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June 3, 2024

Ms. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Mail Service Center 4325
Raleigh NC 27699 -4300

RE: Docket No. W-1034, Sub 13

Dear Ms. Dunston:

Please accept for filing the following document in the above captioned dockets:
Supplemental Response of Dennis Abbott for Water Resources, Inc. on Customer
Testimony.

Thank you for your attention to this matter.

Sincerely,
Edward S. Finley, Jr.
Counsel for Water
Resources, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Response of Dennis Abbott of Water Resources Inc. on Customer Testimony in these dockets was duly served upon parties of record either by depositing same in a depository of the United States Postal Service, first class postage prepaid, or by electronic delivery.

This the 3rd day of June, 2024.

Edward S. Finley, Jr.,

/s/ Edward S. Finley, Jr.

Edward S. Finley, Jr., PLLC
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COUNSEL FOR APPLICANT

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

Docket No. W-1034, Sub 13

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

NOW COMES WATER RESOURCES, INC. and submits this Supplemental 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 as required by the Commission’s May 6, 2024 Order Requiring Filing to Supplemental Verified Response to Customer Concerns. This report is submitted by Dennis Abbott.

Pursuant to the Commission’s supplemental 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.

RESPONSES TO TESTIMONIES NOT ALREADY COVERED
(service issue complaints have already been responded to):

1. Lenny Devitto page 14, line 5 through page 22, line 7:

Mr. Devitto testified that if the Company checked its records that it would see that he made a complaint within the last 6 months. Our records show the last contact Mr. Devitto had with the Company was in February of 2023, more than 12 months as of the date of his testimony. Perhaps Mr. DeVitto is speaking to complaints he has filed with the Public Staff rather than contacts directly with the Water Resources office? If so, those complaints would have been addressed through responses to the Public Staff.

2. Sharon Buck – Page 36, line 19 through page 41, line 10:

Ms. Buck testified she submitted a written statement prior to the hearing. WRI did not receive a copy of this statement.

With respect to Ms. Bucks' comment that the Company has been irresponsible and neglectful of system maintenance resulting in a significant rate increase, Well #1 was not shut down due to "irresponsibility to have done upkeep" or "neglect". 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 due to "irresponsibility" or "neglect". 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.

With respect to Ms. Buck's comments that she experiences mud in her lines and appliance motors - 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.

3. Rob Ferris page 41, line 18 through page 49, line 18:

Mr. Ferris testified he submitted a written statement prior to the hearing. WRI did not receive a copy of this statement.

With respect to Mr. Ferris's statement that his "house filters are constantly filled with mud" - 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.

With respect to Mr. Ferris's comments about the billing, Water Resources has committed to delivering an online billing portal and payment system within 6 months of the Utilities Commission order regarding the current rate case.

With respect to Mr. Ferris's comments about the frequency of meter readings and his interactions with the meter reading person, the meters are read monthly on or about the 19th of every month. Mr. Ferris has never interacted with the meter reading person from 2020 until April of 2024, which was a casual conversation about his dog. The readings are recorded each month as displayed on the meters and never "guessed".

4. Don Stremovihtg, page 50 line 9 through page 64, line 9:

Mr. Stremovihtg's comments regarding the marking of the water lines for Windstream is hearsay and inaccurate. The lines were marked accurately. Windstream paid Water Resources fully for the damages Windstream caused to the water lines. Windstream would not have done so if Windstream believed that Water Resources had inaccurately marked the location of the water lines.

Mr. Stremovihtg's comments about sediment in the lines - 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.

We have no record of Mr. Stremovihtg emailing or contacting the office asking that our water lines be located. In fact, when Mr. Abbott was on-site marking the water lines for Windstream in January, 2023, Mr. Stremovitg came out of his home and asked Mr. Abbott not to make the

location markings on his property because “I know where the lines are located and will mark them myself”. Mr. Stremovihtg did not want his grass marked with blue paint. Coupled with the fact that there is no record of his contacting the Company for a line locate, It raises the question as to the validity of Mr. Stremovihtg’s statement that he called for a line locate “three times” but did not get a response from the Company, but yet he also claims he already knows where they are located. Water Resources acknowledges that it had to dismiss its customer service representative in May, 2021 when it was discovered that she was not providing acceptable or timely responses to customers. If Mr. Stremovihtg made a request prior to then it is possible that he did not receive a proper response. Such unresponsiveness is not acceptable to Water Resources. Thus, the termination of the employee. Timely and accurate responsiveness since the replacement of this employee has not been an issue.

With respect to Mr. Stremovihtg’s comments about a lack of online payment system, Water Resources has committed to deliver an online billing and payment system within 6 months of the Utilities Commission order regarding the current rate case.

Beth Lockwood provides administrative and bookkeeping services for the Company. By her own choice and request, she also takes a day once per month to read the water meters. Mr. Stremovihtg’s comment, “..she’s trying to do all these different things. No wonder you have so many things slipping through the cracks.” is not based on facts, but pure conjecture. Ms. Lockwood’s time commitment has been documented as 15 hours per week on average.

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' 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 rainwater 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.

Water Resources takes every feasible precaution to limit any disturbance to its customers when servicing its property and assets. Water Resources acknowledges that occasionally it is necessary to get heavy equipment to service its wells and pumps via the utility easement located on the side property line. In most situations, service vehicles do not even drive on the easement. In order to limit any disruption of the customer's enjoyment of their property, contractors are instructed to park on the road and walk up the easement to access the pumps and wells, even if that means hand carrying supplies and equipment back and forth.

The rate adjustments applied for by Water Resources are supported by the documented capital improvement and operating costs of the water utility system. The capital improvements were required to meet NCGS Title 15A, Subchapter 18C, Rule .0402(g)(5) [15A NCAC 18C .0402(g)(5)]. The rate adjustments are also necessary to continue to meet the customers' demands for improved service and operations.

Mr. Stremovihtg lists numerous issues in a neighborhood petition as follows:

1. inconsistent quality of water service – Water Resources believes these issues have been resolved and the capital investment in the interconnection to the Harrisburg water supply will alleviate any future water supply interruptions. Water supply interruptions cause a disturbance of the minor sediment that is found in all in water lines.
2. continual inconsistency in water quality - Water Resources believes these issues have been resolved
3. inconsistency of water pressure and regular water service - The interconnection to the Harrisburg water supply will alleviate any future water interruptions or loss in pressure should there be a need to make repairs to the existing well
4. regular lack of maintenance to pipes, systems and wells – This has not been an issue since the replacement of the contracted operator in April, 2020. Water Resources is committed to maintaining, protecting, and enhancing its valuable water utility assets.

5. regular issues of water outages – Water Resources disputes that outages are “regular” but acknowledges that any outage causes inconveniences at a minimum for our customers, which we do not want. The interconnection to the Harrisburg water supply will alleviate any future water interruptions except in the most unusual of circumstances.
6. issues of inconsistent and overbilling – Water Resources acknowledges that there may be isolated, but rare, instances of a billing issue with an individual customer. These are handled and resolved on a 1:1 basis in a timely, professional, and appropriate manner. Water Resources disputes that this is a systemic or regular issue with its billing.
7. ongoing and regularly 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 until further notice – On the infrequent occasion that water pressure drops below 20 psi, state statute requires that a boil advisory be issued and once the water lines are pressurized again, bacteriological samples be collected. Once samples are passed by a state certified lab (usually within 24 hours) the advisory can be lifted. Water Resources will continue to abide by and follow state requirements in the operation of its systems. The interconnection to the Harrisburg water supply will almost eliminate any future water interruptions or loss in pressure should there be a need to make repairs to the existing well, and by result, eliminate the need for future boiling advisories except in the most unusual of circumstances.
8. Water Resources has not applied previously approved rate increases to improve consumer services or water quality – Water Resources does not agree with this assertion. Water Resources has made numerous verified improvements to its systems, the customer service experience, replaced its contracted utility operator to provide improved day-to-day operations, sought and found more responsive contractors for repairs and maintenance needs, and made significant capital investments to its systems.
9. Requested rate adjustment and increase recommendations for requirement either before approval or as a requirement of any approval, required to be fully implemented within 30 days of approval of any water rate increase – It is always the intent of Water

Resources to be fully compliant with any order submitted by the North Carolina Utilities Commission.

10. Improving customer service by providing online billing and payment processing – Water Resources is in the final testing phase of an online billing and payment system. Water Resources has committed in testimony to have this in place within 6 months of the Utilities Commission’s final order regarding the current rate case.
11. update to WRI service line maps every 10 years – Maps are updated as improvements are made via engineer drawings that must be approved by DEQ before any work begins.
12. making WRI service line maps to easily accessible and available to North Carolina 811 Dig – Water Resources is not aware of costs associated with this service. It is not opposed to using the service and recovering those costs through customer rates, but the costs may outweigh the benefits. Cut water lines in Rocky River have been extremely rare. Locations are handled by Water Resources staff.
13. “the hearing protests/consumer statements close on Monday, the 11th, only one to two business days after receipt of delivery of notice via the USPS mail, shows intent to use a tactic as usual by Dennis Abbott or Water Resources to deny the public/WRI consumers opportunity to hold him or them accountable and protest any rate increase” – The timeline for the notice to customers was issued by the Commission, not Water Resources. Water Resources followed and met all requirements for customer notifications as directed by the Commission.

Summary Statement In Response to the Neighborhood Petition

Water Resources understands, but disagrees with, the opposition to the proposed rate increase. The increase is not arbitrarily selected by the Company but undergoes extensive review and calculations by its accounting consultants, Peedin & Perry Consulting and the Public Staff which then ultimately will be decided by the Utilities Commission based on evidence of facts and costs incurred by the Company to improve the utility system and the day-to-day operating costs to provide quality water and a good customer service experience for its customers. The “regular and ongoing issues” referenced in the HOA Statement are historical and have been addressed

and resolved. Again, in order to provide the “consistent level of excellent quality water, water pressure, quality water service, consistent system maintenance and billing services”, costs to improve the existing system and services have been incurred by the Company which has operated at a loss for several years. The statement that, “Dennis Abbott/Water Resources decided to make preparations to make his service sellable, to be able to cash in, and leaving the consumer to foot the bill” is entirely false. The improvements made to the system were specifically completed to improve the water service and comply with NCGS Title 15A, Subchapter 18C, Rule .0402(g)(5) [15A NCAC 18C .0402(g)(5)]. The deadline of March 11 for the consumer responses prior to the public hearing showing “intent to use a tactic as usual by Dennis Abbott or Water Resources to deny the public/WRI consumers opportunity to hold him or them accountable and protest and protect” is entirely false as the hearing schedule and respective deadlines are set by the Public Staff and not by the company.

5. Michael Ammons, page 65, line 10 through page 73, line 24:

Mr. Ammons submitted 2 bottles of slightly discolored water into evidence, testifying he “got out of the lines; before any filtration going into my home”. The Company had a sample pulled from Mr. Ammons’ outdoor faucet on 5/20/2024, which appeared clear to the eye and tested clean. Mr. Ammons was contacted prior to pulling the water sample and gave permission to do so. See below pictures and results:

“The water tested very clean today.”

Link to video: https://1drv.ms/v/s!Av2ITwFk07_ahZl2kOpZEmoYr4hUVA?e=fs2B9d

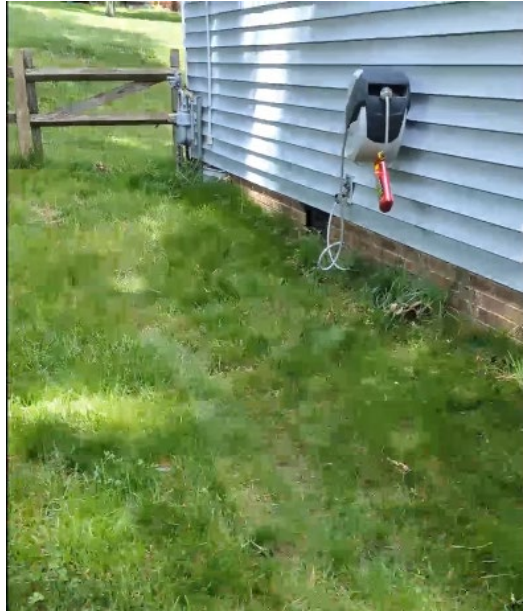
Manganese was <0.006 mg/L

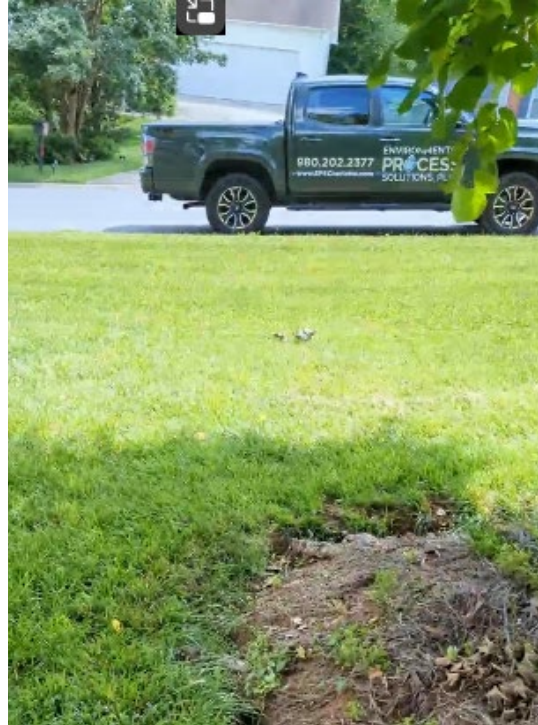
Iron was 0.03 mg/L”

Kellie Hedrick, PE (NC, SC)

Principal Environmental Engineer

Certified Wastewater Operator





Specks are debris on the exterior of the bottle from the handler's hand.

6. Amanda Seward-Chavis, page 74 line 7 through page 76, line 24:

Ms. Seward-Chavis testified she cannot figure out why the cost to connect to “Harrisburg Water” was \$470,000 and why the cost was “excessively high”, stating that a “4-inch tap line is only \$102,000” and her company pays “about \$130-\$140 a linear foot for a 6-inch pipe to be set underground”. The Town of Harrisburg charged a \$102,000 development fee to Water Resources. All other costs for materials, general contractors, road borings, civil engineers, electrical contractors, surveyors, etc. were in addition to the \$102,000 development fee required by the Town of Harrisburg. A breakdown of all costs, including material costs, has been provided to the Public Staff.

With respect to Ms. Seward-Chavis's comment that the meter reader lugs chemicals or bleach to the wells once a month, the meter reader does not “lug” any chemicals or bleach to the wells once a month or anytime during any month. The system is maintained and treated by a certified operator on a frequency required by DEQ. The disinfection method approved by DEQ is one that utilizes sodium hypochlorite as the disinfection agent. What Ms. Seward-Chavis has seen is the

certified operator carrying supplies of sodium hypochlorite to the well treatment facility. As noted in our response to Mr. Stremovihtg's testimony, contractors are instructed to park on the street and carry supplies to the wells, pumps, and treatment facilities in order to create minimal impact to the customers. This is in lieu of driving vehicles up and down utility easements that are located parallel to customers side property lines.

7. Ivan Scott, page 86, line 21, through page 88, line 24:

Mr. Scott comments that the Company does not compensate customers for bottled water or hotels stays during system outages - It is not industry standard to reimburse customers for bottled water or hotel rooms during service interruptions.

