

STATE OF NEVADA
 PUBLIC UTILITIES COMMISSION OF NEVADA
 1150 E. William Street
 Carson City, Nevada 89701-3109

No. 40206

RECEIPT

Received from

Date 6/21/2011

LIONEL SAWYER & COLLINS
 50 W LIBERTY STE 1100
 RENO, NV 89501

AMOUNT \$ 200.00

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How Paid	Cash <input type="checkbox"/>	Check 502421	Money Order	Draft
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Type of Receipt	Filing Fee <input checked="" type="checkbox"/>	TDD <input type="checkbox"/>	Copy Service <input type="checkbox"/>	UEC <input type="checkbox"/>	Mill or CMRS <input type="checkbox"/>	Other <input type="checkbox"/>
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Memo

NEW FILING

Received by CMU



RECEIVED PUBLIC
UTILITIES COMMISSION
OF NEVADA-CARSON CITY

2011 JUN 21 PM 3:55

June 21, 2011

Ms. Breanne Potter
Assistant Commission Secretary
Public Utilities Commission of Nevada
1150 East William Street
Carson City, NV 89701-3109

RE: UEPA Filing - Spring Creek Utilities Co.

Dear Ms. Potter:

Spring Creek Utilities Co. (SCUC) hereby files with the Public Utilities Commission of Nevada the enclosed Application for a permit under the Utility Environmental Protection Act. This permit is being requested in connection with the proposed construction of an arsenic treatment facility at Well 1 in the Tract 200 Subdivision of the SCUC service territory.

If you have any questions regarding this filing, please contact me at 801-523-0100 or kbrown@sunrise-eng.com.

Sincerely,
SUNRISE ENGINEERING, INC.

A handwritten signature in black ink, appearing to read "Kevin W. Brown".

Kevin W. Brown
Principal Engineer

cc: Jennifer Carr, NDEP Bureau of Safe Drinking Water

Enclosures

PUBLIC UTILITIES COMMISSION OF NEVADA
DRAFT NOTICE
(Applications, Tariff Filings, Complaints, and Petitions)

Pursuant to Nevada Administrative Code (“NAC”) 703.162, the Commission requires that a draft notice be included with all applications, tariff filings, complaints and petitions. Please complete and include **ONE COPY** of this form with your filing. (Completion of this form may require the use of more than one page.)

A title that generally describes the relief requested (see NAC 703.160(4)(a)):

Application of Spring Creek Utilities Co. for a permit under the Utility Environmental Protection Act to construct a wellhead coagulation / filtration arsenic treatment facility at Well No. 1 in the 200 Tract.

The name of the applicant, complainant, petitioner or the name of the agent for the applicant, complainant or petitioner (see NAC 703.160(4)(b)):

Applicant: Spring Creek Utilities Co.

Counsel: William J. McKean
Douglas A. Cannon

A brief description of the purpose of the filing or proceeding, including, without limitation, a clear and concise introductory statement that summarizes the relief requested or the type of proceedings scheduled **AND** the effect of the relief or proceeding upon consumers (see NAC 703.160(4)(c)):

Spring Creek Utilities Co. (the “Company”) is submitting, pursuant to the Nevada Utility Environmental Protection Act (“UEPA”), an application to the Public Utilities Commission of Nevada (the “Commission”) for authority to construct a coagulation/filtration arsenic treatment facility which will be housed in one approximately 350 square-foot structure. The structure will house pre-treatment equipment, coagulation / filtration treatment equipment, associated piping, plumbing, and monitoring components. A 15,000 gallon backwash tank and sludge container will be adjacent to the treatment facilities. In addition, the Company will be installing approximately 150 feet of 8-inch piping and associated valves and other plumbing components in order to connect the treatment facility to existing water infrastructure. Security fencing will also be provided. This project is being undertaken to bring the existing water system into compliance with the arsenic maximum contaminant level as established by the U.S. Environmental Protection Agency. The arsenic treatment facility will provide treated water to the Company’s system users in Tract 200 in Spring Creek, Nevada.

A statement indicating whether a consumer session is required to be held pursuant to Nevada Revised Statute (“NRS”) 704.069(1)¹:

A consumer session will not be required

If the draft notice pertains to a tariff filing, please include the tariff number **AND** the section number(s) or schedule number(s) being revised.

N/A

¹ NRS 704.069 states in pertinent part:

1. The Commission shall conduct a consumer session to solicit comments from the public in any matter pending before the Commission pursuant to NRS 704.061 to 704.110 inclusive, in which:
 - (a) A public utility has filed a general rate application, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale or an application to clear its deferred accounts; and
 - (b) The changes proposed in the application will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that will exceed \$50,000 or 10 percent of the applicant’s annual gross operating revenue, whichever is less.



June 21, 2011

Chairperson Alaina Burtenshaw
Public Utilities Commission of Nevada
9075 West Diablo Drive, Suite 250
Las Vegas, NV 89148

Re: Spring Creek Utilities Co. UEPA Filings pertaining to the arsenic remediation project.

Dear Madame Chairperson,

Please find enclosed Spring Creek Utility Company's (SCUC) UEPA filings pertaining to the arsenic remediation project. We would like to take this opportunity to express our appreciation to the PUCN and its Staff for the guidance provided SCUC in its efforts to resolve the water quality issues for the customers residing in Tract 200 in Spring Creek. Since the 2009 IRP proceeding SCUC has had numerous delays and setbacks attempting to implement the approved action plan. Each hurdle appears to have added a degree of complexity in the minds of concerned individuals and observers. However, we strive to stay focused on our goal to provide compliant water quality, as quickly as possible, and at the least cost to the customers.

As we reflect on where we are today in this process, we unexpectedly find ourselves with renewed hope. The setbacks experienced while moving the 2009 IRP action plan forward have created a window of opportunity for SCUC, the PUCN, its Staff, and more importantly our rate payers which will result in a better and more economical solution to obtain improved water quality for the residents of Tract 200. Immediately following the Commission's Order in Docket 10-11033 denying the Oakmont Storage Tank UEPA for reasons stated in the Order (the first of 5 UEPA's submitted for the water supply alternative in the 2009 IRP Action Plan), SCUC began a detailed reevaluation of its alternatives and initiated an Amended 2009 IRP application process for its Action Plan going forward. *The following is a summary of this re-evaluation process.*

On May 3, 2011 SCUC began setting up interviews with experts in the field of arsenic remediate. Meetings and discussions were held with 8 engineering firms and equipment vendors. All of the engineers contacted pointed to the same treatment option except one, and concluded that it is the least costly and most effective alternative available at this time. SCUC also met with representatives from NDEP and the PUCN Staff to evaluate all possible courses of action to ensure a complete and thorough process could be developed to expedite a resolution to the water quality issues. Additionally, SCUC representatives contacted local government agencies to solidify strong lines of two-way, open communication for the remainder of this project. Internal meetings were held with SCUC representatives for reporting and monitoring of the information being shared by consultants and the regulatory agencies. In-house company experts from across the country were called in to evaluate the

a Utilities, Inc. company **Spring Creek Utilities Company**

285 E. Spring Creek Pkwy. • Spring Creek, NV 89815 • P: 775-753-6889 • F: 775-738-6711 • www.uwater.com

June 20, 2011

engineering alternative treatment techniques which were being discussed with SCUC management. Every effort was made to validate the findings and conclusions that were being revealed and formulated.

For what appeared to be a significant setback for the customers in Spring Creek, SCUC is now pleased to report that a viable and economical treatment option has been fully evaluated and is currently before the PUCN as an amendment to the 2009 IRP Action Plan. This amendment's primary focus is to provide for the construction of treatment facilities at each individual well site, instead of new source water wells. SCUC, and its parent corporation Utilities, Inc., are confident that the new remediation alternative will stand up to the necessary vetting that will take place in the IRP proceeding and standby ready to begin construction on the treatment components on the Tract 200 wells as soon as the PUCN grants the required UEPA permits for this project.

Again, SCUC greatly appreciates the regulatory oversight and guidance that you provide and are more than willing to answer any questions regarding this matter. It is our hope that this process can move forward as expeditiously as possible to resolve the arsenic issues and improve water quality to the Spring Creek customers.

Sincerely,



Wendy S.W. Barnett
Regional Director

Cc: Lisa Sparrow, President and CEO, Utilities, Inc.
John Hoy, Vice President and COO, Utilities, Inc.
Rick Durham, Regional Vice President, Utilities, Inc.



PUBLIC UTILITIES COMMISSION OF NEVADA
UTILITY ENVIRONMENTAL PROTECTION ACT
PERMIT APPLICATION

Spring Creek Utilities Co.
Arsenic Removal Facility at Well #1

Prepared for:

Spring Creek Utilities Co.
285 Spring Creek Parkway
Spring Creek, Nevada 89815-5840

Prepared by:

Sunrise Engineering, Inc.
12227 South Business Park Drive, Suite 220
Draper, Utah 84020

June 21, 2011

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Attachments

- Attachment A – Maps and Drawings
- Attachment B – Legal Description of the Site
- Attachment C – Limited Environmental Statement
- Attachment D – Geotechnical Report
- Attachment E – Preliminary Engineering Report
- Attachment F – Public Notice and Proof of Publication
- Attachment G – Certificate of Service to State Clearinghouse

PUBLIC UTILITIES COMMISSION OF NEVADA

**UTILITY ENVIRONMENTAL PROTECTION ACT
PERMIT APPLICATION**

**Spring Creek Utilities Co.
Arsenic Removal Facility at Well #1**

I INTRODUCTION

I.1 Background

Spring Creek Utilities Co. owns and operates two independent public water systems: Spring Creek Mobile Home Section (Tract 200, NV5027) and Spring Creek Housing Section (Tracts 100, 300, and 400, NV0036) for the community of Spring Creek located approximately 10 miles southeast of Elko, Nevada.

The water system for the Mobile Home Section (Tract 200, NV5027) is serviced by three wells:

Well #1 - 350 gallons per minute (gpm),
Well #3 - 750 gpm, and
Well #11 - 800 gpm.

Each of the wells produces groundwater with arsenic concentrations above 0.02 parts per million (ppm) or milligrams per liter (mg/l).

There are four water storage tanks:

Twin Tank A - 250,000-gallons,
Twin Tank B - 500,000-gallons,
High Zone Tank - 500,000-gallons, and
Karval Tank - 1,000,000-gallons.

The water system for the Housing Section (Tracts 100, 300 and 400, NV0036) is serviced by nine wells:

Well #4 - 730 gpm,
Well #5 - 750 gpm,
Well #7 - 150 to 450 gpm,
Well #8 - 500 gpm,
Well #9 - 600 gpm,
Well #10 - 380 gpm,
Well #12 - 550 gpm,
Well #14 - 230 gpm, and
Well #101 - 1,200 gpm.

There are six water storage tanks and one hydropneumatic tank with a total storage capacity of 3,042,000 gallons. The arsenic concentration of groundwater derived from the nine wells, when mixed, is below 0.01 mg/l and only Wells #4 and #10 at times produces water with arsenic concentrations of 0.012 and 0.013 mg/l, respectively. Spring Creek Utilities Co. has been approved by the Nevada Division of Environmental Protection to blend the well waters and utilize an alternative monitoring program to maintain compliance with the new maximum contaminant level (MCL) of 0.01 mg/l for arsenic.

I.2 Proposed Project

The U.S. Environmental Protection Agency (EPA) has revised the arsenic standard or MCL for drinking water from 0.05 mg/l to 0.01 mg/l to protect consumers served by public water systems from the effects of long-term, chronic exposure to arsenic.

The arsenic concentration in the groundwater from Well #1 is currently above 0.02 mg/l. To be in compliance with the MCL of 0.01 mg/l for arsenic, Spring Creek Utilities Co. has proposed an arsenic removal facility at Well #1, as well as two other wells in the water system, by using the coagulation/filtration (C/F) technology to reduce the arsenic concentration in the water from the well to a level below 0.01 mg/l.

C/F is considered the best technology for the well due to the high silica content, pH value greater than 7 and the moderate to moderately low arsenic level in the water. Moreover, C/F is the most cost-effective technology for the well based on a preliminary engineering report prepared by Sunrise Engineering. C/F involves both chemical and physical stages to remove arsenic. Ferric salts are added to the untreated (raw) water. The metals hydrolyze to form iron hydroxides that subsequently bind to other iron hydroxides to form particulate flocs. During this process, arsenic binds to, or is entrapped in, the growing particulates and is thereby removed from solution. The arsenic-containing particulates are then removed from the water through filtration. Sludge containing arsenic from the filtration process is backwashed to a tank where most of the water is recycled and returned to the start of the treatment process. The sludge with some water is settled to the bottom of the tank and collected in a container, dewatered and trucked once per month to a landfill for disposal. There will be no fluid discharge to the surface or subsurface. The sludge will meet Toxicity Characteristic Leaching Procedure (TCLP) requirements for disposal in a landfill.

A structure with an area of approximately 350 square feet will be constructed at the well site to house pre-treatment equipment, C/F treatment equipment, associated piping, plumbing, and monitoring components. A 15,000-gallon backwash tank and sludge container will be adjacent to the treatment facilities. In addition, approximately 150 feet of 8-inch piping and associated valves and other plumbing components will be installed to connect the treatment facility to existing water infrastructure. Security fencing will also be provided. There will be no office facilities or restroom facilities in the structure.

After construction of the proposed project is completed, the ground surface will be restored to the original surface contour as much as practically possible.

The proposed project will not involve any federal action: no federal land will be needed; no federal funding is involved; and no federal approval is required. Therefore, this permit application document is prepared in accordance with Nevada Administrative Code (NAC) 703.423.

II REQUIREMENT OF NAC 703.423

II.1 Description of Location

1. A description of the location of the proposed utility facility, as required by subsection 1 of NRS 704.870 including:

(a) A general description of the location of the proposed utility facility, including a regional map that identifies the location of the proposed utility facility (NAC 703.423(1)(a)):

The proposed treatment facility will be housed in an approximately 350-square-foot structure adjacent to the existing well house of Well #1 in the 200 Tract. The proposed project site can be described as within the northwestern quarter of the northwestern quarter of Section 3, Township 33 North, Range 56 East of the Mount Diablo Base and Meridian in Elko County, Nevada (see Maps and Drawings in **Attachment A**)

(b) A legal description of the site of the proposed utility facility, with the exception of electric lines, gas transmission lines and water and wastewater lines, for which only a detailed description of the site is required (NAC 703.423(1)(b)):

A legal description of the site is included in **Attachment B** and is summarized below:

All that parcel of land in Elko County, Nevada, lying within Section 3, Township 33 North, Range 56 east of the Mount Diablo Base and Meridian described as follows:

Commencing at the section corner common to Section 33 and 34, Township 34 North, Range 56 East and Sections 3 and 4, Township 33 North, Range 56 East; thence South 53°30'52" East, 529.23 feet to Corner No. 1, the TRUE Point OF BEGINNING; thence South 68°40'00" East, 80 feet to Corner No. 2; thence North 21°20'00" East, 115.00 feet to Corner No. 3; thence North 60°00'00" East, 273.64 feet to Corner No. 4, a point on a nontangent curve to the right having a radius of 8,900.00 feet, a radial line from said point bears South 20°23'49" West; thence along the arc of said curve 77.58 feet through a central angle of 00°29'58" to Corner No. 5; thence on a nonradial line 60°00'00" West, 301.80 feet to Corner No. 6; thence South 21°20'00" West, 93.95 feet to Corner No. 7; thence South 68°40'00" East, 60.00 feet to Corner No. 8; thence South 21°20'00" West, 200.00 feet to Corner No. 9; thence North 68°40'00" West, 200.00 feet to Corner No. 10; thence North 21°20'00" East, 200.00 feet to Corner No. 1, the TRUE POINT OF BEGINNING, containing 1.458 acres, more or less.

- (c) Appropriately scaled site plan drawings of the proposed utility facility, vicinity maps and routing maps (NAC 703.423(1)(c)).

See **Attachment A** (Maps and Drawings).

II.2 General Description of Facility

2. A description of the proposed utility facility including:

- (a) The size and nature of the proposed utility facility (NAC 703.423(2)(a)):

A structure housing treatment equipment with an area of approximately 350 square feet will be erected at the site. A 15,000-gallon backwash tank and sludge container will be installed adjacent to the structure. Additionally, approximately 150 feet of 8-inch diameter piping and associated valves and other plumbing components will be installed to connect the treatment facility to existing water infrastructure. Security fencing will also be provided.

- (b) The natural resources that will be used during the construction and operation of the proposed utility facility (NAC 703.423(2)(b)):

Resources required for construction would be:

Steel to form vessels and tanks
Fuel for vehicles to transport materials to the site and to operate equipment
Paint to coat interior and exterior of vessels and tanks and exterior of building
Chlorine for disinfection of vessels tanks and pipes upon completion
Concrete for concrete pads
Steel pipes
Gravel, road base and structural fill for roads and parking space
PVC pipe to connect structure to water system

The proposed project will not have any significant adverse impact on natural resources (see **Attachment C** – Limited Environmental Statement)

- (c) Layout diagrams of the proposed utility facility and its associated equipment (NAC 703.423(2)(c)): and

See **Attachment A** (Maps and Drawings).

- (d) Scaled diagrams of the structures at the proposed utility facility (NAC 703.423(2)(d)):

See **Attachment A** (Maps and Drawings).