



BEFORE THE ARIZONA CORPORATION

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GARY PIERCE

AZ CORP COMMISSION  
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2007 MAR 12 P 2:49

IN THE MATTER OF THE APPLICATION OF  
BLACK MOUNTAIN SEWER CORPORATION,  
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 SERVICE BASED  
THEREON.

DOCKET NO. SW-02361A-05-0657

STAFF'S NOTICE OF FILING  
STIPULATION REGARDING  
ODOR REMEDIATION  
PURSUANT TO DECISION  
NO. 69164

Staff of the Arizona Corporation Commission hereby files the attached Stipulation Regarding  
Odor Remediation Pursuant to Decision No. 69164 received from Jay L. Shapiro's office in the  
above-entitled matter.

RESPECTFULLY SUBMITTED this 12<sup>th</sup> day of March, 2007.

Keith A. Layton, Attorney  
Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Original and thirteen copies filed  
this 12<sup>th</sup> day of March, 2007 with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Copies of the foregoing mailed  
on this 12<sup>th</sup> day of March, 2007 to:

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Patrick J. Black  
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Phoenix, Arizona 85012  
*Attorneys for Black Mountain Sewer Company*

Arizona Corporation Commission  
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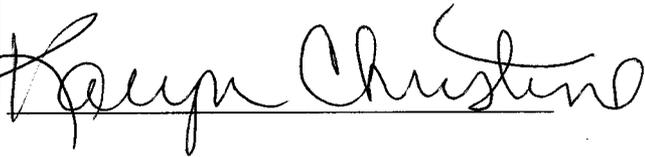
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Boulders Homeowners Association  
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**BEFORE THE ARIZONA CORPORATION COMMISSION**

MIKE GLEASON  
Chairman  
JEFF HATCH-MILLER  
Commissioner  
WILLIAM A. MUNDELL  
Commissioner  
KRISTIN K. MAYES  
Commissioner  
GARY PIERCE  
Commissioner

IN THE MATTER OF THE  
APPLICATION OF BLACK  
MOUNTAIN SEWER  
CORPORATION, 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 SERVICE  
BASED THEREON.

DOCKET NO: SW-02361A-05-0657

**STIPULATION REGARDING ODOR  
REMEDICATION PURSUANT TO  
DECISION NO. 69164**

In Decision No. 69164 (December 5, 2006) (“Order”), the Arizona Corporation Commission directed Black Mountain Sewer Corporation (“BMSC”) to remedy the “Boulders Drive” odor problem. Specifically, the Order directs BMSC to implement one of the following recommendations of Town of Carefree witness Stan Francom: installation of a pressurized line to replace the existing gravity line between the Boulders discharge manhole and the Boulders Wastewater Treatment Plant (“WWTP”), or installation of fans and carbon filters to create a negative pressure filtration system between the Boulders discharge and the Boulders WWTP. Alternatively, the Order allows BMSC, with the mutual agreement of all parties, to employ a different remedy to accomplish the Boulders Drive odor remediation.

1           BMSC retained McBride Engineering Solutions, Inc. ("MES") to conduct a  
2 hydraulic evaluation of the Boulder Drive sewer system. MES has made alternative  
3 recommendations in a "Draft" report dated February 2007. The first recommendation is  
4 for BMSC to install 4-inch air jumper pipelines along sections of the sewer system.  
5 MES's analysis shows that the system becomes "surcharged" when the forcemain  
6 discharges flow into the gravity line. Installation of air jumpers between manholes would  
7 prevent air from being released into the atmosphere. MES's second recommendation is  
8 for BMSC to continue to test odor control additives and eventually select the additive that  
9 produces the most favorable results. According to MES, the additive that appears to have  
10 the potential to mitigate odors within the Boulder Drive sewer system is ERI solution  
11 ("ERI"). A trial quantity of ERI and the equipment was installed in January 3, 2007.

12           The parties to this proceeding hereby stipulate and agree to BMSC's remedying the  
13 odor issues in the Boulders subdivision by employing MES's recommendations to install  
14 air jumper pipelines and continue the trial usage of ERI. A Final Report prepared by  
15 McBride Engineering Solutions, Inc. with no significant changes will be prepared and  
16 submitted by June 8, 2007. The installation of the air jumpers, repair of the pipe breaks  
17 and the other corrective actions stated in Section 4.0 Summary and Conclusion shall be  
18 completed by June 8, 2007. If after the corrective actions are completed as recommended  
19 and odors persist along Boulder Drive, then BMSC shall immediately take additional  
20 corrective actions to resolve the odors in accordance with the Corporation Commission  
21 Order of December 5, 2006.

22           Except as otherwise agreed to herein with respect to the resolution of the odor  
23 problems encountered along Boulders Drive, BMSC shall continue to abide by the orders  
24 of the Arizona Corporation Commission set forth in its Opinion and Order no. 69164 in  
25 docket number SW-02361A-05-0657. All parties agree that it is reasonable to pursue  
26 these in lieu of the remedies set forth in the Order.

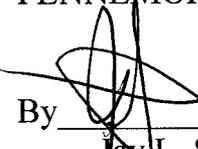
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By signing this stipulation, Staff is not intending to make any recommendation regarding ratemaking treatment.

Residential Utility Consumer Office has declined to sign this stipulation and takes no position.

DATED this 12<sup>th</sup> day of March, 2007.

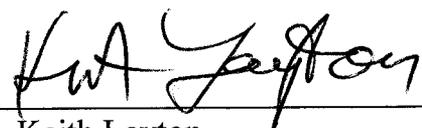
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By  \_\_\_\_\_  
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ARIZONA CORPORATION COMMISSION

By  \_\_\_\_\_

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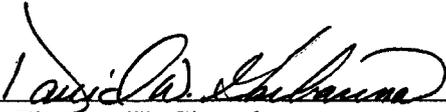
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BOULDERS HOMEOWNERS ASSOCIATION

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Mrs. Marilyn H. Courier  
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