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2006 MAR 13 P 4: 35

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Attorneys for the Town of Carefree

AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF BLACK
MOUNTAIN SEWER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR
INCREASES IN ITS RATES AND
CHARGES FOR UTILITY SERVICES
BASED THEREON.

No. SW-02361A-05-0657

**INTERVENING TOWN OF
CAREFREE'S SUPPLEMENT TO ITS
NOTICE OF FILING AFFIDAVITS AND
EXHIBITS**

The Town of Carefree (the "Town") hereby supplements its Notice of Filing Affidavits and Exhibits to the Arizona Corporation Commission with the following original affidavits and exhibits in the above-captioned matter:

1. Affidavit of Stan Francom (*see attached hereto as Exhibit 1*); and
2. Affidavit of Jonathan Pearson (*see attached hereto as Exhibit 2*).

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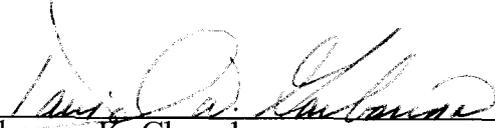
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1 RESPECTFULLY SUBMITTED this 13 day of March, 2006.

2 MOHR, HACKETT, PEDERSON, BLAKLEY
3 & RANDOLPH, P.C.

4
5 By 
6 Thomas K. Chenal
7 David. W. Garbarino
8 Suite 155
9 7047 East Greenway Parkway
10 Scottsdale, Arizona 85254
11 Attorneys for the Town of Carefree

9 ORIGINAL and 13 COPIES
10 of the foregoing filed this 13th
11 day of March, 2006 with:

11 Arizona Corporation Commission
12 Docket Control
13 1200 Washington Street
14 Phoenix, AZ 85007

13 COPY of the foregoing mailed this
14 13th day of March, 2006 to:

15 The Honorable Teena Wolfe
16 Administrative Law Judge
17 Hearing Division
18 Arizona Corporation Commission
19 1200 Washington Street
20 Phoenix, AZ 85007

18 Christopher Kempley, Chief Counsel
19 Legal Division
20 Arizona Corporation Commission
21 1200 Washington Street
22 Phoenix, AZ 85007

21 Ernest G. Johnson, Director
22 Utilities Division
23 Arizona Corporation Commission
24 1200 Washington Street
25 Phoenix, AZ 85007

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Attorneys for Black Mountain
Sewer Company

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Michael Weaver
General Manager
Black Mountain Sewer Company
111 West Wigwam Blvd., Ste. B
Litchfield Park, AZ 85340



Exhibit 1

AFFIDAVIT OF STAN FRANCOM

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

I, Stan Francom, being first duly sworn upon his oath, deposes and says:

1. I am the Public Works Superintendent for the Town of Carefree (the "Town"). I have held the Public Works Superintendent position with the Town since February of 2005.

2. I have also been employed as General Manager of Carefree Water Company since June of 1999.

3. Before working for the Carefree Water Company I was employed by Western Environmental Technologies, Inc., for five years as a Grade Four Certified Operator and Administrative Manager, which operated the sewer facilities serving the Town. The sewer facilities described in this paragraph are now owned and operated by Black Mountain Sewer Company ("Black Mountain Sewer").

4. My work experiences with the Town, the Carefree Water Company and Western Environmental Technologies, Inc., have given me a thorough understanding of the wastewater collection and treatment operations of the system now operated by Black Mountain Sewer, its facilities, and the odor problems that have been reported by the residents of the Carefree Inn Estates and Boulders Development subdivisions. In addition, I have reviewed and am familiar with the reports regarding the cause of the odors encountered by residents of the Carefree Inn Estates and Boulders Development subdivisions prepared by Carter Burgess, commissioned by the Town and attached hereto as Exhibit A (the "Carter Burgess Report"), and Lamb Technical Services, Inc., ("LTS"), commissioned by Black

Mountain Sewer and attached hereto as Exhibit B (the "LTS Report"). I agree with the recommendations of both the Carter Burgess and LTS Reports.

5. I believe that the odor problems encountered by residents of the Carefree Inn Estates and Boulders Development subdivisions are caused by a combination of many factors, three of which occur as sewer is transported through the Black Mountain Sewer collection and pressure pumping systems.

6. First, Black Mountain Sewer's long retention times for sewage allows odorous gases to build up inside the system. The Carter Burgess Report observed that "[t]he length and design of the [Black Mountain Sewer] collection system make it particularly susceptible to these anaerobic conditions" that produce hydrogen sulfide and other odor producing compounds. Exhibit A at 4-6. Even LTS recognized that "the sewage is quite septic due to the retention time in the force mains and the high wastewater temperatures." Exhibit B at 2. I believe that both the Carter Burgess and LTS reports are correct in these assertions. Retention time is often greater than two hours, Exhibit A at 6, and during that time significant amounts of hydrogen sulfide and other odor producing compounds build up in the Black Mountain Sewer system.

7. Second, after the sewage has been retained for more than two hours and the odor causing compounds have accumulated, Black Mountain Sewer transports the sewage through its pumping system using two six inch pressure flow pipes and then gravity flow pipes to a manhole located at Quartz Valley and Boulder Drive before entering the wastewater treatment facility. As the pumped, septic sewage enters the gravity collections system manhole, at approximately 200 gallons per minute, turbulence results and noxious odors are released. Because of the large quantity of sewage, the gravity flow system

surcharges the gravity collection system causing a piston like affect in the gravity flow piping as the full pipe of sewage pushes the odorous air down the gravity collection system in front of the full pipe of sewage. Black Mountain Sewer has sealed all the manholes which precludes pressurized odors from escaping from the manholes. However the pressurized, odorous air escapes any place it can which makes every individual residential sewer connection, which vent to the atmosphere, an escape route for the odors.

8. Third, at the junction manhole located at Quartz Valley and Boulder Drive the flows from the west part of the Boulders subdivision meets the flows described above and once again turbulence and the release of noxious odors are released from the sewage flow stream.

9. Black Mountain Sewer has attempted to lessen the odor problems in the Boulders Development by adding certain chemicals to the sewage. Nevertheless, the retention time coupled with the hydraulic push still described herein in ¶ 7 cause noxious odors to escape the Black Mountain Sewer system through any possible exit, including vent stacks on residential housing. Moreover, if the effects of the chemicals diminish below a certain level during the retention and transit period, increased sewer odors will occur. The Town still regularly receives complaints from the residents of the Boulders Development and from residents around the Carefree Inn Lift Station.

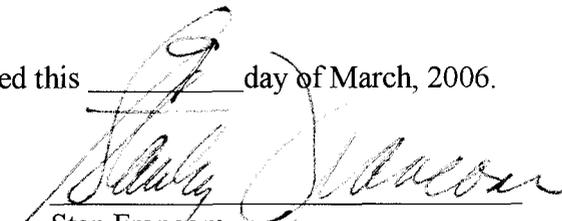
10. Black Mountain claims that the sewer odors in the Boulders Development is now within legal parameters with respect to hydrogen sulfide. Although, I do not have independent evidence to verify Black Mountain Sewer's assertion, there remains an odor problem at the CIE Lift Station and in the Boulders Development.

11. The Town offered to provide and install a negative air flow filtering system (i.e. a blower or fan) that would be attached to a manhole near the Quartz Valley and Boulder Drive manhole in an attempt to test a proposed solution to the odor problem as recommended by both the Carter Burgess and LTS. This air flow mechanism would create a negative pressure in the sewer system thereby, hopefully, keeping sewer odors from escaping from residential vent stacks. The LTS Report made this suggestion: "a fan generating negative pressures will still most likely be needed at the Quartz and Boulder Drive Location to prevent odors from forced out the local vent stacks." See Exhibit B at 5.

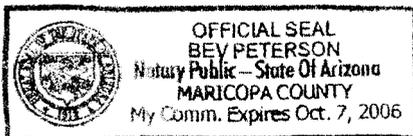
12. Black Mountain Sewer rejected the Town's offer.

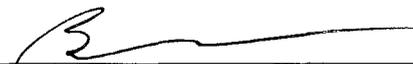
I declare under penalty of perjury that the foregoing is true and correct

Dated this 9 day of March, 2006.


Stan Francom

SUBSCRIBED AND SWORN to before me
this 9th day of March, 2006.




Notary Public

My Commission Expires:

10-7-06

Exhibit 2

AFFIDAVIT OF JONATHAN PEARSON

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

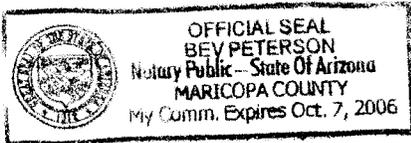
I, Jonathan Pearson, being first duly sworn upon his oath, deposes and says:

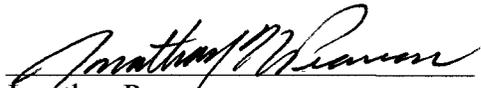
1. I am the Town Administrator for the Town of Carefree (the "Town"). I have held this position since 1987. My official duties include coordination and administration of day-to-day activities of the employees of the Town.
2. As Town Administrator, I actively participate in the Town's decision making process and dealings with Black Mountain Sewer Company ("Black Mountain Sewer").
3. I am aware that residents of the Town from the Carefree Inn Estates and Boulders Development subdivisions have complained of odors coming from the Black Mountain Sewer system.
4. I have read the Affidavit of Stan Francom submitted herewith and agree with the descriptions and conclusions contained therein.
5. The Town has offered to fund and install equipment on a test basis to reduce the odors experienced by residents of the Boulders Development subdivision as suggested in reports prepared by Carter Burgess and Lamb Technical Services, Inc. ("LTS") addressing the odor problems encountered in these areas. The Carter Burgess and LTS reports are included as exhibits to the Affidavit of Stan Francom.
6. Black Mountain Sewer rejected any and all such offers from the Town to fund and install equipment on a test basis to reduce the odors experienced by residents of the Boulders Development subdivision.

7. The Town understands and appreciates that Black Mountain Sewer Company has made an effort to reduce the odor problems encountered by the residents of the Carefree Inn Estates and Boulders Development subdivisions, but residents in these subdivisions continue to complain about odor problems. The Carter Burgess and LTS reports suggest a number of potential capital projects that may reduce the odor problems. The Town's position is that a rate increase for Black Mountain Sewer is only appropriate if Black Mountain Sewer devises a plan to implement at least the most critical capital improvements as suggested by Carter Burgess and LTS to eliminate the odor problems and such capital improvement costs are considered as a component of any rate increase sought by Black Mountain Sewer.

I declare under penalty of perjury that the foregoing is true and correct

Dated this 9th day of March, 2006.




Jonathan Pearson

SUBSCRIBED AND SWORN to before me
this 9th day of March, 2006.



Notary Public

My Commission Expires:

10-7-06