INFORMATION SHFFT

PRESIDING: Hearing Examiner, Freda Hilburn

PLACE: Dobbs Building, Raleigh, NC DATE: Tuesday, May 14, 2024 TIME: 9:00 a.m. to 1:08 p.m. DOCKET NO.: W-1034 Sub 13 COMPANY: Water Resources, Inc.

DESCRIPTION: In the Matter of Application by Water Resources, Inc., for Authority to

Adjust and Increase Rates for Water Utility Service in Rocky River Plantation

Subdivision in Cabarrus County and River Walk Subdivision in Mecklenburg County,

North Carolina

VOLUME NUMBER: 3

APPEARANCES

See attached

WITNESSES

See attached

EXHIBITS

See attached

REPORTED BY: Kim Mitchell

TRANSCRIPT PAGES: 137
TRANSCRIBED BY: Kim Mitchell

PREFILED PAGES: 39
DATE FILED: May 23, 2024

TOTAL PAGES: 176

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1	PLACE:	Dobbs Building, Raleigh, North Carolina
2	DATE:	Tuesday, May 14, 2024
3	TIME:	9:30 a.m 1:08 a.m.
4	DOCKET:	W-1034, Sub 13
5	BEFORE:	Hearing Examiner Freda Hilburn
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10		
11		
12		IN THE MATTER OF:
13	A	pplication of Water Resources, Inc.,
14	for Autho	rity to Adjust and Increase Rates for Water
15	Utility S	ervice in Rocky River Plantation Subdivision
16	in Caba	arrus County and River Walk Subdivision in
17		Mecklenburg, County North Carolina
18		
19		
20		VOLUME 3
21		
22		
23		
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W-1034, Sub 13, Volume 3
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    APPEARANCES:
 2
    FOR WATER RESOURCES, INC.:
 3
    Edward S. Finley, Jr., Esq.
 4
    Edward S. Finley, Jr., PLLC
 5
    2024 White Oak Drive
 6
    Raleigh, North Carolina 27608
 7
 8
    FOR THE USING AND CONSUMING PUBLIC:
 9
    Gina C. Holt, Esq.
10
    Public Staff - North Carolina Utilities Commission
    4326 Mail Service Center
11
12
    Raleigh, North Carolina 27699-4326
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1	EXHIBITS:
2	IDENTIFIED/ADMITTED
3	WRI Feasel Cross Examination Exhibit 1 38 / 55
4	Public Staff Feasel Redirect Exhibit 1 / 55
5	WRI Rebuttal Exhibit 1 95 / 175
6	Public Staff Panel Cross Exhibit 1 128 / 168
7	Report of Dennis Abbott for / 169 Water Resources, Inc. on Customer Testimony
9 10 11	Verified Response of the
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NORTH CAROLINA UTILITIES COMMISSION APPEARANCE SLIP

DATE: 5/13-14 2024 DOCKET NO.: W-1034, Sub 13		
ATTORNEY NAME and TITLE: ELNECK S. Finley, Ir		
FIRM NAME: Elwerl S. Finley, In flee		
ADDRESS: 2024 White O.L. RR.		
CITY: NE ZIP CODE: 27668		
APPEARANCE ON BEHALF OF: With Puspicus Jac		
APPLICANT: COMPLAINANT: INTERVENOR:		
PROTESTANT: RESPONDENT: DEFENDANT:		
Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to https://www.ncuc.net/ , hover over the Dockets tab, select Docket Search, enter the docket number, and click search, select the highlighted docket number and select Documents for a list of all documents filed.		
ONLY fill out this portion if you have signed an NDA to receive CONFIDENTIAL transcripts and/or exhibits: Yes, I have signed the Confidentiality Agreement. Email:		
SIGNATURE:		
(Signature Peguired for distribution of CONFIDENTIAL information)		

NORTH CAROLINA UTILITIES COMMISSION PUBLIC STAFF - APPEARANCE SLIP

DATE 5/13-14/2024 DOCKET #: W-1034, Sub 13
PUBLIC STAFF MEMBER _ Gina C. Holt
ORDER FOR TRANSCRIPT OF TESTIMONY TO BE E-MAILED TO THE PUBLIC STAFF - PLEASE INDICATE YOUR DIVISION AS WELL AS YOUR E-MAIL ADDRESS BELOW:
ACCOUNTING WATER evan.houser@psncuc.nc.gov COMMUNICATIONS ELECTRIC
TRANSPORTATIONECONOMICS
LEGAL gina.holt@psncuc.nc.gov CONSUMER SERVICES
PLEASE NOTE: Electronic Copies of the regular transcript can be obtained from the NCUC web site at https://starwl.ncuc.net/NCUC/page/Dockets/portal.aspx under the respective docket number.
1 Number of copies of confidential portion of regular transcript (assuming a confidentiality agreement has been signed). Confidential pages will still be received in paper copies.
***PLEASE INDICATE BELOW WHO HAS SIGNED A CONFIDENTIALITY AGREEMENT. IF YOU DO NOT SIGN, YOU WILL NOT RECEIVE THE CONFIDENTIAL PORTIONS!!!!
June of Public Staff Member

Print History

M

Meta Lockwood

May 09, 2024

Rate 1

\$15,000.00 annually

Salary

Dec 01, 2022

Rate 1

\$8,000.00 annually

Salary

Jun 03, 2021

Rate 1 Initial Rate

\$4,000.00 annually

Salary

Pay Details

Monthly

PAYCHEX FLEX®

adjustment to include expenses associated with the 2019 Rate Case
as per the First Stipulation and Settlement filed in the 2019 Rate
Case and approved by the Commission in its 2019 Rate Case Order
In the First Stipulation and Settlement, the Company and the Public
Staff agreed to an amount for rate case expense that was
incorporated into both the Company's and Public Staff's settlement
schedules, and ultimately into the revenue requirement approved by
the Commission in the docket. It is inappropriate to include costs
beyond the costs included in the Commission-approved revenue
requirement from a case that has been closed, and in which the
Company did not request that additional costs be considered before
the Commission issued its final order.
Additionally, we have removed the Company's adjustment to include
the unamortized balance in rate base because the amortization of
rate case expense should reflect a normalization of the costs
associated with the filing of a rate case, based on an average of the
number of years between rate case filings. In this case, rate case
expense does not rise to the level of being extraordinary in nature
and, therefore, does not require rate base treatment.
Finally, the Company included overamortized rate case expense and
severance deferrals as an offset to the normalization of rate case
and the morning and an energy to the normalization of fate case

expense. The Public Staff has removed the overamortized amounts

from the rate case expense calculation, and instead proposes to flow them back as a one-year rider.

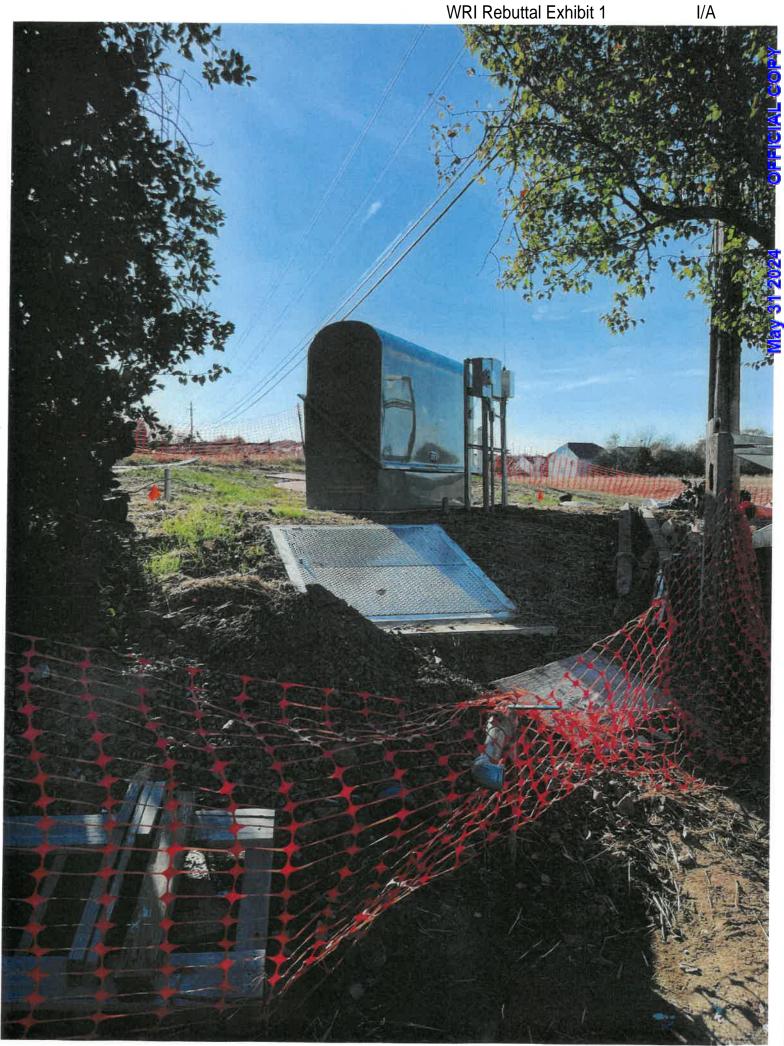
Rent Expense

4 Q. Please explain your adjustment to rent expense.

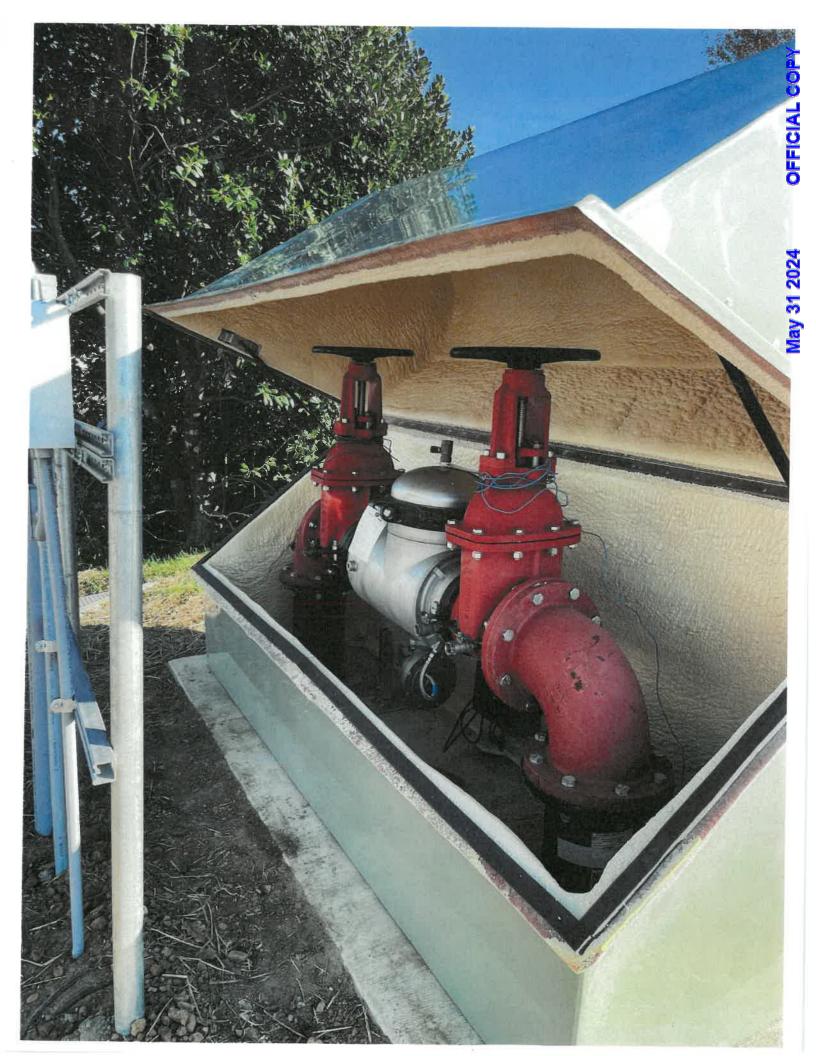
Α.

The Company proposed adjusting test period rent expense to include the new Duke Plaza building, as well as updating the costs for other buildings, at a total cost of \$7.2 million. The Public Staff requested a site visit to the Duke Plaza building, and the Company stated that the vast majority of the floors of the Duke Plaza are still under construction and all the office facilities within the 41 floors of the building would not be completed until the third quarter of 2023 or later. In light of the fact that the building is still under construction and cannot be utilized for its intended purpose, the Public Staff removed the Duke Plaza building from the rent calculation.

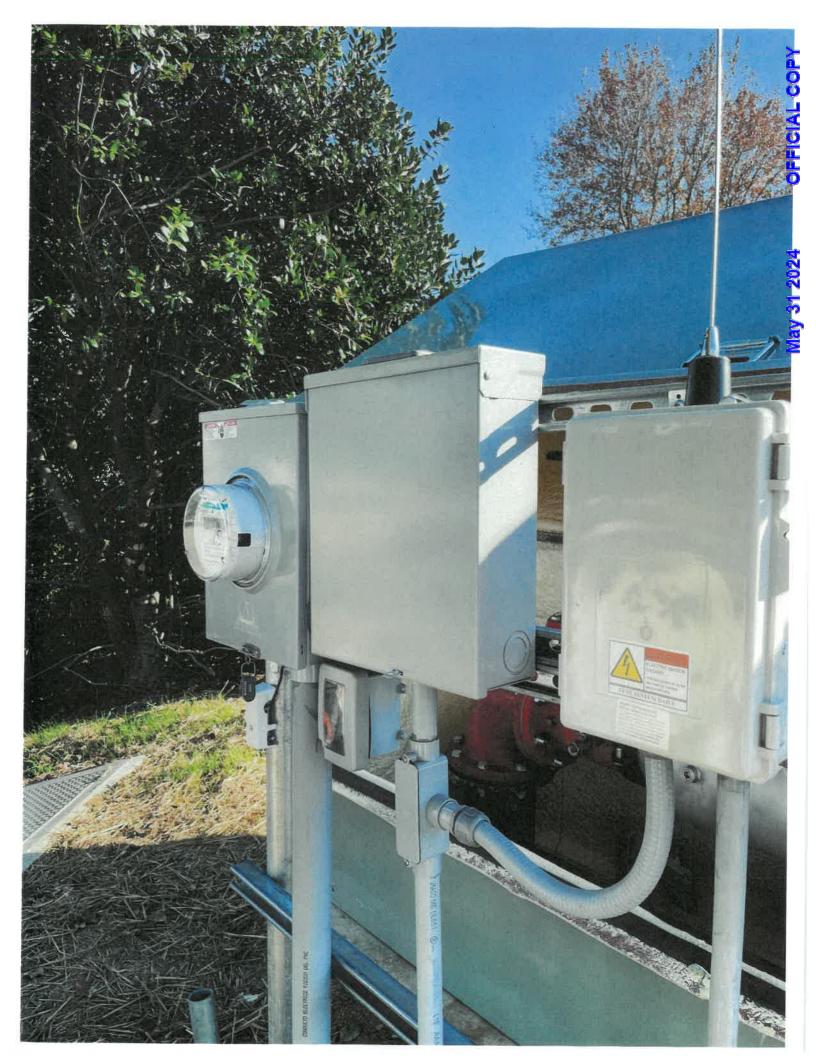
The Public Staff included additional amounts to bring the rent expense to a representative level by utilizing some 2021 costs and applying the updated Duke Energy Business Services, LLC (DEBS), allocation. Additionally, the Public Staff has concerns regarding the Company's plans to expand its real estate portfolio, given the reduction in work force and the Company's adopted workplace model, which allows its employees a to work a hybrid schedule, and thus reduces the office facilities needed at any given time.











I/A

Fublic Staff Panel Cross Exhibit 1

NC Department of Environment and Natural Resources Division of Water Resources. Public Water Supply Section

SITE VISIT REPORT

Water System Name: ROCKY RIVER PLAN	TATION S/D Water S	System No.: NC0113220
Site Visit Primary Reason: SNSV	Date of Visit:	3/29/18 MM/DD/YYYY
 Sanitary Survey (SNSV) Sanitary Survey Follow Up (SSVF) Sanitary Hazard Investigation (SHAZ) Compliance Assistance (CMPA) Water Treatment Plant Site Visit (TRTP) Training (TRNG) Emergency Assistance (EMRG) Engineering Determination/Advice/Plan Review (ENGR) Investigation (Complaint/Violation/etc) (INVG) Laboratory Inspection (LABI) Informal System Inspection (INFI) 	 Permit (Qualification/Review/Compliance) Sample Collection (SMPL) Technical Assistance (non-specific) (TECH Variance/Exemption Related (VAEX) Formal Enforcement (FENF) Follow-up to Formal Enforcement (FUFE) Informal Enforcement (IENF) Comprehensive Performance Evaluation (CPE) (CPEV) Construction Inspection (CNST) Operation & Maintenance (OM) 	 Needs Survey (NEED) Records Review (RCDR) Site Inspection (SITE) Source Water Inspection (SRCE) Locational Data Collection (LOCD Wellhead Protection Program (WHPP) State Revolving Fund (SRF) Capacity Development Assessment (CAPD) Watershed Evaluation (WSHD) Cross-Connection Inspection/Investigation (XCON) Public Hearing (PUBH)
PWSS Staff: GUGLIELMI, MEREDITH; SEY	MOUR, ROSEMARY	If >1 staff member, list primary first.
Person(s) Contacted: GREG TROMBELLO		
Comments From the Visit:		
THE WATER SYSTEM IS NOT OPERATED O APPROVAL LETTER FOR PROJECT 89-7189 AN ALTERNATOR. WELL 1 CAN ONLY BE OF FUNCTIONAL. THE WATER SYSTEM HAS DEVIATED FROM APPEARS TO BE LOCATED ON THE RAW WITHE PLANS IS LOCATED AFTER THE CONVIA TREATED WATER SAMPLE TAP MUST BE CHLORINATION BUT PRIOR TO FILTRATION COLLECTED AFTER FILTRATION. AN ANTI-SWELL 1 WELLHOUSE MUST BE LOCKED. THE REPAIRED OR REPLACED. FIVE RESIDUAL IT IS RECOMMENDED THAT THE ELEVATED THE SCREEN ON THE VENT BE INSPECTED THAT A QUALIFIED PROFESSIONAL EVALUATED COMMENDED. GREG CURRENTLY USES A COVERY ACCURATE. GREG STATED THAT HE	STATES THAT WELL 1 AND WELL 2 WILL PERATED MANUALLY. THE MOTOR ON THE PERATED MANUALLY. THE MOTOR ON THE PERATED MANUALLY. THE MOTOR ON THE PERATED PLANS AND SPECS. THE PERATE POINT SAMPLES WELL 1 AND WELL 2 PART OF THE PERATE POINT SAMPLES WELL 1 AND WELL 2 PART OF THE PERATE POINT SAMPLES WELL 1 AND WELL 2 PART OF THE PERATE POINT THE DISTRIBUTION TESTS IN THE DISTRIBUTION TESTS IN THE DISTRIBUTION AREGULAR BASIS TO ENSURE THAT THE SAND FILTER TO ENSURE THAT THE SAND FILTER TO ENSURE THAT OF THE SAND FILTER TO ENSURE THE SAND FILTER TO ENSURE THAT OF THE SAND FILTER TO ENSURE THE SAND FILTER TO EN	L BE OPERATED SEPARATELY WITH THE PUMP IN WELL 2 IS NOT HYPOCHLORITE INJECTION POINT LORITE INJECTION POINT SHOWN ON RAW WATER LINES. /ERE BEING COLLECTED AFTER Y POINT SAMPLE MUST BE WATER TAP MUST BE INSTALLED. THE ARE NOT FUNCTIONAL AND MUST BE JITION SYSTEM MUST BE PERFORMED QUALIFIED PROFESSIONAL AND THA HAT IT IS INTACT. IT IS RECOMMENDED IT THE FE AND MN SMCLS ARE NOT NT FE AND MN, WHICH MAY NOT BE
3		
IMMEDIATE Attention Needed by Data Entry	(to record changes as indicated):	
Activity Status (Deactivation, Reactivation) Population - affects compliance only State Type	Legal Entity Source Activity Status Treatment Plant Activity Status	Entry Point WS Name New System
DENR 4800 (07/2008)		======================================

NC Department of Environment and Natural Resources Division of Water Resources. Public Water Supply Section

SITE VISIT REPORT

Water System Name	: ROCKY RIVER PLANTATION S/D	Water System No.:	NC0113220
	Significant; Minor; or Recommendation Category:	SO; TR; D	DS; FW; PU; MR; SM;
Date Identified:	(MM/DD/YYYY) Water System Noti		(MM/DD/YYYY)
WS Facility ID:			
Resolved Date:	(MM/DD/YYYY)		
Comments:	,		
	le: Resolve within how many days: (30; 60; 90; 120; 18	_	
	s) or Recommendation(s): (see deficiency checklist for de	escription code and text).	
Severity:	Significant; Minor; or Recommendation Category:		S; FW; PU; MR; SM;
Date Identified:	(MM/DD/YYYY) Water System Noting	OC: OT	(MM/DD/YYYY)
VS Facility ID:	•	incation bate.	(1111)
	(MM/DD/YYYY)		
Comments:	(MINI/DD/YYYY)		
Compliance Schedul	e: Resolve within how many days: (30; 60; 90; 120; 18	30; 360 days) Due Date:	
Specific Deficiency(ies	s) or Recommendation(s): (see deficiency checklist for de	escription code and text).	
Severity:	Significant; Minor; or Recommendation Category:	SO; TR; D	S; FW; PU; MR; SM;
Date Identified:	(MM/DD/YYYY) Water System Notif	OC: OT	(MM/DD/YYYY)
VS Facility ID:			
Resolved Date:	(MM/DD/YYYY)		
Comments:			
Compliance Schedul	e: Resolve within how many days: (30; 60; 90; 120; 18	in 360 days) Duo Dato	
ENR 4800B (07/2008)	5. Resolve within now many days: (50, 60, 80, 120, 18	o, ooo days) Due Date: ——	Page 2 of 2

Report of Dennis Abbott for Water Resources, Inc., on Customer Testimony

/A

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

Docket No. W-1034, Sub 13

In the Matter of		
Application of Water Resources, Inc.)	Report of Dennis Abbott for
For Approval of Rates for the Rocky River)	Water Resources, Inc. on
Subdivision in Mecklenburg County and	Ć	Customer Testimony
the River Walk service area in)	
Cabarrus County North Carolina)	

NOW COME WATER RESOURCES, INC. and submits this Report addressing service and service-related complaints expressed by customers at the March 25, 2024 public hearing at the Mecklenburg County Courthouse in Charlotte, North Carolina. This report is submitted by Dennis Abbott.

Pursuant to the Commission's scheduling order in this docket, the Applicant, Water Resources Inc., is required to file a report addressing service and service-related complaints to which customers testified at the public hearing on March 25, 2024.

Water Resources only received the transcript of the March 25, 2024 hearing late Friday evening, April 5, 2024. In order to comply with the deadline for submitting this report established by the Commission Water Resources has taken the exhibits submitted by customers appearing at the

March 25 hearing and has responded to their service-related testimony by repeating their exhibits and attaching the Company responses thereto.

The exhibits and responses as attached are from Jon Cottrill, James Herrington, Donna Gray, Don Stremovihtg, Michael Ammons, Walter Davis, Rebecca Davis, Michael Juarez, and Lenny DeVito.

In addition to written service-related issues addressed in exhibits, review the transcript results in the following complaints. The Company's responses to the summarized complaints follow.

Ivan Scott:

Mr. Scott complained of not being reimbursed for bottled waters during service interruptions. Response:

It is not industry standard to reimburse customers for bottled waters they purchase.

Michael Ammons:

Mr. Ammons complained of what he deems to be inadequacy of Company responses to customer- initiated communications.

Response:

The Company's records show that Mr. Ammons has not contacted Water Resources since the customer service staff was replaced in 2021. Presently, as soon as the Company is aware of an issue, the voicemail greeting on the customer service phone number is changed so that anyone calling in can hear that the Company is aware of an issue and the latest update is provided as well as the greeting. With that process not every customer calling in has to leave a message and wait for a return phone call. E-mail blasts are also generated to the community, which include

anyone who has provided their e-mail address. The initial e-blast states that the Company is aware of an issue and what the estimated time of action is to resolve it. Subsequent e-mail blasts will contain updates through resolution, including any boiled water advisories. In every communication with customers, e-mail addresses are requested so updated contact information is ensured. There has been no contact with Mr. Ammons and no record of his e-mail address on file. However, the Company believes that he has the same address as another customer, who does have an e-mail address on file. With regard to the boil water notices placed on doors, the Company will work with the contract operator to produce a branded document.

Ray Ferris:

Mr. Ferris complains of failure to receive information from the Company giving advance warning in the event of water outages.

Response:

See the response above addressing Mr. Ammons' similar complaint.

Mr. Ferris complains that over the course of his receiving service he has received insufficient responses from the Company.

Response:

The Company and Mr. Abbott do not ignore phone calls, and they make it a priority to respond to each customer. The Company's records indicate that since the customer service staff was replaced in 2021, Mr. Ferris has not come to the office at 6201 Fairview Rd. in Charlotte. On June 27, 2022 Mr. Ferris contacted the office in the early morning to report low water pressure and reached the answering service, which immediately contacted Beth Lockwood, customer service, who then returned Mr. Ferris' call, reaching his voicemail. Ms. Lockwood left a message that a water main break had occurred. Mr. Ferris reached out again on June 28, 2022 in the

early afternoon to provide his e-mail address, and he was included on subsequent e-mail blasts until the issue was resolved. Based on the Company's records these are the only two times Mr. Ferris has contacted Water Resources since staff was replaced in 2021.

Mr. Ferris complaints about billing procedures.

Response:

The Company has experienced significant delays with payment being mailed through the US Postal Service. As soon as payments are received, they are immediately deposited and posted to customer accounts. Customers are not charged late fees. Customers who use online bill pay through their bank will see a scheduled payment deduct funds from the customer's bank account immediately, even though the check has not been received by Water Resources. Again, due to delays by the US Postal Service, the time between the customers seeing the amount charged to the customer's bank account and the Company actually receiving and depositing the check can be several weeks. The Company expects in May of 2024 to have an online system available where the customers can log in and make payments.

Mr. Ferris complains of the times for meter reading.

Response:

Meters are consistently read on or about the 19th of each month, taking into account weekends and holidays, at which time meters could be read a day or two later. Meter readings are documented exactly and clearly each month. Mr. Ferris has not contacted the Company to dispute his meter readings or usage.

Michelle Juarez:

Ms. Juarez complained about receiving notice that her water was going to be cut off for failure to pay the bill. Ms. Juarez testified that she in fact had paid the bill.

Response:

When the customer service staff was replaced in 2021, Ms. Juarez was one of the first customers to reach out regarding her account status. Beth Lockwood spent time with Ms. Juarez reviewing her account with printed information and immediately cleared it for accuracy. Even though Ms. Juarez was receiving her water bills showing past due balances, the Company's records indicate she had never reached out to discuss. Because Ms. Juarez is consistent in her payments, Beth Lockwood would recognize that there was an issue when payments were behind. After several months, a disconnect notice was generated because the balance remained unpaid. Ms. Juarez used online bill pay through her bank and stated the amounts were being deducted from her bank account. Ms. Lockwood explained to Ms. Juarez how banking online bill pay works and that the amount is deducted on the schedule bill pay date, even though the checks have still not reached the Company to be deposited, which is not the same as cancelled checks. Ms. Lockwood asked Ms. Juarez for copies of the checks from the banks showing they had been processed by Water Resources, but she did not produce those copies, which would be defined as cleared checks. In the telephone conversation with Ms. Juarez, Ms. Lockwood stated she had just picked up the mail that morning and had not been able to go through it. Ms. Juarez statement implies mail is allowed to sit without prompt attention, when in fact mail is immediately processed upon receipt.

VERIFICATION

STATE OF NORTH CAROLINA))
)
MECKLENBURG COUNTY)

I, Dennis Abbott, being duly sworn, depose and say:

ennis CAblo

I have reviewed the transcript of the public hearing conducted on March 25, 2024. I have read the foregoing report, and the facts stated therein are true of my personal knowledge, except as to any matters stated on information and belief. As to those matters, I believe them to be true.

Dennis Abbott

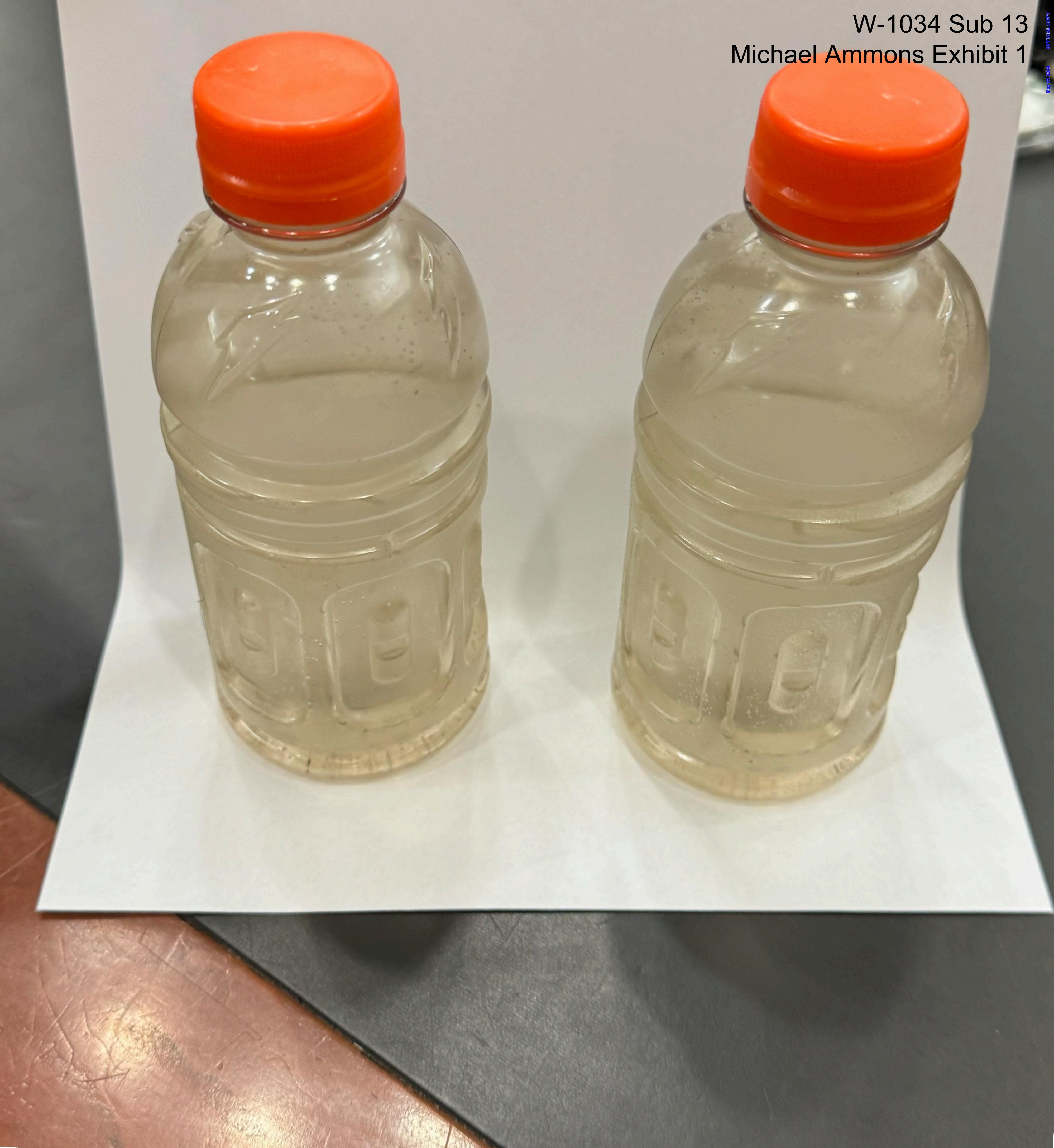
Sworn and subscribed before me

This 8th day of April 2024.

Notary Public

My Commission Expires: __10/21/2028





W-1034 Sub 13 Michael Ammons Exhibit 1

Company Response:

Discolored water can be from poorly maintained water heaters or other plumbing fixtures and not necessarily from the water supply. Water Resources will contact the homeowner to pull samples for testing and provide options for any issue that is confirmed through our water sampling process.

Juarez Exhibit 1

(Docket # W-1034, Proposed Rate Increase for Rocky River Planation)

Attn:

Christopher J. Ayers

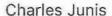
Executive Director

North Carolina Utilities Commission

Evan Houser

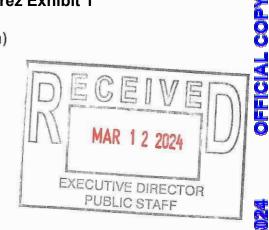
Public Utilites Engineer

North Carolina Utilities Commission



Director of Water, Sewer & Telephone Division

North Carolina Utilities Commission



<u> Part 1</u>

To state that all homeowners who received notice were shocked with the excessive increase requested by Water Resources on Thursday, March 7th and Friday, March 8th, via USPS mail only 3-4 days before the deadline of Monday, March 11th for protests to be received, is putting it mildly.

Part 2

Rate increase requests citing a higher cost of maintenance and doing business are not acceptable or valid reason and do not substantiate an excessive rate increase as we the homeowners ourselves are already incurring costs of higher property taxes and costs all across the board due to inflation.

The proposed surge in rate increase in water usage rates would hurt residents, particularly those elderly and families with children. Record inflation and historic interest rates have already skyrocketed the cost of living for residents. Approving and increasing these absorbent rates requested, will only serve harm our communities and residents.

The Residents of Rocky River Planation Subdivions have put up with regular & ongoing issues with excessively hard & dirty water, low to no water pressure, water main breaks, water outages, mismanaged and over charged billing, etc...Residents have mailed, emailed and called, and filed ongoing complaints regularly of Dennis Abbott/Water Resources for over 10 years, to the point of contacting legal counsel and working with TV stations to expose the divisive practices and the ongoing issues. We expect a consistent level of excellent quality water, water pressure, quality water service, consistent system maintenance and billing services in which we pay for each month to Dennis Abott/ Water Resources.

Part 3

Residents have endured:

- -Ongoing & Ongoing Inconsistent Quality of Water Service
- -Continual Inconsistency in Water Quality
- -Continual Inconsistency of Water Pressure/Regular Water Service
- -Regular Lack of Maintenace to Pipes, System & Wells
- -Regular Issues of Water Outages Due to Lack of Upkeep of Wells and System
- -Issues of Inconsistent and Overbilling
- -Paying this Provider for Potable, Habitable, Safe Drinking Water Only to Receive Ongoing and Regular Issues of Unsafe, Undrinkable Water Documented by Notices Left on Doors and in Mailboxes to Not Drink the Water and Water Must Be Boiled for Safe Usage.

Part 4:

The last thing residents currently need is to bear right now is the brunt of ANY unearned increase, excessive and or not, in water usage rates that would only exacerbate financial strain in the current economy.

Recently Dennis Abbott has become aware that for him to sell this service to the Town of Harrisburg (or any other entity) to purchase the current water system (in the Rocky River Communities), that there are certain items they look for and require, to meet those Dennis Abbott has been now/just recently, adamantly working and spending money to upfit certain aspects of the water system, all of which he has allowed to remain in disrepair and in minimal working conditions at best (soley to pass minimum state requirements) for many, many years. We are All Very Much Aware that this excessive request for rate increase serves twofold: 1) to try to request a higher astronomical increase knowing the Utilities Board of Commissioners will deny it so that he can come back with a lower but still increased rate request and hope for a more likely approval, and secondly, to try to recoup/recover all of his sudden expenses he is putting out to try to prepare and upfit the system for sale,....this work & upfit was NOT due to him suddenly having a matter of guilty conscience for all of his negligence of upkeep of the system and its wells, with two of three of the wells which have consistently remained in almost condemned condition for years, leaving the residents of the Rocky River Plantation Subdivions Completely without Any water for Days on Numerous Occasions!

Part 5:

Each time Dennis Abott/Water Resources has requested and received an approved water rate increase, all of the above named issues have not been addressed, corrected, nor improved, the Rocky River Community has not received a higher or increased level of service or maintenance.

Part 6:

The fact that the hearing protests close on Monday March 11th, only 3-4 days after receipt of delivery of notice via USPS mail, shows intent to use this tactic as usual by Dennis Abbott/Water Resources to deny the public/residents opportunity to hold him/them accountable and protest the excessive rate increase.

At this time there is Absolutely No Evidence to justify such a drastic rate increase, or Any rate increase at this time and we the Rocky River Plantation Residents STRONGLY OPPOSE and Request:

- that the North Carolina Utilites Commission to exercise its authority, intervene and deny this

- that the North Carolina Utilites Commission to exercise its authority, intervene and deny any water usage rate increase,

- that the North Carolina Utilites Commission to exercise its authority, intervene and put into place a minimum of a Three (3) Year Rate Increase Moratorium for Dennis Abbott/Water Resources,

and that the North Carolina Utilites Commission Actively hold Dennis Abbott/Water Resources
accountable regarding known and ongoing issues with water quality, interrupted water services
along with improper billing/improper monthly consumer reporting statements.

Thank you for your consideration in this matter.

Michelle Juavez

8971 Charrys Ford Ct. Harris lourg, N.C. 28075 704-455-7682 Clearimage @ carolina.rr.com

Company Response:

excessive water usage rate increase,

Part 1:

The NCUC Public Staff established the timeline for notifying customers and the deadline for responses, which Water Resources followed as directed.

Part 2:

Water Resources bills its customers monthly, always at the same time each month. Due to the pandemic, USPS delivery has been inconsistent, and it has not yet returned to pre-pandemic reliability. This may be what Ms. Juarez is referring to. However, Water Resources does not overbill its clients. Meters are read every month, and usage is billed accordingly.

Water Resources recognizes that the water in aquifers found in the Piedmont area of North Carolina, from which groundwater is pumped, is somewhat hard. Although water hardness does not pose a health hazard and is not regulated, it can be improved with a simple water filtration system in the home. Like any appliance in the home, water filtration systems require maintenance and regular replacement of filters.

Part 3:

Water Resources denies allegations made by customers regarding water pressure, water main breaks, water outages, mismanaged and overcharged billing. While there have been some water outages, they were caused by external factors such as cut water lines by other contractors or pump failures, which were beyond the control of Water Resources. Moreover, Water Resources recognizes that the water in aquifers found in the Piedmont area of North Carolina, from which groundwater is pumped, is somewhat hard. Although water hardness does not pose a health hazard and is not regulated, it can be improved with a simple water filtration system in the home. Like any appliance in the home, water filtration systems require maintenance and regular replacement of filters. Water Resources has not been cited by DEQ for a regular lack of maintenance to pipes, systems, and wells, nor do they have such negligence as a common practice.

According to NCGS 15A NCAC 18C .1523, a Boil Water Advisory is mandatory whenever there is a loss of pressure in the water system. The advisory may only be lifted once the system has been repressurized, water samples have been taken, and sent to a state-certified laboratory for testing. The laboratory must confirm that the water is safe for drinking before the advisory can be lifted.

Part 4:

We are puzzled by Ms. Juarez's testimony. On one hand, she presents a list of issues and complaints that support her belief that the system has not been adequately cared for. However, she then questions the motivation for the improvements made to the system, despite acknowledging their existence. It is important to note that Water Resources has never had any wells that were "condemned". Additionally, contrary to Ms. Juarez's statement, Water Resources has only ever had two wells that serve the Rocky River community - Highland Ridge and Rocky Ridge collectively.

Part 5:

Water Resources has implemented the recommended improvements as directed in the 2018 rate case. The company has replaced operators which has resulted in better day-to-day operations of the systems. The office staff has been replaced to provide a more responsive and better customer service experience. In addition, new contractors for repairs and maintenance have been hired. The NCUC has received numerous testimonials from customers testifying to the improvement in customer service and their positive experience with the company.

Part 6:

The NCUC Public Staff established the timeline for customer notices and response deadlines, which Water Resources followed as directed.

Ziegler, Taylor

From:

Don Stremovihtg

Sent:

Monday, March 11, 2024 4:44 PM

To:

Statements

Subject:

Statement of Position Submitted by Don Stremovihtg

Statement of Position Submitted

Name

Don Stremovihtg

Email

dstremovihtg@yahoo.com

Docket

W-1034

Message

Part 1:

March 8th, 2024 Don Stremovihtg 8980 Cherry's Ford Court Harrisburg, NC 28075 (Docket # W-1034, Proposed Rate Increase for Rocky River Planation) Attn: Christopher J. Ayers Executive Director North Carolina Utilities Commission Evan Houser Public Utilites Engineer North Carolina Utilities Commission Charles Junis Director of Water, Sewer & Telephone Division North Carolina Utilities Commission Re: Complaint to NCUC regarding Water Resources, Inc/Dennis Abbott (Docket # W-1034, Proposed Rate Increase for Rocky River Planation) This is to bring to your Notice the following issues: The inexcusable action of Water Resources, Inc. / Dennis Abbott to bring a new application for a proposed rate increase while operating under the same business practices as a sub--standard Water Utility Provider, when compared side by side to all of the well / water private utility companies in NC regulated/monitored by the NCUC, then requesting an additional increase in both base rates and water usage. The request for increased rates in the past has not shown evidence of maintaining through on-going updates to the only existing well pump station, but only to do minimal repairs after each operational failure. That Water Resources, Inc. / Dennis Abbott will maintain the well site property to a standard of care that consistently keeps the site clean of construction debris and works with adjacent neighbors (8980 Cherry's Ford Court to work the water shed from the well site properties that has been changed from its original path due to construction work performed on the site with large equipment, over the last seven years) and to work with customer to fix the amount of water shed from the well site down to my property. I continue to make and have made several improvements, at my expense, to fix the erosion control issues leading from side of WRI's well site, but it has only become worse where the water shed had now made it inside my garage door opening, and can only be fixed by WRI / Dennis Abbott to install proper drainage solutions on the well site to move it to the NC DOT provided catch basins at the maintained road on Cherry's Ford Ct.. I spoke with Dennis Abbott on the well site previously back in 2021 regarding a solution to stop the water shed to my home. Dennis said he would look at what he could do and follow back up with me on what he

could do to resolve the drainage issues but I have not had any response or discussion of solutions. I would ask NCUC to ask the court to assist with having WRI/Dennis Abbott repair / resolve the well site property water shed from what has now created trench paths toward my property causing major erosion control issues to my home $\frac{Part}{\lambda}$ for state that all homeowners who received the Notice to Customers Docket No. W-1034 Sub 13 from WRI, were shocked with the excessive increase requested by Water Resources, Inc., deposited on Thursday, March 7th and Friday, March 8th, via USPS mail only 1 business day before the deadline of Monday, March 11th for protests to be received, is appalling. There should be notice given well in advance to give all residents/ customers proper time to respond appropriately, and not 1-2 business days prior to the deadline, Rate increase requests citing a higher cost of maintenance and doing business are not acceptable or valid reason and do not substantiate an excessive rate increase as we the homeowners ourselves are already incurring costs of higher property taxes and costs across the board due to inflation. The application for the proposed water base and usage rate surge would hurt residents, particularly those elderly and families with children. Record inflation and historic interest rates have already skyrocketed the cost of living for residents. Approving and increasing rates, any or the absorbent request, will harm our communities and residents. This excessive rate increase would place undue hardship on the residents of the Rocky River Plantation Sub-divisions and make it even more difficult to provide for their families in this current economy. The Residents of Rocky River Planation Subdivisions have been tolerating regular ongoing issues with excessively hard & dirty water, low to no water pressure, water main breaks, water outages, mismanaged and overcharged billing Residents have mailed, emailed, called, and filed ongoing complaints regularly of Dennis Abbott/Water Resources, Inc. for over 10 years, to the point of contacting legal counsel and working with TV stations to help bring WRI into compliant business practices and resolve the ongoing issues. We expect a consistent level of excellent quality water, water pressure, service, consistent system maintenance and billing services, and forthright communication for the utility service expected to be paid each month to Dennis Abbott/Water Resources, Inc... WRI does not provide the level of service as a normal utility provider such as Union Power, Dominion Energy, Carolina Water Service of NC provides to paying customers, and has continued to provide below par services until WRI/Dennis Abbott is proposing a rate increase to the NCUC. As evidenced during the previous rate increase application, the previous Director David Furr made on site visits to the community well and spoke with me along with my neighbors regarding the issues stated in this letter. Per the NCUC, there were several compliance issues documented WRI/Dennis Abbott would have to comply with to bring the water utility service to a standard of compliance even after WRI, Dennis Abbott received the applied for rate increase. Business continued as usual with no resolve or communication to remedy the ongoing issues. This is the time to bring resolution to long-standing issues, Specifically, back in December 2022 through January 2023, the utility company preparing to do line boring for fiber optic cable installation requested for water utility line markings prior to construction beginning; however, it took the utility company (2) two months to get a response from WRI. Once WRI The latest disruption of water event occurred February 7th, 2023, through February 9th, 2023, when another utility company inadvertently cut through the main water distribution line for all communities involved. The utility company attempted to reach Water Resources, Inc., to find out where the main water valve shutoff was located; however, they were unable to reach anyone at Water Resources, so the main line continued to disperse thousands of gallons of water for two to three hours. Once contact was made with WRI, they could not specifically tell the utility company where the main shutoff was located, WRI sent a third-party representative out to make repairs; however the repair company was currently in Winston-Salem, NC on another repair so by the time they could arrive on location the entire water supply from the water holding tank was emptied. WRI dispatched a third-party sub-contractor who they have contracted to monitor water quality testing to go to site, who did not have the schematics showing main shutoff valves, by this point all the water resources were replenished from the main water tank. -There are no safeguards to monitor mishaps. Other utility companies have the

wherewithal to support a viable utility provider service as a paid service. -Utility line marking: -WRI/Dennis Abbott does not subscribe to NC811 No dig or any utility marking services to have water line locations marked properly - WRI/Dennis Abbott will not answer/respond to water line location marking requests. - lines were cut on previous construction due to improperly marked lines by Dennis Abbott – lines were marked 4 feet away from where construction was performed $\frac{ran}{n}$ -When a well pump burns up or service interruption no secondary filter at the pump captures debris/ dirt – so being closest to the well pump site we receive all the debris / dirt in our house plumbing and fixtures, which causes extra cost at my expense to clean plumbing before usage. This is the responsibility of WRI / Dennis Abbott $\frac{ran G}{N}$ Another instance, not in order of other issues, during a period of October 2017 through February 2018 we experienced: -(3) three separate instances of unusable, unsafe, and unsanitary water conditions (not up to NC Water Standards) from the well owned by Water Resources, Inc. Located within the Highland Ridge Community. - During January we were without water service from the well for 48 hours; no water for home use -Incorrect Billing issues unresolved. -We are demanding Water Resources, Inc. Comply with all requirements of the NCUC guidelines and offer a consistent level of service to the Highland Ridge Community / Rocky River Plantation Residents quality water, service, on-going maintenance, and upgrades, and put in place consistent billing procedures with online account access / payment abilities. under the current cost structure. -Residents (I) have endured: - Inconsistent Levels of Service - Continual Inconsistency in Water Quality - Home appliances, plumbing fixture failures requiring constant repairs and replacement due to quality of water provided. -Continual Inconsistency of Water Pressure/Regular Water Service/ dirty water through home plumbing. -Regular Lack of Maintenace to Pipes, System & Wells -Regular Issues of Water Outages Due to Lack of Upkeep of Wells and System -Issues of Inconsistent and Overbilling -Paying this Provider for Potable, Habitable, Safe Drinking Water Only to Receive Ongoing and Regular Issues of Unsafe, Undrinkable Water Documented by Notices Left on Doors and in Mailboxes to Not Drink the Water and Water Must Be Boiled for Safe Usage. The last thing we/residents need to bear right now is the brunt of ANY unearned increase, excessive or not, in water usage rates that would only bring further hardship to the financial strain in the current economy. It has been mentioned through the Community / Town that WRI/Dennis Abbott is preparing for the transfer of ownership of the water service to the Town of Harrisburg (or other entity), to purchase the current water system (in the Rocky River Communities), that there are certain items they look for and require, to meet those WRI/ Dennis Abbott has now/just recently been working and spending resources to upfit certain aspects of the water system, while only performing repairs when system fails keeping system in minimal working conditions at best (Only to pass minimum state requirements) for many years. We are All Very Much Aware that this excessive request for rate increase serves two fold: 1) to try to request a higher astronomical increase knowing the Utilities Board of Commissioners will deny it so that WRI/Dennis Abbott can request a lower but still increased rate request and hope for a more likely approval, and 2) secondly, to try to recoup/recover all of WRI / Dennis Abbotts expenses to prepare and upfit the system for sale,....the most recent connectivity upfit project, in case of water service failure at any point going forward, had to be completed due to the negligence of system upkeep and its wells, with two of three of the wells which have consistently remained in a non-useable condemned condition for years teaving the residents of the Rocky River Plantation Sub-divisions Completely without Any water for Days on numerous occasions over the last several years! **Check NCUC / WRI records for system failure reports. Each time Dennis Abott/Water Resources has requested and received an approved water rate increase (rate increase was approved even with all the complaints filed leading up to the approved & unwarranted increase by WRI/ Dennis Abott). Given the fact the response time for objections for this rate increase requested by WRI, Dennis Abbott, closes on Monday March 11th, only one business day after regular delivery of notice via USPS mail, does not give adequate time to receive notice and respond. This shows intent to use this tactic as usual by Dennis Abbott/Water Resources to deny the public/residents opportunity to hold WRI/Dennis Abbott accountable and protest any proposed rate increase yet an

Part 12:

excessive rate increase. There is No Evidence to justify such a drastic rate increase, or Any rate increase given the reasons stated, and we, the Rocky River Plantation Residents, oppose any rate increase based on the evidence submitted and request the North Carolina Utilites Commission: - to exercise its authority, intervene and deny this excessive water usage rate increase, - to exercise its authority. intervene and deny any water usage rate increase, - to exercise its authority, intervene and put into place a minimum of a Three (3) Year Rate Increase Moratorium for Dennis Abbott/Water Resources, - to exercise its authority, intervene and regulate a thorough health inspection of the existing operational well, as well as an audit of the accuracy of the meters and monthly readings. - and that the North Carolina Utilites Commission Actively hold Dennis Abbott/Water Resources accountable regarding known and ongoing issues with water quality, interrupted water services along with improper billing/improper monthly/quarterly consumer reporting statements of unresolved issues by stating issues are closed when indeed they are not resolved, only to satisfy the NCUC reporting requirements. In closing, I am asking for all the statements in this letter to be carefully assessed to bring resolution going forward, so we do not repeat history and hold Water Resources, Inc. / Dennis Abbott to a higher standard than what has previously been, for a consumer private water utility provider. Don Stremovihtg 8980 Cherry's Ford Court Harrisburg, NC 28075

Company Response:

Part 1:

There is no construction debris stored on any well site. There has been no grading by Water Resources on its property. The natural topography of the land is as it has always been. Water Resources acknowledges that it shares a common property line with Mr. Stremovihtg. Water Resources denies that water is flowing onto Mr. Stremovihtg's property due to its failure to maintain its property but is rather due to the natural topography of the land. According to the Cabarrus County GIS, Water Resources' well lot sits at a topography of 640 at its highest point. This is the same elevation of Mr. Stremovihtg's rear property line. However, at Mr. Stremovihtg's front property line, the elevation drops to 620 – a drop in elevation of twenty feet from the rear of his property (and Water Resources's property) to the front of his property. Consequently, with the natural flow of water being downhill, Mr. Stremovihtg is going to have water flowing from the back of his property to the front of his property during times of rain. Water Resources acknowledges that some rain water from its property naturally flows onto Mr. Stremovihtg's property. However, any water flow issues on Mr. Stremovihtg's property are caused by the severe change in elevation on his property, not due to any actions or lack of actions taken by Water Resources.

Cabarrus County has published an Environmental Bulletin on its website regarding water drainage issues. According to the general civil law rule, water has the right to flow wherever it wants to go. If you are a downhill property owner, you may receive water from the uphill property. The uphill owner has the easement right to accelerate and increase the natural flow of water but cannot divert it. The "natural flow" of water should not be diverted by the upper owner to flow upon the lower land in a different way or place. The downhill owner, on the other hand, cannot obstruct the natural flow of water from above in any way.

North Carolina has modified the civil law rule in governing the rights of property owners with respect to drainage of surface water. In 1977, the NC Supreme Court adopted the "Reasonable Use Rule" to guide the settlement of drainage cases. The Reasonable Use Rule considers all conflicting interests in individual cases. It recognizes the right of each landowner and the general public to deal with surface water in any manner, as long as the acts are "reasonable under the circumstances." Therefore, each Reasonable Use Rule case is decided based on a multitude of differing factual situations. The liability is incurred when interference with the flow of water is found to be unreasonable. Government authorities may not have the authority to require changes in development plans that met the requirements of law at the time of their approval.

Water Resources maintains that water is flowing onto Mr. Stremovihtg's property due to the natural topography of the land. However, Water Resources remains open to considering any solutions Mr. Stremovihtg would like to propose to address his concerns.

Part 2:

Dennis Abbott denies making any promises to Mr. Stremovihtg to "look at what he could do and follow back up". Mr. Stremovihtg confronted Mr. Abbott while he was inspecting Water Resources's property one evening. Mr. Stremovihtg asked if any changes could be made on the property to help with the issue he had. Mr. Abbott responded by telling Mr. Stremovihtg that he was willing to consider any proposals, but any changes would require his approval and that of the Department of Environmental Quality. Mr. Stremovihtg did not follow up with Mr. Abbott. However, Water Resources is still open to considering any solutions that Mr. Stremovihtg may propose to address his concerns.

Part 3:

The timeline for notices to customers and the deadline for responses from customers was established by the NCUC Public Staff, not Water Resources. Water Resources executed the notices as directed and within the timeline provided by NCUC Public Staff.

Part 4:

Water Resources acknowledges that before 2018, residents had experienced discolored water from time to time due to iron in the water. Water Resources investigated the issue when it came to light during the 2018 rate case. The investigation uncovered that the operator at the time was not backwashing the green sand filter regularly as directed. Corrective measures were put in place to backwash the filter consistently and regularly. Since these corrective actions, complaints about discolored water have ceased. In addition, weekly field tests have been taken since 2018 to determine iron levels in the water. Water Resources found no issues during these field tests.

There have been occasional complaints about "milky" water that occur after an interruption in service due to a water line repair or a well

pump replacement. "Milky water" is caused by air in the water and is not a health hazard. The air naturally dissipates out of the lines give some time. Water Resources has responded to these complaints by opening blow-offs and fire hydrants. Water Resources has communicated with DEQ and the Public Staff when these issues occurred and kept them abreast of corrective action.

Water Resources denies that customers have experienced "no water pressure, water main breaks, water outages, mismanaged and overcharged billing." There have been water outages due to cut water lines by other contractors or pump failures, but they have been minimal and caused by variables outside the control of Water Resources, not because of Water Resources' operational failures. Customers are billed monthly and at the same time each month.

Part 5:

Water Resources does not have any outstanding compliance matters with DEQ at the time of this response. Since the hiring of a new operator in early 2020 noncompliance issues have been minor and addressed immediately.

Part 6:

Water Resources acknowledges that Windstream cut the water main in the community and caused water outages. This occurred on two separate occasions. Mr. Stremovihtg's statement on these matters contains numerous misstatements of fact.

Part 7:

The well water undergoes filtration via a large green sand filter before it is distributed to the water lines. Minor sediment may be present in the distribution lines, which is a common issue for any water distribution system. During repairs, minor sediment may enter the distribution lines, and it gets disturbed during the re-pressurization process of the system. However, to minimize this, blow-offs and hydrants are opened in the lowest areas of the community to expel any sediment. Despite all these measures, homeowners may face discolored water issues after an outage when they initially turn on their faucets. To address this problem, we suggest you take the following steps:

- 1. Run cold water from outside spigots (weather permitting) to clear trapped air and discolored water from plumbing.
- 2. Remove aerators from faucets (looks like grill where water comes out) by hand or jar opener.
- 3. Run cold water from inside faucets and bathtub spigots until the water is clear or up to 15 minutes.
- 4. If water doesn't clear up within 15 minutes, please call our office for assistance.
- 5. Flush out the water heater according to the manufacturer's website or owner's manual if needed (if you experience cloudy or discolored water when running hot water).

Part 8:

It seems that some of the issues raised are repetitive. Please refer back to the responses mentioned previously.

Water Resources has not been cited by DEQ for "Regular Lack of Maintenance to Pipes, System & Wells". Therefore, Mr. Stremovihtg's statement is unfounded.

Mr. Stremovihtg's claim of "Issues of Inconsistent and Overbilling" is also unfounded. Water Resources bills its customers on a monthly basis, consistently on the same day each month. However, due to the pandemic, USPS delivery has been inconsistent, which may have led to some confusion. Nevertheless, Water Resources does not overbill its clients. The meters are read every month and the usage is billed accordingly.

According to NCGS 15A NCAC 18C .1523, a Boil Water Advisory is mandatory whenever there is a loss of pressure in the water system. The advisory cannot be lifted until the water system is repressurized, water samples are collected, and the samples are tested at a state-certified laboratory to confirm that the water is safe for consumption.

Part 9:

Mr. Stremovihtg's statement that "two of three wells have consistently remained in a non-useable condemned condition for years" is completely inaccurate and false. Water Resources has never owned three wells that collectively serve the Rocky River community. It has only owned two wells, none of which have ever been "condemned" or in a "non-useable condition".

Well #1 had to be taken offline after routine water testing revealed a slightly elevated level of radon. The Environmental Protection Agency explains that radon is a gas that is naturally present in the ground and has no color, odor, or taste. Therefore, radon is not present in the well water due to the negligence of system upkeep or the wells. The decision to take Well #1 offline was made in order to protect our customers' water supply. In consultation with DEQ, Water Resources took the well offline, knowing that this would create a violation of the North Carolina Administrative Code, Title 15A, Subchapter 18C, Rule .0402(g)(5) [15A NCAC 18C .0402(g)(5)]. This rule requires any residential community water system, using well water as its source of supply and designed to serve 50 or more connections, to provide at least two wells. If a second well is not possible, another approved water supply source may be accepted. To address this violation, Water Resources proposed to DEQ that it install a connection with the Town of Harrisburg's water supply.

Part 10:

As mentioned earlier, there have been instances of water outages owing to cut water lines by other contractors or pump failures. However, these have been minimal and were caused by factors outside the control of Water Resources. It is essential to note that these outages did not occur due to any operational failures on the part of Water Resources.

Part 11:

As mentioned earlier, it was the NCUC Public Staff who set the timeline for sending notices to customers and the deadline for receiving responses from them. Water Resources simply followed the instructions given and sent the notices within the deadline provided by the NCUC Public Staff.

Part 12:

Mr. Stremovihtg's statement that issues are closed only to satisfy the NCUC reporting requirements, even when they are not resolved, is false.

OFFICIAL COP

<u>Zie ger, Ta yor</u>

From:

Donna Gray

Sent:

Monday, March 11, 2024 8:11 AM

To:

Statements

Subject:

Statement of Position Submitted by Donna Gray

Statement of Position Submitted

Name

Donna Gray

Email

dlgstarpons@aol.com

Docket

W-1034, sub 13

Message

I am opposed to the Water Resources rate hike and have been a resident in my home for 23 years. I buy at least 10 gallons of water each week for personal consumption, cooking, and my dogs to drink. The water from Water Resources well is not clean! I recently had it tested for approx. \$135.00 and can supply the report from 1/2/24 if you'd like. The water is very hard, has sulfates, and there is radon in the water. Am currently looking into a water filtration system so I don't have to lug gallons of water (approx. \$10.00 a week) from store to car to house each week. If the water was decent I might understand a rate hike but a rate hike on top of the money I spend for good water would be ridiculous!!!! Also, last year we were without water for over a day due to problems with Water Resources system which has happened on many occasions since I've lived here. You are welcome to contact me for additional info. 704-491-7148

Company Response:

Water Resources' water supply is regularly tested by a state-certified laboratory, as per the requirements of DEQ, and it has always been found safe for consumption. However, Ms. Gray's complaint about the water quality does not mention if her water sample was tested by an approved laboratory or if proper methods were used to ensure contamination-free collection.

Water Resources also acknowledges that the aquifers in the Piedmont area of North Carolina, from which the ground water is pumped, have a slightly higher level of hardness. Although the hardness of water is not a health hazard and is not regulated, it can be a nuisance. A simple water filtration system installed in the home can help solve this issue. However, like any other appliance in the home, water filtration systems also require regular maintenance and filter replacements.

Grant, Lakisha

From:

James E Herrington

Sent:

Thursday, March 7, 2024 8:27 PM

To:

Statements

Subject:

Statement of Position Submitted by James E Herrington

Statement of Position Submitted

Name

James E Herrington

Email

jimherrington48@gmail.com

Docket

W-1034, Sub 13

Message

Part 1:

I am a home ower in Highland Ridge Subdivision since 1999. My home was the model home (built in 1989), 3508 Rocky Ridge Ln) We are outside the Town of Harrisburg town limits, therefore we are subject to out of town sewer rates which are quite high. My home is at the highest service point for the water distribution system so I am the first to obseve waterb pressure problems. Often when I reported problems, my reports were ignored, All residents expected system improvements when the Subdivision developers transferred ownership of our water distribution system and the ground level horizintal tank was replaced with an high rise water tank and treatment facilities. The new owner added customers when Rocky River Plantation began. WRI did not provide proper maintenance until, with the assistance of WBTV, our poorly maintained system was brought to the attention of the NCUC, which ordered WRI to repair the distribution system and replace faulty meters. Originally fed from mutiple fresh water wells, the water source became a single source when wells were found bto be contaminated.

Part WRI to install additional wells but nothing was done, even when WRI received citations and fines.
Subdivision residents requested that the Town of Harrisburg take over the system and connect to their water mains. They refused. Only recently has a single point part of the system and connect to their water system been installed, as the result of NCUC's order. Even then it took multiple years to happen. Over the years we have gone lengthy periods without water when pumps failed or tripped. I have pictures of the filthy water that has occurred following lengthy outages plus the water has required replacement of in house faucets, filters, shower heads, water heaters and commodes. I would appreciate being included in the public witnesses who oppose this rate increase. Initially paid only for the water I used, suffered through numerous usuage charge increases, then a basic charge addition and now there is a nearly 500% rate increase for basic charge, even with no water use. Lastly, why isvthis public hearing docketed for Charlotte, Mecklenburg County Courthouse and not at Hickory Ridge High School off

Hickory Ridge Rd in the same county and less then a mile from the customers of the water system. James E Herrington 3508 Rocky Ridge Lane Harrisburg. NC 28075 704-614-0905 jimHerrington 48@gmail.com

Company Response:

Part 1:

Water Resources policy mandates prompt responses to all customer inquiries. Because Mr. Harrington is located at the highest point, he is likely to experience low water pressure before any other customer in case of an issue. Similarly, he will be the first to lose water pressure among all customers in case of an actual outage. Therefore, when Mr. Harrington reports low pressure, our staff and field contractors are immediately alerted and an investigation begins.

Part 2:

The NCUC did not instruct Water Resources to repair the distribution system nor was it necessary to do so. However, Water Resources did seek clarification regarding the "recommendations" that emerged from the 2018 rate case. Once it was confirmed that "recommendations" referred to "requirements," Water Resources promptly undertook all the necessary measures, including replacing water meters in Rocky River, many of which were 20-30 years old.

Part 3:

The wells were not found to be contaminated. However, Well #1 had to be taken offline due to a slightly elevated radon level that was detected during routine water testing. The Environmental Protection Agency explains that radon is a gas that is colorless, odorless, and tasteless, and it comes from the natural radioactive decay of uranium in the ground.

Part 4:

Neither NCUC nor DEQ issued an order to Water Resources to install more wells.

Part 5:

The Town of Harrisburg's water supply connection was elected by Water Resources, not ordered by any government agency.

Part 6:

Minor sediment can accumulate in the distribution lines of any water distribution system, which can be further aggravated by sediment entering the lines during repairs. To minimize this, blow-offs and hydrants in the lowest areas of the community are opened to expel any sediment during the re-pressurization of the system. However, homeowners may still experience discolored water after an outage when they initially open their faucets. In such cases, homeowners are encouraged to follow these steps:

- 1) Run cold water from outside spigots (weather permitting) to clear trapped air and discolored water from plumbing.
- 2) Remove aerators from faucets by hand or using a jar opener.
- 3) Run cold water from inside faucets and bathtub spigots until water is clear, or up to 15 minutes.
- 4) If the water doesn't clear up within 15 minutes, call the office for assistance.
- 5) Flush out the water heater, according to the manufacturer's website or owner's manual, if needed (if you experience cloudy or discolored water when running hot water).

Water Resources acknowledges that water in aquifers found in the Piedmont area of North Carolina, from which ground water is pumped, is somewhat hard. The hardness of water is not a health hazard, nor is it regulated. However, homeowners can install a simple water filtration system in their homes to help with this. It is important to note that like any appliance in the home, water filtration systems do require maintenance and regular replacement of filters.

Cottrill Exhibit 1

Jon & Cheryl Cottrill 3492 Rocky Ridge Lane Harrisburg, North Carolina

28075

EXECUTIVE DIRECTOR

PUBLIC STAFF

Mr. Christopher J. Ayers

Executive Director

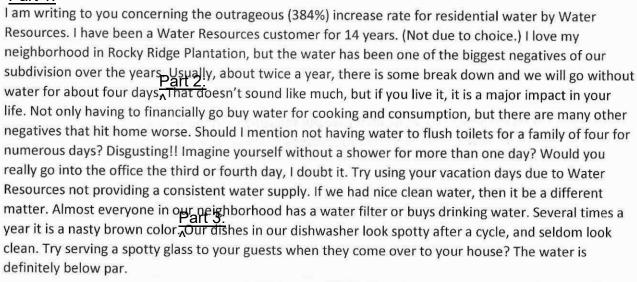
Public Staff- North Carolina Utilities Commission

4326 Mail Service Center

Raleigh, North Carolina, 276999=4300

Dear Utilities Commission Director:





Mathematically, I would love to know who came up with a 384 percent increase. Most people might expect a 20 percent increase with inflation, but this is outrageous! That is over one hundred dollars a month increase! We received the notice about this increase in the mail on March 7th, and it says all complaints must be in by March 11th. You must have more faith in the mail system than I do. A courtesy would be to allow at least more than a week to receive complaints.

Please consider reducing these rates. Water Resources doesn't ever seem to care when we have little water pressure, or no water at all. This enormous increase is unfair and needs evaluation with a survey to all customers.

Thank you for your consideration.

Jon& Cheryl Cottrill

3492 Rocky Ridge Lane Harrisburg, NC

Company Response:

Part 1

There have not been any water outages lasting four days in Rocky River, and these outages do not occur twice a year on average.

Part 2:

Water Resources confirms that no complaints have been received from customers regarding discolored water, except for occasional milky water after an outage due to air in the lines. The issue was resolved in 2018 after corrective measures were taken. It is common for any water distribution system to have minor sediment in the distribution lines, and sediment may enter the distribution lines during repairs. During re-pressurization, steps are taken to minimize this by opening blow-offs and hydrants in the lowest areas of the community to expel any sediment. However, homeowners may still experience some discolored water after an outage when they initially open their faucets. If homeowners experience discolored water, the following steps are recommended:

- 1. Run cold water from outside spigots (if weather permits) to clear trapped air and discolored water from plumbing.
- 2. Remove aerators from faucets (looks like grill where water comes out) by hand or jar opener.
- 3. Run cold water from inside faucets and bathtub spigots until water is clear or up to 15 minutes.
- 4. If water doesn't clear up within 15 minutes, contact the office for assistance.
- 5. If you experience cloudy or discolored water when running hot water, flush out water heater according to manufacturer's website or owner's manual if needed.

Part 3:

Water Resources confirms that the water in the aquifers located in the Piedmont area of North Carolina, which are used for ground water pumping, is slightly hard. It is important to note that water hardness does not pose any health risks and is not regulated. However, installing a basic water filtration system in your home can help alleviate this issue. It is worth mentioning that, just like any other appliance in your home, water filtration systems require regular maintenance and replacement of filters.

DeVitto Exhibit 1

From: <u>lenny devitto</u>
To: <u>Holt, Gina</u>

 Subject:
 [External] Fw: W-1034 sub 13

 Date:
 Monday, March 11, 2024 11:38:40 AM

CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Sent: Monday, March 11, 2024 at 11:36 AM **From:** "lenny devitto" <steelers1rock@mail.com>

To: No recipient address **Cc:** mmiller@ncuc.gov **Subject:** W-1034 sub 13

Gina,

NCUC Consumer statements site not giving a message when submitting that statement has been received, screen just goes blank and have confirmed with NCUC they did not receive. Below is my statement to be added to W-1034 sub 13

Thanks

Lenny Devitto

W-1034 sub 13

Part 1:

Due to WRI's lack of maintenance and inability to maintain the 2nd well that was shutdown he wants consumers to pay for his failure to maintain this well up to state requirements.

Part 2:

Lack of response from WRI when calling them to report issues they never would call back or address the issue with any urgency.

Part 3:

The poor water quality that destroys water heaters, toilets, sinks and water fixtures.

Part 4:

Numerous leaking water meters that WRI failed to address when contacted and you had to keep calling back but still leaked for a long time, some leaked for over a year (Troy Bunch 3057 tom savage , Eric Olsen 3029 tom savage, Doreen Hale 8505 indian summer trl)

Part 5:

Their have been numerous water outages that went on for days and WRI never offered to bring bottled water to the consumers in both sub divisions that had no water for toilets, showers, washing clothes or drinking. **During these outages the fire hydrants were dry and WRI did nothing to protect the consumer in case of a fire in either subdivision.**

Part 6:

Numerous NCUC & Public staff deadlines missed by WRI to constantly delay maintenance, repairs and upgrades. These can be verified by supervisor Clinton Cook & Mike Franklin.

Petition signed by rocky river & highland ridge residents that are fed up with WRI and the WBTV news reports on the lack of urgency and total disregard for residents.

http://chng.it/KvgQxHbvtZ

Wesite for submitting concerns: https://www.ncuc.gov/contactus.html (that is not working for alot of consumers)

Company Response:

Part 1:

Well #1 was not shut down due to a "lack of maintenance" or "failure to meet state requirements. It was taken offline because a slightly elevated level of radon was detected during routine water testing. According to the Environmental Protection Agency, "Radon is a gas that has no color, odor, or taste and comes from the natural radioactive breakdown of uranium in the ground." The presence of radon in well water is not caused by negligence in the maintenance of the system or the wells.

Well #1 was taken offline to protect the water supply of our customers, not "condemned". We worked with the DEQ on this issue, and it was their suggestion that we take the well offline. However, all parties were aware this created a violation of North Carolina's administrative code Title 15A, Subchapter 18C, Rule .0402(g)(5) [15A NCAC 18C .0402(g) (5)], which requires a residential community water system that uses well water and serves 50 or more connections to have at least two wells. Since we could not provide a second well, we proposed to DEQ that we install a connection to the Town of Harrisburg's water supply as an alternative.

Part 2:

Water Resources received complaints from customers about poor customer service provided by one of its employees. After investigating the matter, it was found that the employee was not fulfilling her responsibilities to an acceptable standard. As a result, the employee was terminated, and a new person was hired to fill the role. Since then, Water Resources has received positive feedback from customers about the improved response and customer service level. Some customers have even taken the time to write to the NCUC to acknowledge the excellent service they have received from Water Resources.

Part 3:

Water Resources has acknowledged that the water in the Piedmont area of North Carolina contains minerals that make it somewhat hard. This can cause calcium spots on glasses. However, the hardness of the water does not pose any health hazard, nor is it regulated. You can easily solve this problem by installing a simple water filtration system in your home. However, just like any other appliance, water filtration systems also require regular maintenance and replacement of filters.

Part 4:

Water Resources acknowledges that in 2021 it took longer than expected to resolve some water meters with minor leaks, due to various issues, including the pandemic causing labor and supply issues. However, we are pleased to report that all leaks were ultimately repaired. Since then, we have made it a priority to repair any reported leaks within 48 hours.

Part 5:

Water Resources acknowledges that there have been water outages because of cut water lines by other contractors or pump failures, but these incidents have been minimal. These outages were caused by variables outside the control of Water Resources, and not because of any operational failures on their part.

Part 6:

On September 20, 2021, a report was submitted by the Public Staff which concluded that WRI had mostly complied with the actions required by the 2018 rate case order. However, the company had failed to complete several items within the time frame specified by the Commission. Despite this, the Public Staff found that most of the issues identified by DEQ notices of violation had been addressed and had little or no impact on WRI's ability to serve its customers properly. Water Resources had previously requested a clarification on the "recommendations" mentioned in the 2018 rate case, and once it was clarified that "recommendations" meant "required," Water Resources acted quickly to complete all the "recommendations."

Ziegler, Taylor

From:

Rebecca B Davis

Sent:

Monday, March 11, 2024 3:14 PM

To:

Statements

Subject:

Statement of Position Submitted by Rebecca B Davis

Statement of Position Submitted

Name

Rebecca B Davis

Email

rbdisme@gmail.com

Docket

W-1034, Sub 13

Message

Since the last rate hike in 2018 we have seen less than 15% inflation. (2022-8%, 2021-4.7%, 2020-1.23%, 2019-1.81%, 2018-2.49%) So why is the proposed rate increase hundreds of percentage points? This appears to be a clear case of price gouging, is this even legal in NC? The price increase cannot be due to customer service since this company has displayed very little, it cannot be due to improved service since our water outages continue at the rate of at least 6 per year and last beyond 24 hours, usually more like 2-4 days. Anything beyond a normal inflationary increase will result in people like me that live on a fixed income as I am now retired a real burden. Unfortunately I can only hook up to this one water service and expect the State of NC Utilities Commission in Raleigh to look out for my best interest. Do Not Approve this Price Gouging increase! Rebecca B. Davis

Company Response:

Water Resources acknowledges that there have been some instances of water outages. These outages were caused by cut water lines by other contractors or pump failures, which were beyond the control of Water Resources. However, it's worth noting that these incidents have been minimal and not caused by any operational failures of Water Resources.

Ziegler, Taylor

From:

Walter H Davis

Sent:

Monday, March 11, 2024 2:54 PM

To:

Statements

Subject:

Statement of Position Submitted by Walter H Davis

Statement of Position Submitted

Name

Walter H Davis

Email

whdisme@gmail.com

Docket

W-1034, SUB 13

Message

Mr. Christopher J. Ayers, Executive Director Public Staff-North Carolina Utilities Commission Sir, Please Re-Review Everything having to do with the submission for a rate increase in the matter of Docket No. W-1034, Sub 13, for Water Resources, Inc. (WRI), and Do Not approve it! If the numbers on the letter from your office, dated March 1, 2024, were taken from WRI's submission, the math seems to be incorrect. I calculate 482%. The rate of inflation was less than 15% for the same period, since 2018. Is there a price gouging law against this 482% or 384% increase? We have been un-willing customers of WRI for 33 years. There were many times we would lose water service for Days, and the company was very hard to contact. One of the previous times this company wanted a rate increase, it was discovered the owner did not even care enough to keep his licence active to be able to operate the equipment legally. Please, do not let this go through the process without lots of digging into this company, Thoroughly. Thank you so much for your time, Walter Davis Harrisburg, NC

Company Response:

Water Resources acknowledges that there have been some instances of water outages due to cut water lines by other contractors or pump failures. However, these have been minimal and caused by factors outside of Water Resources' control, rather than due to any operational failures. Additionally, Water Resources acknowledges that there was an employee responsible for providing customer service who did not meet acceptable standards. The employee was terminated in 2021, and a new person has been hired. Since then, Water Resources has received numerous positive comments and compliments from customers regarding the improved response and customer service levels. In fact, some customers have even taken the time to write to the NCUC to acknowledge the excellent service they have received from Water Resources.

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1034, SUB 13

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Water Resources, Inc., for Authority to Adjust and Increase Rates for Water Utility Service in Rocky River Walk Subdivision in Cabarrus County Action Subdivision in Action Subdivision Subdivision in Action Subdivision Subdivision in Action Subdivision Subdiv

NOW COMES the Public Staff – North Carolina Utilities Commission (Public Staff), by and through its Executive Director, Christopher J. Ayers, and files this response to the verified reports filed on April 8, 2024, by Water Resources, Inc. (WRI or the Company). The verified report addresses customer testimony at the public hearing held on March 25, 2024, in connection with the application filed by WRI seeking authority to increase the rates the Company charges for water utility service in its Rocky River Plantation (Rocky River) and River Walk service areas in Cabarrus and Mecklenburg Counties.

PURPOSE OF RESPONSE

The purpose of the Public Staff's response is to provide the results of the Public Staff's review of WRI's verified reports regarding the public hearing, and the Public Staff's opinion on whether the responses adequately address the customers' concerns. The Company was required to address all customer service

and service quality complaints expressed during the public witness hearing held on March 25, 2024.

SUMMARY OF VERIFIED REPORTS AND PUBLIC STAFF RESPONSE

The Company's verified report, filed on April 8, 2024, by WRI generally addresses the concerns raised by four customers at the hearing, and subsequently addresses customer concerns outlined in the consumer statements of position filed by eight additional customers. The Company's report stated that because it did not receive the transcript until late on April 5, 2024, the Company responded to customers' service-related testimony by annotating customer exhibits and attaching the Company responses thereto.

Thirteen witnesses testified during the public hearing. All customers who testified were residents of the Rocky River service area. Customers who testified at the public witness hearing expressed their concerns regarding poor customer service, billing issues, muddy or discolored water, communication with customers, and water pressure.

Customer Service

Multiple customers identified customer service concerns with WRI regarding the adequacy of the Company's response to customer phone calls. Some customers at the hearing commented that WRI's customer service staff do eventually call you back, and that customer service is a little better than it previously had been.

In its verified report, WRI states that the customer service staff was replaced in 2021, and that it prioritizes returning phone calls. The Company also stated that following a known issue, it changes the voicemail greeting on the customer service phone, so that customers are aware of the issue without waiting for a callback.

The Company somewhat reasonably addressed customer concerns related to customer service calls. WRI should continue to work towards improving its customer communication to respond to customer calls in an efficient and timely manner.

Outages

Most customers expressed concerns related to water outages. The customers described water outages as being so frequent that one customer noted bringing spare clothes with them to work to be prepared to shower in the event of a water outage. Other customers described filling their bathtubs to ensure they could flush the toilet, or buying a house with a pool to do the same or to take a bath in. One customer stated the last several outages were not the fault of WRI, but the fault of cable fiber being installed in the area, and that it happened multiple times. One customer stated that they received boil advisories during the last two outages, which they had never received before. Customers generally described not having any outages recently.

WRI stated in its response to customer concerns about water outages that while there have been some water outages, they were caused by external factors

such as cut water lines by other contractors or pump failures, which were beyond the control of the Company.

The customer testimony and the Company's response to customer concerns appear to be at odds with one another. The customers described frequent water outages, while WRI stated that these incidents have been minimal and that the outages had been caused by variables outside of the Company's control. The Public Staff is aware that for some period, the Company was operating the Rocky River system's pump manually, which may have contributed to water outages and could explain the customers experiencing regularly occurring water outages. The interconnect with the Town of Harrisburg will not prevent issues related to main breaks in the system; however, it will help if a pump fails or is unable to keep up with system demand. Moving forward, the extent of water outages should be lessened. Regarding boil water advisories or system pressure advisories, the WRI should utilize any means it has to communicate quickly and effectively to its customers regarding the safety of the water provided by the Company. Communicating the need to boil water is a minimum requirement and is expected. Customers should not be reporting that they just recently began receiving boil water or system pressure advisories.

Billing

Customers described issues such as not receiving a bill, being overbilled, and the Company not receiving a paid bill. One customer described receiving a notice of disconnection for non-payment, even though she had been using

automatic bill pay, and the bill amounts had been drafted from her account. The customer stated that she was told there was a stack of mail on the desk and that WRI staff had not yet been able to go through it. One customer stated that the office staff responded well if the customer contacted them regarding a billing issue. Two customers mentioned that online billing would be sensible, and a statement from the Highland Ridge Homeowner's Association (HOA) requested that online billing and payment processing be a required part of any approval. The statement is labeled Stremovihtg Exhibit 2.

The Company's verified report stated that WRI has experienced significant delays with payments mailed through the US Postal Service. WRI stated that as soon as payments are received, they are immediately deposited and posted to customer accounts, and that customers are not charged late fees. The Company's response went on to say that customers who use bill pay through their bank will see a deduction from their account immediately even though the check has not been received by WRI. The Company stated that it expects in May of 2024 to have an online system available where the customer can log in and make payments. In response to another customer statement of position, WRI stated that it denies that customers have experienced overcharged billing.

The Public Staff anticipates that upon the introduction of the Company's website and online bill pay system, the quality of billing services should improve significantly. Mail in billing, while previously common, is not commonplace these days, and systems should be put in place to allow customers to manage bills online. It seems that, similar to the topic of water outages, the Company and

customers are at odds regarding overbilling. Considering that meter reading is done manually, and that bills are handled by mail, it seems unlikely that there have never been issues of overbilling. If customers experience issues with overbilling, they should attempt to resolve them by contacting the Company, followed by the Public Staff Consumer Services Division if a resolution cannot be found directly with the Company.

Water Quality/Sediment

Most of the customers who spoke at the public witness hearing reported discolored or muddy water, and several stated that they had to replace appliances or fixtures due to the quality of the water. One customer brought bottles of water that he stated had been collected that day prior to his in-home filtration system. The water in the bottles had a notable brown tint, a color photo was filed in the docket as Michael Ammons Exhibit 1 to the customer hearing transcript.

In response to the photo of the water bottles, WRI stated that discolored water can be from poorly maintained water heaters or plumbing fixtures, and not necessarily from the water supply. The Company went on to state that they would contact the homeowner to pull samples for testing and provide options for any issue that is confirmed through the sampling process. However, the Company did not indicate that it had contacted the customer nor pulled samples for laboratory testing in its report. The Public Staff recommends that the Company follow through with its intentions and provide the results to the customer and the Public Staff. In response to another customer's concerns, WRI stated that it acknowledges that

before 2018 residents had experienced discolored water from time to time due to iron in the water. WRI went on to state that they had begun weekly backwashing of the iron and manganese filter since that time, and that other complaints of milky water are due to air in the lines, which can occur due to a water line repair or a well pump replacement. WRI provided suggested actions to resolve any discoloration experienced after a water outage. WRI also described utilizing its blow offs and hydrants to expel sediment from the lines following repairs.

The Public Staff, in its testimony filed on April 12, 2024, has made recommendations that the Company evaluate cleaning the elevated storage tank and replacing the media in its filter. The Company stated, in response to discovery, that it had not replaced the media in its iron and manganese filter or cleaned the elevated storage tank. These are both actions that may resolve ongoing concerns related to discolored water in the Rocky River system.

Hydrants

Two customers expressed concerns related to fire hydrants being nonfunctional during water outages.

WRI stated in its verified report that it acknowledges there have been water outages and that these are caused by water lines being cut by other contractors or pump failures. WRI stated that these incidents have been minimal and that the outages had been caused by variables outside of the control of the Company.

In most cases, systems that provide fire flow are unable to do so in the event of a water outage. Lack of fire flow is a safety issue associated with water outages.

HOA Statement

One customer brought with them a statement from the Highland Ridge HOA with signatures from customers of the Rocky River system. The statement discussed the customers' opposition to WRI's application for a rate increase due to cost, as well as water quality, pressure, outages, and billing. The Highland Ridge HOA statement was read into the record by public witness Don Stemovihtg and is filed as Stremovihtg Exhibit 2.

WRI did not directly address the Highland Ridge HOA statement; however, the issues raised in the Highland Ridge HOA statement related to customer service and service quality were addressed by the Company, as required by the Commission's Order.

CONCLUSION

The Public Staff has reviewed the verified report of WRI addressing the concerns testified to by customers during the public hearing held on March 25, 2024. The Public Staff believes the responses adequately address the primary customer concerns expressed in the hearing; however, the Company's response is based on consumer statements rather than the customer concerns expressed at the hearing. While the concerns raised are largely similar, the Public Staff recommends that after the Company has fully reviewed the Highland Ridge HOA

statement and the public hearing transcript, that WRI supplement its response as necessary. If the Company supplements its report, the Public Staff requests an opportunity to review the supplemental report and address it as necessary.

VERIFICATION

My Commission Expires: June 4, 20 28