

SW-02361A-05-0657



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ORIGINAL

RECEIVED

ARIZONA CORPORATION COMMISS

UTILITY COMPLAINT FORM

4700

~~2006 JUN 13 P 4:42~~

Investigator: Carmen Madrid

Phone: [REDACTED]

Fax: [REDACTED]

AZ CORP COMMISSION

DOCUMENT RESPONSE Respond Within Five Days

Opinion No. 2006 - 52875 Date: 6/12/2006

Complaint Description: 08A Rate Case Items - Opposed

First: Last:

Complaint By: Robin Austin

Account Name: Robin Austin Home: [REDACTED]

Street: n/a Work: (000) 000-0000

City: n/a CBR:

State: AZ Zip: 00000 is:

Utility Company. **Black Mountain Sewer Corporation**

Division: sewer

Contact Name: n/a Contact Phone: n/a

Nature of Complaint:

Hi Bob,

I read the concerns from the community regarding Black Mountain Sewer. Last January, we at the Las Torres HOA in Carefree had a 'back-up' situation on our property. Of course, we had an emergency situation and our property manager, Lois O'Neill had to call in clean-up crews (the sewage had backed up in two of our units as well as the exterior length of our western boundary) and a specialist with a camera to find the source of the leak. The HOA paid all the bills which amounted to over 2,000.00 dollars.

When we were informed that the source of the leak was due to a break in the sewer line in the utility easement area on Sundance Trail, I (at that time was chairperson for the architectural committee) started the calling process with BMS to find out when they were going to repair the connection. Needless to say, I was given the run-a-round at every turn. They repeatedly tried to claim that the breakage was on our property and it was our responsibility as our oleander roots were the culprit.

I called Jon Pearson at the town and explained the situation and asked if he would have someone come out to determine if indeed we were correct, That was accomplished and yes, we were correct, the damage was in BMS's utility area on the street.

Well, to make a long story short I had to finally phone the AZCC and file complaints with John La Porta. That finally got their attention (I was now dealing directly with the general manager of BMS, Mike Weber) but they still made the claim that it was not in their area. I told him I was going to the County Health Dept and further if necessary. At last, they sent their crew out one more time and finally determined that, lo and behold, they had made a mistake in their calculations. Eventually, the line was repaired but it took four months for them to accept responsibility and correct it.

Now, we have sent the bills for the clean-up to them and two weeks have gone by and we have not heard a

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

word. I suppose I will have to start the whole process over again. I can well understand the frustration these people are experiencing and the only advice I can share is to be relentless when dealing with them. I imagine if the AZCC gets hammered with enough complaints they will be forced to penalize them.

If there is anything I can do to help with the info I have, please don't hesitate to contact me by e-mail or phone, 480-595-6280.

Sincerely,
Robin Austin
President LTHOA

P.S. The town was very supportive in our situation, I hope they are doing the same with the other complaints.
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

6/12/06 Called consumers telephone and left a message that opinion had been received and if they any other questions to call me. I left my name and telephone number. Opinion filed in docket no. SW-02361A-5-0657 closed

End of Comments

Date Completed: 6/12/2006

Opinion No. 2006 - 52875

5W - 02361A - 05-0657

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2006 - 52864

Date: 6/12/2006

Complaint Description: 08A Rate Case Items - Opposed

First:

Last:

Complaint By: Mr. & Mrs. R.D.

Riemer

Account Name: Mr. & Mrs. R.D. Riemer

Home: (000) 000-0000

Street: [REDACTED]

Work: (000) 000-0000

City: [REDACTED]

CBR: [REDACTED]

State:

AZ

Zip: [REDACTED]

is: Fax

Utility Company: Black Mountain Sewer Corporation

Division: sewer

Contact Name: n/a

Contact Phone: n/a

Nature of Complaint:

June 12, 2006

Consumer Services Division
Arizona Corporation Commission
Utilities Division
1200 West Washington St.
Phoenix, AZ 85007

TO: Ms. Carmen Madrid, Consumer Services:

It is my understanding that BMSC has requested a rate increase. While they might argue that they require more income to provide better services, their long history of apparent lack of concern for providing any quality services whatsoever would seem to dispute that contention.

They delayed rebuilding the CIE lift station for several years. When the work was done, it was done poorly and created a major problem for the community.

When lift stations break down, BMSC uses highly questionable, "band-aid" fixes rather than getting to the root of the problem and correcting it. Again, this causes problems for the communities they supposedly serve and from whom they're seeking higher fees.

Permanent repairs or installations are no doubt costly. And it seems they're of little concern to BMSC, since they are never included in its' operating budget.

Rather than trying to work with the community, the company historically has simply sought to ignore or stiff-arm those who've sought a discussion aimed at mutually acceptable resolutions. We'd very much appreciate your taking these facts into account when reviewing BMSC's request for higher rates. We feel that at the very least, a good-faith effort should be shown before such a request is granted. This has not happened.

Thank you for your consideration.

ARIZONA CORPORATION COMMISSION
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Mr. & Mrs. R. D. Riemer
35406 N Palo Verde Way
Carefree, AZ 85377

By fax to [REDACTED]
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

6/12/06 Opinion noted and filed in docket no. SW-02361A-05-0657. closed

June 12, 2006

Mr. & Mrs. R. D. Riemer
35406 N. Palo Verde Way
Carefree, Arizona 85377

Dear Mr. & Mrs. Riemer,

My name is Carmen Madrid and I am a Public Utility Consumer Analyst with the Arizona Corporation Commission.

Your fax regarding the Black Mountain Sewer Company application for a rate increase has been received. Your opinion will be filed in docket no. SW-02361A-05-0657 and made a part of the official docket. The Commissioners and staff members in this matter will all receive a copy of your opinion.

If you should have any questions you may contact Consumer Services at 602-542-4251.

Sincerely,

Carmen Madrid
Public Utility Consumer Analyst
End of Comments

Date Completed: 6/12/2006

Opinion No. 2006 - 52864

3W-02361A-05-0657

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2006 - 52862

Date: 6/12/2006

Complaint Description: 08A Rate Case Items - Opposed

First:

Last:

Complaint By:

Arlene & Frank

Guerriero

Account Name:

Arlene & Frank Guerriero

Home: (000) 000-0000

Street:

[REDACTED]

Work: (000) 000-0000

City:

[REDACTED]

CBR: [REDACTED]

State:

AZ

Zip: [REDACTED]

is: F [REDACTED]

Utility Company:

Black Mountain Sewer Corporation

Division:

sewer

Contact Name:

n/a

Contact Phone: n/a

Nature of Complaint:

June 12, 2006

Subject Black Mountain Sewer Rate Increase

BMSC purchased our antiquated sewer system in 2001. During late summer of 2002 there was a major breakdown in the system causing an odor "spill" of gigantic proportions. Since then, the company has applied only band-aid fixes and poured chemicals in, to mask the odor. One of the worst aspects of this maneuver is that they have bamboozled the regulatory agencies into stating that the company is in compliance with state regulations. BMSC'S reply to complaints is that there is not enough money in their operating budget to make major repairs.

In some neighborhoods, customers have endured the roar of vactor trucks ("sewer sucker trucks") that are called in to move the sewage along from one point to another.

The CIE lift station experienced another massive breakdown over the Memorial Day weekend. Whenever that lift station has problems, they (and the accompanying odors) are transmitted into the Boulders' lines.

There are odor problems around several other lift stations, some of which are in the Boulders, There remain areas of concern at the Boulders Resort and Spa. This company is putting a major resort and spa in financial jeopardy.

In spite of all this, the underlying position that BMSC takes is that they must serve their shareholders.

Sincerely,

Arlene & Frank Guerriero

[REDACTED]
End of Complaint

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Utilities' Response:

Investigator's Comments and Disposition:

6/12/06 opinion noted and filed in docket no. SW-02361A-05-0657.

June 12, 2006

Arlene & Frank Guerriero
1003 Boulder Drive
Carefree, Arizona 85377

Dear Mr. & Mrs. Guerriero,

My name is Carmen Madrid and I am a Public Utility Consumer Analyst with the Arizona Corporation Commission.

Your fax regarding the Black Mountain Sewer Company application for a rate increase has been received. Your opinion will be filed in docket no. SW-02361A-05-0657 and made a part of the official docket. The Commissioners and staff members in this matter will all receive a copy of your opinion.

If you should have any questions you may contact Consumer Services at 602-542-4251.

Sincerely,

Carmen Madrid
Public Utility Consumer Analyst
End of Comments

Date Completed: 6/12/2006

Opinion No. 2006 - 52862

SW-02361A-05-0657

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2006 - 52859

Date: 6/12/2006

Complaint Description: 08A Rate Case Items - Opposed

First:

Last:

Complaint By: Bob & Sue

Coady

Account Name: Bob & Sue Coady

Home: (000) 000-0000

Street: [REDACTED]

Work: (000) 000-0000

City: [REDACTED]

CBR: [REDACTED]

State:

AZ

Zip: [REDACTED]

is: E-Mail

Utility Company: Black Mountain Sewer Corporation

Division: sewer

Contact Name: n/a

Contact Phone: n/a

Nature of Complaint:

From: [REDACTED]
Sent: Saturday, June 10, 2006 9:54 AM
To: Hearings Division
Subject: BLACK MOUNTAIN SEWER RATE INCREASE

Honorable Commissioners:

We realize that a number of Carefree citizens have spoken before you requesting that you not approve the above requested rate increase. However, my wife and I live in Carefree Rock Estates, a community on the other side of Black Mountain. Areas in our community also suffer from noxious sewer odors. Our HOA notified the town of Carefree over 3 years ago about this problem, and still nothing has been done about it. Our problems are annoying, they are by no means comparable to the health and safety issues of other residents. Still, the underlying fact remains the same. This company has never taken any really serious steps to repair and update their pipes and equipment.

Yes, these problems do effect our quality of life and even the value of our homes, but the stress must be made that this is a health problem.

With all due respect, we ask that you deny Black Mountain Sewer's request for a rate increase until all of these issues have been safely resolved.

Sincerely,
Bob and Sue Coady

[REDACTED]
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

6/12/06 opinion received from consumer. Opinion filed in docket no. SW-02361A-05-0657

June 12, 2006

Dear Mr. & Mrs. Coady,

My name is Carmen Madrid and I am a Public Utility Consumer Analyst with the Arizona Corporation Commission.

Your e-mail regarding the Black Mountain Sewer Company application for a rate increase has been received. Your opinion will be filed in docket no. SW-02361A-05-0657 and made a part of the official docket. The Commissioners and staff members in this matter will all receive a copy of your opinion.

If you should have any questions you may contact Consumer Services at [REDACTED]

Sincerely,
Carmen Madrid
Public Utility Consumer Analyst
Arizona Corporation Commission
Utilities Division

[REDACTED]
[REDACTED]
End of Comments

Date Completed: 6/12/2006

Opinion No. 2006 - 52859

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen MadridPhone: [REDACTED]Fax: [REDACTED]Priority: Respond Within Five DaysOpinion No. 2006 - 52877Date: 6/12/2006Complaint Description: 08A Rate Case Items - OpposedFirst:Last:Complaint By:**Marilyn****Courier**Account Name:

Marilyn Courier

Home: (000) 000-0000Street:

n/a

Work: (000) 000-0000City:

Carefree

CBR:State:

AZ Zip: 00000

is:Utility Company.**Black Mountain Sewer Corporation**Division:

sewer

Contact Name:

n/a

Contact Phone: n/aNature of Complaint:ACCHearing
June 7, 2006

My name is Marilyn Courier. My husband, Ernest, and I live in the Boulders community in Carefree. I thank you for the opportunity. To speak to you today regarding Black Mountain Sewer Company's request for a rate increase.

We would not be here today, objecting to a rate increase, but for the terrible sewer odor we have lived with for nearly four years.

The odor problem that exists in various areas in the Town of Carefree is, and has been, far more pronounced, and of much larger scope than the Town Officials, past homeowners' boards, and to some extent, the regulatory agencies have acknowledged. And it's been around for a long time.

In the past, in our neighborhood, the odor occurred once or twice a day, and was slight and of short duration. Then, in late summer of 2002, a tsunami of horrible sewer odor engulfed our neighborhood, drastically altering life as we knew it.

- A. Folks who had been given the key to a home on Boulder Dr. by the owners, had to call their friends to say, "Thank you so much for your hospitality, but we just can't stay here any longer.", and explained why.
 B. It was impossible to work in the yard, or enjoy our patios because the stench was intolerable.
 C. Bikers and joggers disappeared from our street.

Since early 2003, I have talked to many people about the problem, and have learned that broad areas in Carefree, including downtown, have been affected at one time or another.

The problem even reached into the community of Sentinal Rock, located on the west side of Black Mountain.

An area particularly hard hit is Carefree Inn Estates. For the past 3 1/2 years, residents have suffered terrible

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sewer odor due to the proximity of the CIE lift station and its' septic wet wells.

The problem has subsided downtown and in Sentinal Rock. But it continues to plague the homes near the lift station in Carefree Inn Estates, and areas near lift stations in the Boulders community.

For the past several years, our community has suffered visits by (what we call the sewer sucker trucks) bringing sewage from one troubled site down our streets to be dumped into the manhole in front of the plant. This has occurred at any hour of the day or night. Now I should explain that BMSC sealed the manhole covers to keep the stench within the system. But when the truck drivers deliver a load, they break the seal when opening the cover to dump. These drivers do not reseal the covers when replacing them, because, as they state, "It's not their job." Once, we waited four days for the company to come out and reseal a cover on our street. In the meantime, sewer odor floated around the neighborhood.

The presence of the sewer sucker trucks means that a component in the sewer system is unable to cope with the load and the resultant backup of sewage.

On Dec. 2, 2005, there was a Town Hall meeting to discuss the odor situation. At that meeting, Mike Weber, the General Manager at that time, was asked if it would be possible for him to convince his superiors to release more money for the needed repairs. He stated that, and I quote, "I can get as much money as I want from Canada." Yet he clung to an operating budget that did not include funding for meaningful improvements. He was then both baffled and resentful of customer complaints when no progress was made.

The Black Mountain Sewer Co. has too many "captive users" who have waited far too long for it to get its' act together, and who feel that the present rate of \$38.00 per month is more than enough given the current state of affairs. What they have done so far, is to implement temporary fixes, which have already failed.

In a related matter, I wish to state that in the particular case of BMSC, inspections by the regulatory agencies are essentially meaningless because they are of the call ahead variety for the sake of convenience of the inspectors. 48-72, or more, hours notice given, provides sufficient time for the company to clean house and pour chemicals into lift stations and other trouble areas to mask the odor.

I called an official at ADEQ to discuss this issue with him. He denied that the sewer company was given advance notice of inspections. I asked him, "You mean you don't mind driving out to Carefree to inspect, only to find the plant gate locked? There was a pause. He replied, "Mrs. Courier, I don't have the resources to drive all over and not find people there."

The de facto result of these call ahead inspections is that the status quo is preserved through the offending utility being found in compliance no matter how wretched their performance is.

The owners of this dysfunctional system, Black Mountain Sewer Company, have requested a 13.52% rate increase. This request has not been earned and is without merit.

In closing, the Arizona Republic is replete with stories about small communities, who are being serviced by private, for profit, sewer companies, and whose citizens live with sewer odors. These communities are rapidly growing, and they need REAL help from the state.

Thank you,
Marilyn Courier
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
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6/12/06 This consumer had already made her comments at the hearing. Opinion noted and filed in docket no.
SW-02361A-05-0657
End of Comments

Date Completed: 6/12/2006

Opinion No. 2006 - 52877

