

STATE OF NORTH CAROLINA

McDOWELL COUNTY

VERIFICATION

(NOTE: THIS VERIFICATION SHALL BE COMPLETED BY EITHER THE OWNER OF THE COMPANY, THE CHIEF EXECUTIVE OFFICER, A SENIOR LEVEL FINANCIAL OFFICER, OR THE RESPONSIBLE ACCOUNTING OFFICER.)

I, Mark A. Krauss, state and attest that this Verification is filed on behalf of Bear Den Acres Development, Inc., as required by the North Carolina Utilities Commission; that I have reviewed the attached response to the August 4, 2022 Customer Hearing held in Docket Nos. W-1040, Sub 10 and W-1328, Sub 4 and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein and in any exhibits, documents, and statements thereto attached; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, and no material information or fact has been knowingly omitted or misstated therein.

Mark A. Krauss, Pres
Signature of Person Making Verification

Mark A. Krauss
Typed or Printed Name

President, Bear Den Acres Development, Inc.
Job Title

8-11-22
Date

Subscribed and sworn before me this the 11th day of August, 2022.



Debra Roxane Cromeans
Signature of Notary Public

Debra Roxane Cromeans
Name of Notary Public – Typed or Printed

My Commission Expires: 01-19-2026

This original verification must be affixed to the original petition, and a copy of this verification must be affixed to each of the copies that are also submitted to the Commission.

OFFICIAL COPY

Aug 11 2022

BEAR DEN

On the Blue Ridge Parkway
Milepost 324.8

Bear Den Acres Development, Inc. 600 Bear Den Mtn Road, Spruce Pine, NC 28777

August 10, 2022

North Carolina Utilities Commission
Attn: Shonta Dunston, Chief Clerk

RE: Response to Customer Service or Quality complaints identified in Aug 4th Public Hearing, Dockets W-1040 Sub 10 and W-1328 Sub 4

Dear Ms. Dunston:

At the Hearings on August 4th, several complaints were raised that affect Bear Den Acres Development, Inc. These were: 1) that some customers experience water quality issues (sediments and discoloration); 2) that the Campground is somehow connected to or reliant upon the Bear Den Acres water system and should be part of the discussion in some way; and 3) that the customers received late notice about the Aug 4th hearing. Below is our response...

1) Water Quality Complaints: Upon taking possession of the water system on Dec 20, 2016, we immediately hired a Certified Operator and gave to him (Phillip Pittman) responsibility for managing the water quality including chemical treatment of the water and sending samples for LAB testing. Later, we made significant expenditures to improve the system, including a new pump for Well #1, new chemical pumps, and numerous repairs to the water distribution system as they were required. When occasional discoloration or sediments issues arose, we talked with customers personally and even discussed the issue with the customers as a whole in our 2018 and 2019 public meetings. Upon further investigations into the issue, we stopped using Well #2, which had significantly more episodes of iron-rich, sediment water, and we installed an automatic bypass to expel the first few minutes of water pumping from Well #1. Despite this, we still get some occasional periods of the discolored, iron-rich, sediment water (usually about 2 or 3 times per year, although only once so far in 2022 -- this past spring). Our Certified Operator has assured us that this water is safe, but we understand that it is not desirable to our customers when it occurs. To compensate for this, in 2019 we increased the responsibility of our Certified Operator to blow-off water from the end of the distribution system every two-weeks.

The complaints brought up at the August 4th hearing were almost entirely from three or four properties at the end of the distribution system where the sediment or discolored water can get trapped, especially when the residents are gone for a long period of time.

This is, by no means, a new issue. And in fact, Claudia Brooks, who provided some pictures to the commission, joined our water system for the first time in June 2021, well aware that we get these occasional issues at the end of the line where she is located. I told her at the time she joined the system that she can help us make sure our Certified Operator is flushing the system on a timely basis. She asked for his contact info, and has since talked with him directly many times.

When discussing this issue with CSWR / Redbird multiple times during the due diligence process, we have indicated to them that we believe a new, much deeper well should be drilled to avoid this occasional issue. This new well would also provide better, redundant capability than we have now. This, I believe, is the primary reason that Red Bird has indicated that they will drill a new well.

2) The Campground has no connection / physical link to Bear Den Acres Water System: The Campground has its own water system, which is also managed by Certified Operator, Phillip Pittman. It is not connected in any physical way to the water system in the Bear Den Acres subdivisions. The Campground system is in good repair, has had no quality issues during our ownership (since Dec 2016), and cannot (practically) become a customer of Red Bird Water Utility. The Campground does own 1 cabin and manages rentals for 6 other cabins in the Bear Den Acres subdivisions. All 7 of these cabins ARE on the BDA water system and will continue to use the water and pay the same rates as everyone else upon the sale to Redbird. So we have the same concern about Redbird raising the rates beyond a reasonable level.

3) Insufficient notice for the Aug 4th hearings: Upon receiving the Commission's order, we (Bear Den Acres Development Inc) took responsibility (as ordered) to notify our campground customers and Red Bird took responsibility to provide the notices to Bear Den Acres Customers.

Regarding the campground notices: despite one person testifying at the hearing that she did not believe we posted notice of the hearing in the campground area as ordered by the Commission, we state unequivocally that she was mistaken. My wife and I personally posted to both of our bulletin boards, to all 6 bathroom doors, and even gave the written notice to all guests staying in the campground on the day we fulfilled the Commission's order. This process did upset some of our Campground guests, resulting in a bad review. The campground has nothing to do with the Bear Den Acres subdivisions' water system, so our guests were confused about the notice, as if we had an issue with the campground water system, which of course, was not true.

With regard to mailing the notices to Bear Den Acres Customers, Red Bird suggested on July 5, 2022 that they take responsibility for that and we agreed that they should do it. We (Bear Den Acres Dev. Inc) did not participate in that process. With regard to mailing addresses, we have not been asked to update these since this past February 7th (which came as a result of the Commission's order to Red Bird), at which time we did provide an updated customer workbook. There have been two or three new owners / customers

since then, but I did not think of this at the time of the July 5th discussion. So a few owners would not have been included in the address list from February.

Please let us know if you require any additional information.

Regards,



Mark A. Krauss, President
Bear Den Acres Development, Inc.
Cell: 630-292-1037 Office: 828-765-2888