



Douglas A. Ducey
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



Misael Cabrera
Director

CERTIFIED MAIL
Return Receipt Requested

Case ID #: 175207

April 27, 2018

Johnson Utilities, LLC
Attention: Gary A. Drummond
5230 E Shea Blvd, Ste 200
Scottsdale, AZ 85254

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

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ) has reason to believe that Johnson Utilities, LLC as the owner/operator of Johnson Utilities Section 11- WWTP has violated a requirement of the Arizona Revised Statutes (A.R.S.), a rule within the Arizona Administrative Code (A.A.C.), or an applicable permit/license, administrative order or civil judgment. ADEQ discovered the violations alleged below during an inspection completed on April 19, 2018.

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

1. **A.A.C. R18-9-B201(F)**

A person shall not bypass or release sewage or partially treated sewage that has not completed the treatment process from a sewage treatment facility.

On April 15, 2018 Erin Dugneshay (WWTP Operator at Section 11) observed an unauthorized release of partially treated sewage from aeration Lagoon No. 1 to the land surface. This unauthorized release was also identified and documented on April 17, 2018 by Jian Liu, an inspector for the Arizona Corporation Commission (AZCC). These events were confirmed by Isa Valdez on ADEQ inspection #300301 which took place on April 19, 2018, and documented in Observation #1 of the inspection report.

The impaired treatment performance of Lagoon No. 3, subsequent routing of sewage to Lagoons No. 1, 2, and 4, and consequent inability to retain and treat the sewage within Lagoon No. 1 is a bypass of the treatment plant's Best Available Demonstrated Control Technology, (BADCT), and a prohibited release of partially treated sewage.

2. **Permit 66389 (103081) - Section 2.3.3 Discharge Limitations**

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

On April 15, 2018 Erin Dugneshay (WWTP Operator at Section 11) observed an unauthorized release of partially treated sewage from aeration Lagoon No. 1 to the land

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surface. This unauthorized release was also identified and documented on April 17, 2018 by Jian Liu, an inspector for the Arizona Corporation Commission (AZCC). These events were confirmed by Isa Valdez on ADEQ inspection #300301 which took place on April 19, 2018, and documented in Observation #1 of the inspection report.

The overtopping of the impoundment and discharge of partially treated sewage from aeration Lagoon No. 1 is an unpermitted discharge of non-hazardous material and a bypass of the treatment plant's approved BADCT.

3. Permit 66389 (103081) - Section 2.6.5.3 Discharge of Non-hazardous Materials

The permittee shall notify the ADEQ Groundwater Section within 24 hours of discovering the discharge of non-hazardous material which has the potential to cause an AQL exceedance, or could pose an endangerment to public health or the environment.

The overtopping of the impoundment and discharge of partially treated sewage from aeration Lagoon No. 1 is an unpermitted discharge of non-hazardous material and a bypass of the treatment plant's approved BADCT. Johnson Utilities, LLC failed to notify ADEQ within 24 hours of the unauthorized discharge of non-hazardous material from aeration Lagoon No. 1 which was observed on April 15, 2018.

4. A.A.C. R18-9-E301(B)(3)

Failure to design, construct, or operate a sewage collection system so that the sewage collection system prevents releases of sewage to the land surface through appropriate sizing, capacities, and inflow and infiltration prevention measures throughout the system.

As part of the compliance inspection conducted on April 19, 2018, an ADEQ inspector facilitated a problem solving exercise with Jed Lant, Wastewater Manager at Johnson Utilities, LLC, to determine the root cause of a discharge of partially treated sewage from aeration Lagoon No. 1. Jed Lant explained that Lagoon No. 1 received more influent than usual due to a failure of the Oasis Sunrise lift station which was unable to divert sewage to the Johnson Utilities Anthem WWTP. Johnson Utilities, LLC failed to maintain and repair the Oasis Sunrise lift station which resulted in an equipment failure for the months of October, November, and December 2017 according to Jed Lant. This failure of maintenance and repair is an operational deficiency which led to the discharge of sewage to the land surface in violation of A.A.C R18-9-E301(B)(3).

5. Permit 66389 (103081) - Section 2.7.2 Log Book Recordkeeping

A log book 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 this facility. The information in the log book shall include the following information as applicable:

- 3. Condition of applicable facility components;**
- 4. Any damage or malfunction, and the date and time any repairs were performed**

Johnson Utilities, LLC is required to conduct regular facility inspections per APP 103081 Section 4.2 Table III, and to record the results of those inspections and other relevant information in a log book per APP 103081 Section 2.7.2. Lagoon No.1 is a component of the treatment plant and treatment process, and thus required to be inspected under Section 4.2 Table III.

On April 19, 2018 an ADEQ inspector identified that the discharge of sewage from aeration Lagoon No.1 was not recorded in the log book, nor were the corrective actions taken to clean up the spill.

This is a repeat violation, as Johnson Utilities, LLC was notified in NOV #173777, issued on February 27, 2018 of a failure to maintain adequate log book recordkeeping.

6. Permit 66389 (103081) - Section 6.7 Monitoring and Reporting

The permittee shall conduct any monitoring activity necessary to assure compliance with this permit

Per Table IA-1 of APP 103081, Johnson Utilities, LLC is required to monitor Monthly Average effluent flows and Total Daily effluent flows at Sampling Point No. 2 "Downstream of the chlorination system," and to report those flows to ADEQ via Self-Monitoring Report Form (SMRF).

A review of ADEQ's compliance data was conducted as part of Inspection #300301, and it was identified that the Monthly Average effluent flow data reported for the months of the 2nd Quarter of 2017 were 0.91, 0.63, and 0.53 MGD respectively. This exact same sequence of flow data results is repeated for the months of the 3rd and 4th Quarters of 2017.

Additionally, during ADEQ Inspection #297841 which occurred on February 23, 2018, Jed Lant emailed Isa Valdez an excel workbook titled *Sect 11 Daily Reads Sheet*, and explained that this excel workbook is used by Section 11 operators to enter in the flow readings at the plant. Daily total flow readings recorded in the *Sect 11 Daily Reads Sheet* for the 1st Quarter 2017 are nearly identical to the flows reported on the 1st Quarter 2017 SMRF (the daily flows reported are off by one day in the internal workbook, and March 5th, 2017 was omitted completely from the workbook). However, the flow readings for the 2nd and 3rd Quarters recorded in the *Sect 11 Daily Reads Sheet* workbook do not match the data reported on the SMRF for those respective time periods, despite Jed Lant's assertion that the flow readings in the *Sect 11 Daily Reads Sheet* are those recorded on-site by WWTP operators.

The repeating Monthly Average Flow data reported in 2nd, 3rd, and 4th, Quarters of 2017, coupled with the incongruities between the Total Daily flow data reported to ADEQ via SMRF and recorded on the internal workbook that Johnson Utilities, LLC operators use to record flow readings, demonstrates that Johnson Utilities, LLC has failed to monitor and report the effluent flows as required by the permit.

II. DOCUMENTING COMPLIANCE

1. Within 15 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or a detailed report in response to violation #6. Please include, at a minimum, the following:
 - a. A detailed explanation of the Section 11 WWTP procedures for recording and reporting flow data that includes:
 - i. How flow readings are recorded
 - ii. Where flow readings are recorded
 - iii. When flow readings are recorded
 - iv. Who records flow readings
 - v. How flow readings are transposed to the Section 11 WWTP SMRF for compliance reporting
 - vi. Who transposes flow readings to the Section 11 WWTP SMRF for compliance reporting
 - b. A detailed explanation of why the Monthly Average flow results were reported in the same sequence of values for three quarters
 - c. A detailed explanation of why the data reported on the 2nd and 3rd Quarter 2017 SMRFs do not match the internal flow records provided to ADEQ by Jed Lant on February 23, 2018.
 - d. An overview and explanation of any other effluent flow reporting that is incorrect
 - e. Amended SMRFs that accurately report the effluent flow rates discharged from Section 11 WWTP for the 2nd, 3rd, and 4th Quarters of 2017.
2. Within 21 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or submit documentation demonstrating that Johnson Utilities, LLC has registered all wastewater treatment facilities that submit SMRFs with ADEQ's electronic reporting platform, myDEQ. Instructions on how to register with myDEQ can be found at www.azdeq.gov/mydeq/helpcenter
3. Within 15 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or a report that contains:
 - a. log book entries that account for the discharge of sewage from aeration Lagoon No.1 on April 15, 2018, and any subsequent corrective actions taken
 - b. an explanation of why the permit requirements for log book recordkeeping were not met. Please include in the explanation considerations for the prior NOV issued to Johnson Utilities, LLC (NOV #173777) where log book deficiencies were also identified, as well as an explanation of why the internal trainings Johnson Utilities, LLC conducted in an attempt to mitigate this reoccurring permit violation have not succeeded.
4. Within 30 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or submit a notice of intent to discharge pursuant to A.A.C. R18-9-A301(B) / A.A.C. R18-9-C305(C) to develop and implement a Capacity, Management, Operation, and Maintenance (CMOM) Program for their collection system as defined by A.A.C. R18-9-C305.

III. SUBMITTING COMPLIANCE DOCUMENTATION

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

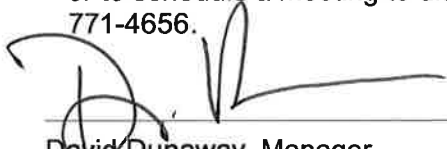
Arizona Department of Environmental Quality, Attention: Patrick Adams, Water Quality Ground Water & Reuse Inspections and Compliance, 1110 W Washington St, Phoenix, AZ 85007 MC: 5415B-3

IV. STATEMENT OF CONSEQUENCES

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

V. OFFER TO MEET

ADEQ is willing to meet regarding this Notice. To obtain additional information about this Notice or to schedule a meeting to discuss this Notice, please contact Patrick J. Adams at (602) 771-4656.



David Dunaway, Manager
Water Quality Groundwater Protection
Inspections and Compliance



Patrick J. Adams
Water Quality Groundwater & Reuse
Inspections and Compliance