

434 Fayetteville Street Suite 2800 Raleigh, NC 27601 Telephone: (919) 755-8700 www.foxrothschild.com DAVID T. DROOZ
Direct No: 919-719-1258
Email: DDrooz@foxrothschild.com

November 14, 2022

Ms. A. Shonta Dunston Chief Clerk North Carolina Utilities Commission 430 N. Salisbury Street, Room 5063 Raleigh, NC 27603 Via Electronic Submittal

Re: In the Matter of Application by Carolina Water Service, Inc. of North Carolina and Water Resource Management, Inc. for Authority to Transfer the Echota Water Utility System, the Seven Devils Wastewater Utility System and Public Utility Franchise in Watauga County, North Carolina, and for Approval of Rates; NCUC Docket Nos. W-354, Sub 396 and W-1073, Sub 7 Water Resource Management, LLC's Response to Customer Concerns

Dear Ms. Dunston:

On behalf of Water Resource Management, LLC, I am herewith submitting the attached Response to Customer Concerns in regard to the above referenced matter and docket.

If you should have any questions concerning this filing, please let me know.

Thank you and your staff for your assistance.

Sincerely,

Isl David 7. Drooz

David T. Drooz

Attorney for

Water Resource Management, LLC

pbb Enclosure

cc: All parties and counsel of record NC Public Staff

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-354, Sub 396 DOCKET NO. W-1073, SUB 7

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Carolina Water
Service, Inc. of North Carolina, 5821
Fairview Road, Suite 401, Charlotte,
North Carolina 28209, and Water
Resource Management, Inc., 151 Mr.
Bish Boulevard, Boone, North
Carolina 28607, for Authority to
Transfer the Echota Water Utility
System, the Seven Devils
Wastewater Utility System and
Public Utility Franchise in Watauga
County, North Carolina, and for
Approval of Rates

WATER RESOURCE MANAGEMENT, LLC'S RESPONSE TO CUSTOMER CONCERNS

NOW COMES Water Resource Management, LLC, (WRM) and files its report addressing customer service and service quality complaints expressed at the Boone public hearing held on November 1, 2022. The Commission's scheduling order of September 2, 2022, at Ordering Paragraph 3 required that WRM and Carolina Water Service, Inc. of North Carolina (Carolina Water) file separate, verified reports addressing such service related complaints within 15 days of the conclusion of the public hearing.

A. CUSTOMER PARTICIPATION—Witnesses

The following eight witnesses testified at the public hearing in the Watauga County Courthouse:

- 1. David Ervin
- 2. Brian Steg
- 3. Brady Hair
- 4. Donna Peterson
- 5. Robert Streightiff
- 6. Doug Woodberry
- 7. William Bair
- 8. Warren Brendle

All eight witnesses are customers of the water or sewer utility service currently provided by WRM.

B. TESTIMONY

No witnesses opposed the transfer. No witnesses identified current service or water quality complaints. Several witnesses testified that they had no service quality issues. A couple witnesses complimented WRM for the good service they had received. However, public witnesses were consistently opposed to either the proposed rate structure, the suddenness of the proposed rate increase, the amount of the proposed increase, or some combination of those issues.

WRM has a contract to sell the subject utility systems to Carolina Water, subject to Commission approval, but has no authority or right to set the rates for Carolina Water. Accordingly, the issues raised by customers with respect to proposed rates are not within the ambit of this report by WRM.

However, WRM understands that Carolina Water plans to work with the customers to address their rate concerns and provide additional information about

uniform rates and the need for cost recovery through approved rates. WRM encourages this communication.

One witness, Mr. Streightiff, did complain that he did not receive official notice. The Scheduling Order required Carolina Water to send the Notice to Customers to all affected customers. Carolina Water delivered the required notice to all account holders, which is the normal practice and is reasonable. A management company pays the utility bills for The Villas at Hawkspeak where Mr. Streightiff lives, the management company is the account holder, and thus the notice was initially delivered to the management company instead of individual condominium owners in that location. Mr. Streightiff was not harmed by this situation, as he did learn of the public hearing and proposed rates in time to testify at the public hearing.

Carolina Water has already made improvements to the water and wastewater systems of WRM, which reflects their utility expertise and the type of benefit that will occur if the transfer is approved. Because no current service or water quality issues were raised at the public hearing, WRM has no further response.

Respectfully submitted, this the 14th day of November, 2022.

Electronically Submitted

Isl David T. Drooz
Fox Rothschild, LLC
434 Fayetteville Street, Suite 2800
Raleigh, NC 27601
Telephone: (919) 719-1258

Attorney for Water Resource Management, LLC

VERIFICATION

James E. Harrill, II, being duly sworn, deposes and says: that he is the Executive Manager of Water Resource Management, LLC; that he is familiar with the facts set out in the attached WRM Response to Customer Concerns; and that the same is true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.

James E. Harrill, II

Sworn to and subscribed before me this the 14+1+ day of November, 2022

Notary Public

My Commission Expires:

4

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Water Resource Management, LLC's Response to Customer Concerns has been served on all parties or their counsel of record in these dockets by either depositing same in a depository of the United States Postal Service, first-class postage prepaid and mailed by the means specified below, or by electronic delivery.

This the 14th day of November, 2022.

/s/ David T. Drooz

Attorney for Water Resource Management, LLC