transfer by the Department. No transfer shall be approved until the applicant complies with all transfer requirements as specified in A.A.C. R18-9-A212(B) and (C).

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EXHIBIT 14

APPLICANT'S WASTEWATER FLOWS DATA SHEET

COMPANY NAME: Liberty Utilities (Litchfield Park Water and Sewer) Corp

Wastewater Flows			
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day
Apr-16	17,329	126,362,000	4,732,000
May-16	17,368	124,458,000	4,361,000
Jun-16	17,419	108,047,200	3,910,000
Jul-16	17,466	108,955,000	3,961,000
Aug-16	17,491	107,786,000	3,885,000
Sep-16	17,546	105,694,000	4,203,000
Oct-16	17,560	115,383,000	4,168,000
Nov-16	17,542	116,052,000	4,446,000
Dec-16	17,620	123,039,000	4,493,000
Jan-17	17,659	126,816,000	4,558,000
Feb-17	17,678	118,787,000	4,724,000
Mar-17	17,698	129,965,000	4,596,000
	Totals	1,411,344,200	52,037,000

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Other
Groundwater Permit Number	None
ADEQ Aquifer Protection Permit ("APP") Number	APP100310
ADEQ Reuse Permit Number	See Below
EPA NPDES Perml Number	AZ0025712
APP Effluent Treatment Requirement (Class)?	A+

Method of Effluent Disposal is Reuse and Surface Water Discharge. ADEQ Reuse Permit numbers: R105930, R105221, R105669, R105706, R106256, R105981, R105644, R511162, R106215, R512140, R103615

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EXHIBIT 15

NOTARIZED SIGNATURE ON BEHALF OF APPLICANT

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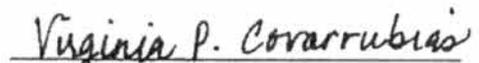
AFFIDAVIT OF STEVE CARLSON

Steve Carlson, being duly sworn, deposes and says:

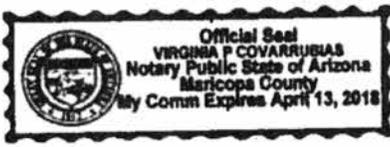
1. I am a resident of Maricopa County, over 18 years of age, and make this affidavit based on my own personal knowledge.
2. I am the Development Services Manager for Liberty Utilities (Litchfield Park Water and Sewer) Corp. ("Liberty").
3. The Application for an Extension of Liberty's existing wastewater CC&N, to which this affidavit is attached, was prepared under my supervision.


Steve Carlson

SUBSCRIBED and sworn to before me this 21st day of April, 2017.


Notary Public

My Commission Expires:
April 13, 2018





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7 Telephone: (623) 240-2087
8 Todd.Wiley@LibertyUtilities.com

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

Arizona Corporation Commission

DOCKETED

AUG 11 2017

DOCKETED BY
GB

10
11 **BEFORE THE ARIZONA CORPORATION COMMISSION**

12 IN THE MATTER OF THE APPLICATION
13 OF LIBERTY UTILITIES (LITCHFIELD
14 PARK WATER & SEWER) CORP. FOR A
15 CERTIFICATE OF CONVENIENCE AND
16 NECESSITY TO PROVIDE WASTEWATER
UTILITY SERVICE IN MARICOPA
COUNTY, ARIZONA.

DOCKET NO: SW-01428A-17-0120

RESPONSE TO STAFF REPORT

17 Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Liberty Litchfield Park"
18 or "Company") hereby submits this Response to Staff Report in the above-captioned
19 matter. Specifically, Liberty Litchfield Park takes exception with two of Staff's
20 recommended CC&N conditions: (1) the recommendation to require the Company to file
21 an Approval of Construction ("AOC") for the Falcon View II Development by June 30,
22 2019 and an AOC for the Falcon Ridge Development by December 31, 2019; and (2) the
23 recommendation to require the Company to file by June 30, 2020 documentation
24 demonstrating that the first parcels have been served in Falcon View II and Falcon Ridge.¹

25 ¹ Staff Report at 3, Recommendations 2 and 3.



1 Falcon View II and Falcon Ridge are small, infill developments with no viable
2 alternative to receiving wastewater service from Liberty Litchfield Park. Extension of the
3 Company's CC&N is necessary and appropriate to allow the development of these two
4 parcels to move forward. The developer of the properties provided a proposed
5 construction schedule based on the best available estimated absorption rates.² While
6 Staff's recommendations are in line with these estimates, the Company is concerned that
7 the uncertainty of market demand could result in a delay in development of the properties.
8 If a development delay occurs, the Company will be unable to comply with the deadlines
9 Staff recommends. In that event, Liberty Litchfield Park would need to seek an extension
10 of the time to comply or the CC&N extension would be null and void. The Commission
11 is already conducting workshops in large part because of concerns over the very type of
12 regulatory proceedings that arise from delays in meeting these types of CC&N
13 conditions.³ Staff's recommendations continue the risk of endless regulatory proceedings
14 to address deadlines that cannot be met, often through no fault of the utility. Were Staff's
15 recommendations necessary to protect the public interest, the benefit of tying CC&Ns to
16 these sort of deadlines may be worth the risk; but considering that Falcon View II and
17 Falcon Ridge are small, infill developments with no viable alternative to receiving
18 wastewater service from Liberty Litchfield Park, Staff's recommendations are
19 unnecessary.

20 For example, the Maricopa County Environmental Services Division ("MCESD")
21 regulates the construction of all of the sewer utility facilities necessary for the Company to
22 extend sewer utility service to the subject properties. The Company cannot connect those
23 new facilities to its wastewater collection and treatment system until it has received all of

24 ² See Application at 6; Company Response to Staff Data Requests DH 1.2 and DH 1.4.

25 ³ *In the matter of the Commission's Investigation into the Setting and Subsequent*
26 *Extension of Compliance Deadlines Associated with Certificates of Convenience and*
Necessity, Docket No. WS-00000A-17-0094.

1 the necessary permits and approvals from MCESD. Conditioning the CC&N on
2 compliance with MCESD is duplicative, regulatory overload. The same is true of Staff's
3 condition that the Company provide notice that it has initiated service in the extension
4 area. The Company cannot and will not initiate service until a number of things occur –
5 all regulatory approvals have been obtained, all obligations of the landowners/developers
6 have been met, and all conditions to establish individual accounts have been met. The
7 Company cannot know for sure when all that will take place, and has little control over
8 most of the steps that must be taken before the first customer receives utility service.
9 There is no need to burden the Company with another condition that requires all the
10 prerequisites to extending actual sewer utility service to take place by a date certain.

11 Based on the foregoing, the Company requests that Staff's Recommendations 2
12 and 3 be eliminated as unnecessary, or, modified such that there are no deadlines. The
13 Company would not object to being required to (1) file an AOC for the Falcon View II
14 Development and an AOC for the Falcon Ridge Development when such approvals are
15 received; and (2) file documentation demonstrating that the first parcels have been served
16 in Falcon View II and Falcon Ridge. In the alternative, should the Commission continue
17 to conclude that these sort of CC&N conditions are necessary, the Company believes that
18 deferring such mandatory compliance filings by at least two years from the dates
19 recommended by Staff would reduce the risk that Liberty Litchfield Park will have to seek
20 an extension of time to comply. Under this less preferable alternative, Staff's conditions
21 would be modified as follows:

- 22 1. The deadlines for docketing the AOCs for Falcon View II and Falcon Ridge
23 Phase I are extended to June 30, 2021 and December 31, 2021, respectively;
24 and
- 25 2. The deadline for docketing documentation demonstrating that the first
26 parcels have been served in the Falcon Ridge and Falcon View II

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developments is extended to June 30, 2022.

In sum, the Company is simply trying to minimize the possibility of additional regulatory proceedings in just a few years related to this CC&N extension. Liberty Litchfield Park is willing and will be able to serve Falcon View II and Falcon Ridge when all the necessary conditions have been met; there is simply no need for regulatory excess in this instance.

RESPECTFULLY SUBMITTED this 11th day of August, 2017.

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ORIGINAL and thirteen (13) copies of the foregoing were filed this 11th day of August, 2017, with:
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1 **COPY** of the foregoing was hand-delivered
2 this 11th day of August, 2017, to:

3 Sasha Paternoster, ALJ
4 Hearing Division
5 Arizona Corporation Commission
6 1200 W. Washington Street
7 Phoenix, AZ 85007

8 **COPY** of the foregoing was emailed
9 this 11th day of August, 2017, to:

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17 By: Whitney Bink

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