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**Division of
Public Utilities**
Chris Parker
Director

MEMORANDUM

June 2,
2011

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

Chris Parker, Director
Marialie Martinez, Manager, Customer Service
Ross Hudson, Customer Service Specialist

RE: 11-097-01 - In the matter of the Formal complaint of Dawn Martell, Larry Zini, Frank Cumberland, Bob Kimball, Marsha Smith, *et al* vs. Mountain Sewer Corporation.

Recommendations: The Division recommends that The Parties *et al* be given a hearing before the Commission on their complaint against Mountain Sewer Corporation.

Background: Complainants filed an informal complaint with the Division on February 17, 2011, alleging that for several years, customers of the Mountain Sewer Corporation in East Huntsville, Utah have been subjected to sewer service from a company that has a system and equipment that is in ill repair and is improperly maintained. This has allegedly resulted in the system repeatedly breaking down or malfunctioning, requiring that pumper trucks be called and dispatched to physically pump raw sewage from the Mountain Sewer Corporation's lift station where raw sewage has spilled over it's top and flowed freely toward the Pine View Reservoir, which is only about 20 yards away. **(See Exhibits A)** The Parties say that the raw sewage has also flowed into the street belonging to Lakeside Village where The Parties reside.

When the pumper trucks are full the raw sewage is then transported over local streets to manholes in residential neighborhoods. The sewage is dumped down those manholes so that it can flow into the holding ponds. **(See Exhibit B)** This practice occurs on a regular basis including the past several years. The access road to Mountain Sewer Corporation holding ponds is not maintained and is impassable in the spring. This is why raw sewage is dumped into manholes and not the sewer ponds themselves.

The parties maintain that the sewer pump is not adequate for the system and needs to be replaced or the sewer line is so clogged that the sewage cannot flow freely to upper holding ponds. **(See Exhibits C)** The Parties state that the only way they know of to find out if the system lines are clogged is to scope it. That is to send a small lighted camera lens through the sewer lines. The Parties also state that the system pump and grinder have been in use for over twenty five (25) years and have never been upgraded.

On March 17, 2011, Ross Hudson of the Division was contacted by one of the Parties, Dawn Martell, via the telephone. Ms. Martell wanted to add to The Parties complaint saying that on March 16, 2011, there was a raw sewage overflow that backed up and into 15 units of the Lakeside Village Condo's.

Ms. Martell stated that the overflow at the lift station was pumped into pumper truck tanks and taken to a manhole where the sewage was dumped. Ms Martell stated that it is possible that some of the overflow at the lift station made it into Pine View Reservoir. The Parties are convinced that it is the improperly maintained sewer system that is the main cause of the sewer flooding into those 15 condominium units of the Lakeside Village.

The Parties state that they have contacted the owner of Mountain Sewer Corporation, Dr. Ronald Catanzaro, and asked him to fix the problems with the sewer lines. Dr. Catanzaro responds that there is nothing wrong with his sewer system. The Parties state that Dr. Catanzaro just ignores their requests.

The Parties also brought up another matter with the Mountain Sewer Corporation. The Parties believe that an audit of the Mountain Sewer Corporation should be done because of irregularities that have become apparent. They state that pre-connection fees have been waived with some home buyers. There has been some non-existent billing for the Edgewater Chalets, which are homes built across from Lakeside Village on Highway 39.

The Parties say that the acceptance of contractual promises in December 2010 by Mountain Sewer Corporation, to provide sewer service to numbers of users, going forward, is in excess of the capacity of Mountain Sewer Corporation to service them.

The Parties also state that it has come to their attention that there has been a co-mingling of monies between Lake View Water, which is also owned by Dr. Catanzaro, and Mountain Sewer Corporation **and other corporations that are owned by Dr. Catanzaro. This is supported by billings that have been received by the Parties for payment to a company called Lakeview Water and Sewer. The parties state that there is no such entity but used the same P.O. Box number as Mountain Sewer Corporation.**

On March 29, 2011 Marialie Martinez, section manager of the customer service group , Mark Long of the water section and Ross Hudson of the customer service section, drove to Huntsville, Utah with Dan Griffin of the Utah Department of Environmental Quality to inspect the Mountain Sewer Corporation facilities.

Dr. Catanzaro's residence is also the address of the Mountain Sewer Corporation offices. Shortly after our arrival we were told by Dr. Catanzaro that part of the problem with his sewer system

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breaking down is because of rags and other cloth material being flushed into his system. As proof he had his sewer manager Jim Banks show us an example. We were shown a small skinny piece of stringy like material, which when stretched out was no more than about a two feet long. We were told that these rags and cloths are one of the causes that keeps their pumps clogged and rendered inoperable. We were told that the sewer grinder could not grind the rags and cloths enough to keep them from clogging. Dr. Catanzaro and his Manager then took us for a tour of Mountain Sewer Corporation.

We followed Mr. Catanzaro and Mr. Banks to a manhole at the top of the Summit Gated Community **(See Exhibit D)** where Mr. Catanzaro and Mr. Banks said that sewage is dumped from pumper trucks into the manhole to go on its way to the sewer ponds. The manhole is in disrepair allowing ground water to seep into the sewer system and on into the sewer ponds. From this same location we could see the sewer holding ponds to the south just below from where we were standing.

Mr. Banks told us that during a recent heavy rain storm the access lines used for runoff water became clogged and the water flowed into the sewer lines through the gaping holes that were adjacent to the manholes causing the lift station to fill faster than the pump could operate which caused the backup of the sewer into the condo units. **(See Exhibit E)**

We then followed our hosts to the Mountain Sewer Lift Station that is located at the south end of the Lakeside Village Condominiums. The lift station itself is about 40 feet away from building #9 of the condo units and Pineview Reservoir is about 20 yards away to the south. An explanation of how the lift station worked was given and that an alarm will sound if the sewage reaches a certain height in the lift. **(See Exhibit F)**

Mr. Banks led the way to the road going into the sewer ponds, which were covered in snow. The gate to the ponds was locked and the access gate to the road that leads to the ponds was also locked. Mr. Banks says the snow was too deep and the road too muddy to drive a pumper truck to the ponds for dumping and that is why they use the manholes for dumping. **(See Exhibit G)**

We drove back to the Lakeside Village Condominiums where we were met by complainants Dawn Martell and Bob Kimball. We told them what we had been shown and both of them told us that if the sewer system had been able to handle the excess water the back up would not have occurred and they believe that the sewer system in its present state is totally inadequate to handle what it has been designed to do.

Ms. Martell & Mr. Kimball led us to a section of the sewer line on Hwy 39 near the Old Snow Basin Road and showed us some sink holes that are believed to funnel into the sewer system through a break in the sewer line that goes to the sewer ponds. This is possibly one of the reasons that the lift station overflows. **(See Exhibit H)** They do not believe that a few rags cause the pumps to quit

working or that the rags are so big as to clog up a four inch pipe.

Mr. Kimball showed us some pictures of an opened manhole that were taken by him showing the 4 inch pipe that leads to the sewer ponds. The four inch pipe is cut away so that a visual of the liquid flow can be seen. What we saw was a pipe full of rocks and dirt with only about a 1 to

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1.5 inch clearance. Other pictures show some of the other sewer manholes that are in disrepair, which allow ground water run into the sewer system. **(See Exhibit C)**

Ms. Martell and Mr. Kimball told us that the pipeline up to the sewer ponds needs reaming out as it is clogged or needs to be replaced. Ms. Martell & Mr. Kimball said that the fact the pumper truck or trucks need to pump sewage out of the lift station or from the manhole just inside the Lakeside Village gate then transport it up to the manhole in the Summit Gated Community to dump the sewage, shows the inadequacy of the system and that the line itself is clogged. A 3 hour delay before the pumper trucks arrived during an other emergency, they argue clearly shows that there is no adequate emergency backup system in place to keep flooding and backup from happening.

A picture of the lift station during the rain storm **(See Exhibit A)** shows that it is full and overflowing. The layout of the location of the lift station and the overflow having a downward direction toward the Pine View Reservoir, which is about 20 yards from the lift station, is a concern. The lift station does not have shut off valves, only an alarm that warns when the lift station is getting full.

Mountain Sewer Corporation Response by Ronald J. Catanzaro, President

On March 21, 2011 Ronald Catanzaro, President of Mountain Sewer Corporation, responded to the informal complaint against his company.

Mr. Catanzaro states that Mountain Sewer Corporation has no knowledge of being in default of any contractual obligations.

Mountain Sewer Corporation sewer system is in excellent repair and has been closely monitored by Jim Banks who is a certified Grade 1 sewer system operator with over 20 years outstanding service to Mountain Sewer Corporation.

Mr. Catanzaro says that frequent flushing down the toilets by its customers of trash is one reason that the pumps aren't pumping the system correctly.

On some occasions it has been necessary for Mountain Sewer Corporation to be assisted in this corrective process by employing a sewer pumping truck to allow the level of sewage in the pumper storage vaults to be temporarily lowered enabling the maintenance worker to free up the pumps from this blocking material and return to normal usage. When this would occur the pumping trucks would dispose of the sewage in the most cost effective way which was to deposit it in a manhole in Mountain Sewer Corporation's sewer system which piped it directly to Mountain Sewer Corporation 's sewer ponds.

The access service road to Mountain Sewer was built to provide use of service vehicles whenever it was necessary. This road was never intended to provide year round access to heavier vehicles such as a sewer pumper trucks. (See Exhibit G)

On April 5, 2011 Ron Catanzaro sent an expanded explanation concerning Mountain Sewer Corporation.

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At the height of addressing the flooding in Mountain Sewer Corporation's sewer system both of Mountain Sewer Corporation 's sewer pumps and two sewage pumper trucks worked to full capacity to try and control the flooding, which had suddenly occurred in the sewer system. However, even with all this effort in the interval between the pumper trucks filling up the water level in Mountain Sewer Corporation 's sewer storage vault where its pumps are located would rise rapidly and uncontrollably and overflow the top.

Mr. Catanzaro & Mr. Banks believe that water was entering Mountain Sewer Corporation 's system from some external source which far exceeded any amount of sewage that could ever be generated internally in the Mountain Sewer Corporation system.

Mr. Catanzaro and Mr. Banks heard that there was flooding in the Snow Basin/Highway 39 Corner that is adjacent to Lakeview Village Condominiums, which they investigated. They found a large deep pond and could hear a heavy amount of that water seeping into a manhole and sewer box. UDOT did come by and clear the drainage grate and within about half an hour from first having the storm water grate cleared the sewage level in the retention vault was steadily lowering to a normal level with the assistance of the pumper trucks.

In repairing the manhole structure on the Snow Basin Corner it became apparent that at some time previously snow plow trucks had nudged the superstructure of the manhole and shifted them so that small openings occurred. These were undetectable by Jim Banks the Sewer Manager's regular inspections as the structure was below ground with only a small part of the sewer manhole cover being exposed above ground.

Conclusion:

The Division believes there is likely a violation of Utah Code 54-3-1, Annotated, by Mountain Sewer Corporation and recommends a hearing by the Commission so that testimony and evidence can be shown and given by all parties.

Utah State Code 54-3-1 reads as follows with the applicable section in bold:

54-3-1. Charges must be just; **service adequate;** rules reasonable. All charges made, demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished, or for any service rendered or to be rendered, shall be just and reasonable. Every unjust or unreasonable charge made, demanded or received for such product or commodity or

service is hereby prohibited and declared unlawful. **Every public utility shall furnish, provide and maintain such service, instrumentalities, equipment and facilities as will promote the safety, health, comfort and convenience of its patrons, employees and the public, and as will be in all respects adequate, efficient, just and reasonable. All rules and regulations made by a public utility affecting or pertaining to its charges or service to the public shall be just and reasonable.** The scope of definition “just and reasonable” may include, but shall not be limited

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to, the cost of providing service to each category of customer, economic impact of charges on each category of customer, and on the well-being of the state of Utah; methods of reducing wide periodic variations in demand of such products, commodities or services, and means of encouraging conservation of resources and energy.