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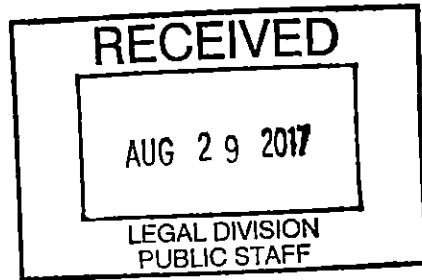
SEP 06 2017

Clerk's Office
N.C. Utilities Commission

23 August, 2017

Danny L. Conner
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Wilmington, NC 28411-2015
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OFFICIAL COPY



~~Mr. David Drooz, Chief Counsel~~
~~Public Staff, North Carolina Utilities Commission~~
~~4326 Mail Service Center~~
~~Raleigh, NC 27699-4300~~

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Clerk's Office
N.C. Utilities Commission

Gina Casselberry, Public Staff Utilities Engineer
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The Honorable Josh Stein, Attorney General
c/o Utilities Section
9001 Mail Service Center
Raleigh, NC 27699-9001

Re: Docket # W-354, Sub 356, Treasure Cove Water System

To Whom It May Concern:

I will begin by citing my opposition to the way that this rate increase and others are handled. It is heavily weighted in favor of the utility and to eliminate opposition and input by the customers.

1. The mailing was in a plain white envelope with Utilities, Inc. on it. Only after removing the document did it read "Important Notice Enclosed." It could easily have passed for junk mail.
2. The document was 18 pages long and covered systems from the mountains to the coast. I was required to go thru 18 pages to discover only around 20 lines that actually applied to Treasure Cove. **Future requests should be condensed and relate to specific systems, and not to all that the utility owns.**
3. I consider written comments to be worthless when I still have to attend a public hearing before they are accepted. I can change a vehicle title by mail. I can renew a passport by mail. I can vote by mail. Why cannot my comments be accepted by mail? If there is doubt as to the author, have it notarized.
4. The venue for the hearing is about as far away from the affected neighborhood as it can be and still be held in New Hanover County. The courthouse is the opposite side of the county. Frequent government meetings have been held at Middle Sound Elementary School and the Northeast New Hanover County Library, both close, convenient, and no parking problems.

Now for comments on the current rate increase request.

I am writing to express my complete opposition to any rate increase concerning the above docket filed with the North Carolina Utilities Commission. No rate increase should be allowed and the two previous increases should be considered for reversal.

The original owner of the system rarely requested an increase and managed to operate on billings of \$10 +/- per month. I understand that was years ago and inflation has required some increases. Since Carolina Water Service, Inc. of North Carolina purchased the system, rate increases have been frequent with very little improvement to the system. The following are my observations:

1. The only obvious improvements are the addition of generators (15 + years ago), construction of small buildings over the pumps, and chain link fencing. The security was probably required by the government and not a choice of the utility.
2. This system has to be one of the easiest locations to build and maintain due to topography, sandy soil, etc. The cost to maintain the system, even without upgrades, should be minimal compared to most other areas of the state that must deal with clay, rocks and altitude variations.
3. The water is pumped from the Pee Dee or Castle Hayne aquifers. It is a public resource belonging to everyone. They do not have to pay for, or pipe the water to other locations like other water utilities.
4. Most of the distribution system consists of equipment (pipes, meters) that was installed 30-40 years ago. There appears to have been very few upgrades or improvements. My meter is 35 + years old.
5. The water pressure is inconsistent but they keep adding houses.
6. The fire hydrants have not worked in years. Most are bagged although some have "do not use" or "flushing only" on them. This is an extreme safety hazard and there have been at least two houses destroyed by fires on the system. In addition, our insurance companies give discounts due to proximity to fire hydrants. If they become aware that the hydrants do not work, it will cost each of us money.
7. There is a heavy mineral content that appears to be calcium, manganese, and iron.
8. There appears to be little or no treatment, other than some occasional chlorine, which is sometimes breathtaking. No advance notice is given.
9. Due to heavy mineral content, toilets, faucets, seats, stems, washers, water heater elements, etc., have to be replaced/repared frequently. Extra heavy cleaning of sinks and showers is also necessary. Repairs to toilets, faucets and water heaters are \$100 + each time they must be repaired/replaced.
10. Due to heavy mineral content, it is not advisable to wash vehicles or boats since mineral deposits are left unless the item is immediately dried.
11. Due to heavy mineral content, items from the dishwasher must be hand dried or wiped immediately to remove the spots.
12. Due to heavy mineral content, filters are needed on the ice machine at a cost of \$35.00 every couple of months.
13. Many customers have installed water softeners and filters at a high monthly cost.


14. Due to heavy mineral content, toilet tanks must be cleaned of dark brown rust with a chemical that costs around \$15.00 each, every few months.
15. Due to heavy mineral content, glassware in the dishwasher becomes very cloudy. I have found a two part solution to keep it clear but it costs almost two times normal dishwashing detergent.
16. Due to heavy mineral content, extra solutions have to be used to clean the washing machine and especially with white clothes. Removing minerals from the washer costs around \$15.00 per treatment. Additives for whitening clothing have to be added to each wash cycle.
17. Due to heavy mineral content, water heaters have to be drained frequently. In addition to the crystalized minerals, there is red muddy material that comes out.
18. Due to heavy mineral content/blockage, some residents have had to replace pipes within/under their house.
19. When a glass is filled with water, or unfiltered water is used for ice, a large amount of residue is left in the bottom.
20. It is insane to believe that the average usage charge should increase by 161.11% in Treasure Cove, when no improvements have been made to the system in years. The real increase is far higher due to the excessive request per 1,000 gallons and realistically would exceed 300%.
21. I would like to see how the average usage of 3,980 gallons is calculated. My house has only two adults who have been averaging over 7,000 gallons per month. This is with no leaks, no car or boat washing, water saving faucets, toilets, and shower heads. I also have a water level sensing washer and a dishwasher that is only run for full loads. I cannot believe that families only use an average of 3,980 gallons per month. There must be many houses using none to come up with that figure.
22. **I would like to see an audited profit & loss and balance sheet specific to Treasure Cove, not including any of their other properties. Rate increases in Treasure Cove should not be used to offset other problems on their system or their excessive salaries.**
23. A 2015 report for the system listed manganese in excess of health guidelines, 115.5 ppb compared to the state level of 21.0. The primary targets of manganese are the brain and nervous system. There is growing scientific evidence that manganese exposures during pregnancy and childhood can impair children's attention, learning, memory, behavior, and intellectual capacity. The federal government has not set a legal limit for manganese in drinking water but has non-enforceable guidelines that encourage water companies to keep it below 50 ppb. At levels higher than that, water can taste bad, form rust-like deposits in water lines or stain laundry. Has CWS done anything since that test to reduce the amount of manganese in the water?
24. Has CWS tested for GenX or perfluorinated compounds in the Treasure Cove system? GenX was found in Wrightsville Beach well # 11 and it was shut down. It is possibly coming from CFPUA aquifer storage. In a direct line, that is probably 2 +/- miles from Treasure Cove and could possibly share some of the same water.
25. Cape Fear Public Utilities had a water rate increase 7/1/17. Their rate went to \$13.34 per month base, and \$3.85 per 1,000. This is an extremely professional company who provides quality service and water treatment. Why does CWS think their poor quality and

service is worth 2 ½ times as much? (Average usage using CWS monthly amount would be \$28.02 for CFPUA vs. \$57.60 for CWS, a difference of \$29.58).

26. The last two times I have called on weekends to report red water, there has been no answer and no voice mail. Customer service is non-existent.
27. The system used to be flushed regularly. I have not seen it happen in a long time.
28. The few times that the system has been flushed, no warning was given to the residents. A small sign was placed by Middle Sound Loop Road. If someone did not leave the neighborhood, they would have no idea that flushing was in progress. In the meantime, laundry, etc. would be muddy red and often destroyed.
29. If CWS is unable to operate the system at the current or previous rates, without making a huge profit, have they considered selling the system to CFPUA or another competent company?
30. If I figure the extra costs to treat the water, appliances, etc., I am probably spending an extra \$30-40 per month to use their poor quality water.
31. No monopoly should be able to price gouge customers who are given no other option to obtain water which is necessary for life. This is the EpiPen of water companies.

In summary, this company has had years to improve the system and water quality and all they have done is continue to request rate increases. The rates should not be increased by a single cent until improvements are made, or the system is sold to a company that can competently run it. Consideration should be given to legal action if the system is not upgraded and the fire hydrants are not immediately returned to working order.

Sincerely,

A handwritten signature in black ink, reading "Henry J. Conner". The signature is written in a cursive, flowing style with a large initial "H".

Fire
Hydrants

