Customer Comments and Staff's Response

The commission received the following customer comments and questions. Staff's responses are identified and contained in boxes.

In reviewing the materials related to Deer Meadows Water Company, Inc.'s request to the UTC in Docket UW-082113 and the detail supplied by Deer Meadows' consultant TD&H Engineering Consultants, residential owners at Deer Meadows have put forth a number of questions to the UTC staff.

Some questions that may have a material impact on either the base rate or the consumption rate have not been responded to. Staff is currently reviewing these items. The results of the review will be available when staff's recommendation is presented to the Commissioners.

As detailed below, the questions fall generally into the following categories:

Company Provided Data General Concerns

COMPANY PROVIDED DATA

The residential customers of Deer Meadows are disputing the company provided data as filed on the following points:

- 1. The proposal gives too big a break to the golf course.
- 2. This request is based on the same poor records from 2007. There are so many new connections to the system in the past 2 years, which most are only using water on a very limited basis, who are all paying almost \$30 a month now.
- 3. We believe if they had kept good records the past year you would see they are actually making money.

This second request for rate increase still does not address the main issue. Is the accounting information accurate? Has 2007 and a few other years general ledger been investigated and accuracy confirmed? It appears to me that the Water Company is still providing the same unconfirmed information only this time they have hired a firm to present a well written and professional proposal, but the fact still remains that the information provided is still based on 2007 records where we have evidence of poor records management and inadequate billing practices.

NOTE: Consumer Protection staff previously addressed the billing practices concerns with the company through customer's informal complaints. The company modified its operations and is now in compliance with the commission's billing rule requirements.

- 4. The proposed water rate increase of 172% is simply smoke and mirrors.
- 5. The study that was done by the firm hired by Deer Meadows Water Company appears flawed when they have padded such items as fire hydrants and black top renewal. The blacktop road was only installed last year and the fire hydrants are simply 2" pipe with a gate valve attached.
- 6. As yet, I have not seen a resubmitted 2007 P/L statement from the water company. This suggests that they are simply relying on the past figures they submitted during the previous filing for a water rate increase. As mentioned previously those figures are misleading, incorrect and

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incomplete.

- 7. The UTC needs to ask for a complete and impartial audit of the water company's financial dealings since being restructured in 2005, when taken over by Chuck Spencer. Only then will the community have a fair foundation for a water rate increase.
- 8. As to the fact that the district has made money only once, I want to make note as to how they know this since there are no books to audit before 2007? The bookkeeping was not consistent before that year. Also, it took a while for the lots to sell. Of course there would be no profit in the early years.
- 9. The water system was put in as an added incentive to invest in the deer meadow development. I am sure the cost of the water system was recuperated in the value of the lots. Why was none of this money put towards the reserve accounts that are required?
- 10. Why not have the water district sell the system to the home owners. The way I see it, we paid for the system when we bought the lots, so they should be able to give us a reasonable deal. Kind of like the one they got from the state when the water rights were deeded to them.
- 11. The rates are ridiculous and are based on incorrect 2007 financial data. At a minimum the UTC should wait for one full year after the water company fixed its records management and billing practices to get true profit/loss data to base a rate decision upon.
- 12. I personally never received a water bill during 2007. These billing issues have now been corrected in the second half of 2008 based on UTC regulations, and I have finally been billed and paid for my actual water usage for 2007 but this income was not reported in 2007. Using the financial and water usage data from 2007 will grossly under estimate income and water usage in the future. Also hundreds of lots were just sold in the last year also making 2007 data under report expected future income and under estimate future water usage. The latest proposal estimates about 10,297 average annual water usage per lot based on 2007 data. However much more than 50% of the lots now just have RVs and are using very little water.
- 13. Over time more lots will be developed and the water usage will greatly increase thus approving this rate increase now based on inaccurate 2007 usage data will drive unfair water fees and extreme profits for the water company in the coming years. At a minimum the UTC should wait for 2008 financial and water usage data before determining a fair water rate and profit for the water company.
- 14. I would like to dispute the Lincoln county Median household income as stated in the engineers report. The median income as quoted by the engineers report was \$43758. I felt that this seemed quite high for a rural area and researched some web sites for the reported median income in Lincoln County, WA. The Public School Review quotes the median at \$35540, and The US Department of Agriculture (as of May 2008) reports the median at \$38685. Either way the figure used by the engineer is grossly inflated.
- 15. Again, information and assumptions are not correct. Mr. Spencer stated that the average customer, using 5,000 gallons per month will see a monthly increase of \$31.75. This part is correct, but what is not correct is that many land owners use their property for many months during each year and their average monthly increase will be significantly higher than \$31.75. In my personal case, during the high usage months, my increase will be approximately 369% from current rates. The proposed rate increase obviously shows how poorly the water company has been managed since Mr. Spencer became president.

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I believe it would be in the best interest to all parties if the UTC would consider taking the following actions:

- Full impartial audit and inspection of the water company's financial records for the past 3 years.
- Have the Company run for 1 year with violations corrected and tight oversight by UTC and then determine if the company is making a fair and reasonable profit.
- 16. I am again asking the UTC to perform an audit of the DMWC as we have asked before. The 172% increase is only a part of what the total will be when water usage is worked in.
- 17. We have reviewed the information in the "study" supplied to the Commission by the water company. Regardless of the nonsense cited in the study, we both adamantly feel that this particular rate increase is way out of line.
- 18. Does it surprise the Commission, as it did us, how dramatically different the Water Company's value increased following this "study"? We believe that Mr. Spencer took the opportunity to hire a firm that purposely overrated its value with the full intention of justifying such an exorbitant rate increase. First of all, the new suggested base rate of \$54.50 does not include any water. This rate would apply to lots where there are no residents, even part-time residents, such as summer or fall recreation users. That calculates to a yearly amount of \$704.03, including sales tax. We do feel that all lots should be accessed a water fee, but this rate is ridiculously high. These lots could comfortably pay \$30 to \$36.50 per month as suggested by the previous proposal. This is much more reasonable. We understand that the commission is suggesting this type of a base rate (without any water included) though I still do not understand why.
- 19. My wife and I are two of only 55 members of the local golf course. We object to the manner in which the Water Company is accessing such a high rate to the golf course. An average summer bill of over \$5,000 would break this golf course. They simply cannot afford it. The year to play golf. The revenue of the members does not even cover the water bill!
- 20. According to the DM Water Company Profit & Loss Statement, in 2006 it had a profit of \$27,133.39 followed by a loss of \$29,233.11 in 2007. Where is the P/L data for 2008? The water company is requesting that the UTC approve an application to increase the water rates by \$215,307 (172%) annually, is this to make up for a \$29,233.11 a loss in 2007? The requested rate increase is based upon a study by Thomas, Dean & Haskins, Inc., Engineer Consultants. The study states that the water company has lost money every year since its inception with the exception of one year. To me this is indicative of poor management practices, not the lack of income. How has the company stayed in business for 16 years when it has lost money every year but one? Is an increase of 172% supposed to make up for 16 years of poor management?
- 21. In the analysis of the water system value, the study values the fire hydrants at \$3,800 dollars for 65 hydrants for a total value of \$247,000. The fire hydrants (att 1) are not much more than a stand pipe with a valve. The study gives a value to the water meter assemblies of \$1,500 each for a total of \$526,500. Once again, I question the value given to simple water meters (see att 2). The CC&Rs for Deer Meadows Plat III under water fees it states that: "A hookup fee will be charged within 60 days of closing. This fee includes meter costs, shut off valve and excavation." If the cost of the water meters is included in the hookup fees, how are they considered an asset to the water company's total value? The study states that the Deer Meadows Water Company owns water rights of 1500 acre/feet per year and which were given a value of \$1,222,500 in the current shareholders system equity table. The Washington State Department of

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Ecology states: "The waters of Washington State collectively belong to the public and cannot be owned by any one individual or group. Instead, individual or groups may be granted rights to use them." One more example of how the study has inflated the value of the company's equity value.

- 22. In the chapter on water consumption analysis, the study shows that the average monthly use is 10,297 gallons. This is misleading since several of the properties are not yet hooked up to the water, many property owners go south for the winter and most of the owners who use their properties for RVs in the summer months turn off their water during the winter months. A more accurate indication of average monthly usage would be to use the months April through October. If the average usage is 10,297 gallons, the base rate should be based upon 10,000 gallons, not 5,000 gallons. This figure would be in line with the Washington State Department of Ecology's statement that an average household uses about 300 gallons of water per day.
- 23. The expense analysis in the study does not provide the specifics of costs, only generalities. To give weight and credibility to the study, more specifics of expenses should be provided. Under incidental items the study included construction costs such as asphalt repairs. I find this expense interesting since until this summer all, but the main road into Deer Meadows, were gravel. The roads were chipped sealed this last summer. In review of the water company's annual report, it is noted that there was no breakdown of expenses to justify the rate increases. We are requesting a full and complete audit of the Deer Meadows Water Company's books before a final decision is made on the rate increases.
- 24. The TD&H study gives the total estimated value for the water system to be \$8,622,484. On dated September 26, 2008, Munson Engineers, Inc. provided the water company a valuation of the water system physical plant inventory for the Deer Meadow Water System. This report includes invoices and inventory of the water system dating back to 1992. In the valuation summary sheet, they give the water system a value of \$2,347,591. It should be noted that Munson Engineers did not include the cost of the water meters (which were paid for by the property owners) in their valuation of the water company. The increase from the original cost of \$2,347,591 to \$8,622,484 shows an appreciation of 267.92%. This seems excessive to me.
- 25. In the projected budget section of the TD&H study it states that: "According to the UTC, an interest rate of 12% is allowed on equity return cost, therefore this rate should be added to the budget to develop the total required income needs." In Table 4.2 of the TD&H study it gives an equity return cost at 12% for a value of \$36,360. In today's economy a 12% return on equity value is totally out of line and should not be included in the required income needs.
- 26. It should be noted that in the request for the rate increase the company chose a test period of January 1, 2007 through December 31, 2007. I do not think that one year provides an adequate picture of the water company's financial condition. I think that it absolutely necessary to have a complete audit of the Water Company's books for at least 2 years or more before any rate increase is approved.
- 27. I am requesting that you reject the current Deer Meadows' Water Company's rate increase application to increase rates \$215,307 (172%) annually. Deer Meadows is a small, rural community with retirees on a fixed income making up the majority of property owners.
- 28. Yet, the proposed rate increases do not take into account the winter months when water consumption is zero or decreases considerably for most owners. The lower consumption of water during the winter months equates to less expenses for the water company.
- 29. I am requesting that the UTC reconsider the recommended water rate increases based on the rural location of the area, small population and seasonal use of the water.

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- 30. Also before we took the roads over, what happened to all of the money we paid into it? Did the Water Co. use it for the roads or something else?
- 31. We feel that the bookkeeping is inadequate to justify such a large increase in our rates. We would like to see more years of records before any rate increase is passed.
- 32. Just to make a quick case I believe there is a need for a reasonable rate re-structure. Reasonable would be in the neighborhood of a 10% increase in the base rate and no usage allotment with a .40 cent to .55 cent per 1000 gallons used per month.
- 33. Also the engineering study by TD & H contains some glaring errors. Example on page 3 they state a meter cost to be \$1500 per unit. In fact the unit cost (retail) is closer to \$100 per unit as stated by their supplier in Spokane. They would not give me DMWC's contract price without their permission, so gave me the retail cost which I have stated here and said DMWC's price was less.
- 34. Second of all, the proposed rate increase is way out of line in covering expenses to maintain this water system and is driven by greed and deception.
- 35. You have asked Deer Meadows Water Co. for 2008 monthly water meter readings for the golf course and restaurant/motel. This is great because the filed 2007 data is inaccurate. However the same issue exists for residential usage. You currently only have 2007 water usage data and are using this to determine future projected revenue with a rate increase. The 2007 data is inaccurate due to the lack of residential meter reading and lax billing. Why don't you also ask the water company for monthly 2008 residential water usage where at least the latter half of the year meter reading and billing was improved due to UTC regulation and reaction from customer complaints.
- 36. As the water company is owned and operated by the Deer Meadows developer and family, perhaps it is not being run as efficiently as it should.

<u>Staff Response 1.</u> Staff is currently reviewing these items. The results of the review will be available when staff's recommendation is presented to the Commissioners.

GENERAL CONCERNS

- 37. For the love of God, don't let them do this to us.
- 38. This water company is trying to increase our rates way beyond what is humanly possible to pay.
- 39. We're in the middle of a depression and this area is 90% retirees on very low fixed incomes.
- 40. We struggle to pay the water rates now as it is.
- 41. If they pass this and up our rates to the degree they are proposing, we will have to sell our homes and move. Problem is, with the rates that high no intelligent person will buy our homes (and let's face it, the unintelligent ones don't have enough income to purchase anything). So we'll simply loose our homes.
- 42. We cannot afford to pay this increase.
- 43. Again we think this is a personal vendetta because the new owners of this water system, who inherited it, are angry that they did not also inherit the golf course and are trying to put the

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new owners out of business.

- 44. We own a 1.8 acre lot in that area. We installed an irrigation system that is currently watering about 2/3 of an acre of grass. The reasons for this were for aesthetic value and to reduce fire hazard potential. There is no irrigation district in that area, nor do I believe they would issue us a well permit since there is a community water system available to us. With the proposed water rate increase our summer water bills would be anywhere from \$300 to \$400. Even if we removed 1/2 the sprinklers we would be facing a bill of \$250. This is an arid environment. We planted drought resistant fescue to help us conserve on water. The rate commission should consider the tradeoff between conservation and fire protection. There will be few green buffer zones to protect the land owners from the wild fires that are prone to that area. (Summer of 2008 had a major wild fire in that area.)
- 45. My husband and I had considered retiring to that area. If these outlandish rate increases go through, I doubt if we will even keep the lot.
- 46. We very much enjoy the unique beauty of that area and realize that everyone must pay for water. We are willing to pay our share but feel this enormous increase is unjustified.
- 47. This new rate proposal will put a huge burden on a minority of lot owners, mainly retired residents, who do have lawns and/or gardens.
- 48. We must keep our green zones around our homes and outbuildings green during the high fire danger months. We should not be penalized for the increase water usage to keep these zones green.
- 49. When comparing my actual annual usage to the proposed rate increase, my rate would go up to at least 165% to over 330%.
- 50. Although the current proposal is more favorable than the August proposal, these increases will result in a water cost that exceeds our ability to pay and will bankrupt the resort.
- 51. Most of the people who have lots are on a fixed income, like myself, and can't afford the increase.
- 52. Even though we opposed the previous suggested rate increase, we find this proposal to be way out of line and makes the prior one seem like a reasonable one... doesn't that seem odd?
- 53. As for our personal residence, the base rate suggested is more than double what we pay now for the base rate and 5,000 gallons of water. The suggested rates of \$1.05 per 1,000 for the first 5,000, \$1.90 for 5,000 gallons to 10,0000 gallons, and \$3.20 for amounts over 10,000 gallons are exsorbant more than necessary! Yes, an increase in price for an increase in use does give one incentive to conserve water, but how about 1/2 those amounts?
- 54. We are trying to conserve water, yet, with this new proposal, our bill for that particular August would have been \$137.70, including tax. With the Water Company's last proposal, the bill would have been \$61.72. That is over twice the amount! We actually paid \$40.82 this past August; now it is suggested we pay more than three times that amount!! Since we have NO optional alternatives to use "other" water (i.e. we cannot drill a well according to our covenants nor can we "unhook" from our water supply), we respectfully urge you to modify the increase to a lower level or to suspend the increase and set a formal hearing. You are our only source for a reasonable and fair increase.
- 55. The Deer Meadows Water Company can tell you what they wish regarding their "value," but we are caught between a rock and a hard place as we have no other options for receiving water.
- 56. The substantial rate increases will cause many property owners and the golf course

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owner's considerable hardships. As you are probably aware, the status of the golf course is currently sold pending closing. The prospective buyers are leasing the course until the sale closes. The proposed increase from a fixed rate of \$500 per month to the newly proposed rate schedule will most certainly seal the fate of the golf course to fail.

- 57. The restaurant and motel are operated seasonally with significant decreases in water usage during the late fall, winter and early spring. Setting a flat fee year around does not seem to be justified or fair.
- 58. The Deer Meadows' Water Company is entitled to make a <u>reasonable</u> profit, but the proposed rate increase seems to be over the top. The closing of the golf course and increased water rates for property owners will greatly affect the surrounding property values in the area.
- 59. Many of the residents have large lawns, therefore if this large raise goes through, many will let their lawns dry up. This will cause many to worry about fires.
- 60. Many of the people I have talked to does not support this raise. I think a 10/12 percent cost would be in line.
- 61. If this awarded to the water company, I believe the golf course will either close or dry up, as it will not be able to stay in business.
- 62. We are looking at over 200% increase with the new rates. The new proposed monthly meter charge is ridiculous considering what little Customer Service is provided by the company, i.e. having to leave a message just to get a response if we have a question about our bill. If the rate increase is passed then we will no longer be able to have a lawn or flowers etc. and do plan to go xeriscaping and just have a vegetable garden.
- 63. I understand that costs do rise but the rate hike they are asking for is in my mind unsubstantiated.
- 64. Third, the proposed rate increase for the new golf course owners would surely put them out of business as this is so excessive. The economic development of this rural community would be in grave danger with this rate hike. Please do not allow this injustice to happen.
- 65. The proposed rate increase is absurd!

Staff's Response 2. State law requires rates to be fair and reasonable for customers, but high enough to allow the company a chance to recover operating expenses and earn a return on investment. The commission can set service standards for customer service and can take action against a company that fails to meet those standards, but it cannot deny rates that are needed to cover company costs. Staff understands customers' concerns regarding the amount of an increase, but does not explicitly consider the amount of the increase in preparing its recommendations. Staff's goal is to recommend the "right" rates.

- 66. This whole sham is the brainchild of four mean-spirited, filthy rich spoiled brats who don't know what real work is and just want more money to spend on their new toys. They spend all day out on the lake or bombing around in their new trucks now as it is. What more could they possibly want for God's sake.
- 67. I do not agree with the new filing. It is way out of bed. [sic]
- 68. If the water district cannot make a profit with a reasonable water rate table, then their business decision to include a water system with the development was not a sound decision. The

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lot owners should not be held hostage.

- 69. If the district cannot provide a product at a reasonable rate, then their investment was in error and we each should be given the right to drill our own wells, which in the long run would be a better financial decision for us.
- 70. Mr. Chuck Spencer threaten his customers during the first rate proposal time frame, that if the customers continued to investigate and dig into the company records and past that he would make sure that we pay for it. On August 18, 2008, Mr. Spencer stated this to me face to face with a witness present.
- 71. Again, we want to work together to make this increase fair. This is not a fair amount.
- 72. We do not understand why the Water Company feels they need so much income. I think every corp. should make a profit to stay in business. I also think it should provide a service. I do not think Deer Meadows Water Co. provides a service as
- 73. It only reads the meters. It does not read the meters in the winter months when there is snow on the ground.
- 74. With the situation we have in the money market today, why such a big raise?
- 75. Please, do not approve the application for the requested increases.
- 76. The increased rates that Deer Meadows Water Co. is requesting seem unreasonable.
- 77. Please deny Deer Meadows Water Co.'s request.

<u>Staff's Response 3.</u> State law requires rates to be fair and reasonable for customers, but high enough to allow the company a chance to recover operating expenses and earn a return on investment. The commission can set service standards for customer service and can take action against a company that fails to meet those standards, but it cannot deny rates that are needed to cover company costs.

- 78. The water system we are on full time in Yakima, the Nob Hill Water Association bill for the last 2 months was less than \$30.
- 79. We live in Grant County. I called several of the water districts in this area and the rates (including usage rates) are much more reasonable.
- 80. I realize a rate increase is inevitable, but why not make it an increase that the lot owners can afford. I have been told that 7 Bays (also located in that area), pays a single rate and receives all the water they need.
- 81. Other water suppliers are able to offer this service at a reasonable rate.

<u>Staff's Response 4.</u> Rates are based on each company's specific needs and may be higher or lower than rates for another company.

- 82. The Water Co picked the time of the year to file when the most people are not in the area and difficult, sometimes bordering on impossible, to reach. I'm sure they did this to help minimize disagreement. Just another underhanded move by them.
- 83. Further, the timing of the open public hearing stinks. Scheduling the hearing two days before Christmas when most persons are travelling or greeting their family for the holiday season

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is analogous to the Christmas Grinch.! It is suspect that the water company decides to file just at Christmas time when most of the property owners are celebrating Christmas and or travelling to their families. For the UTC to agree to the timing of the open hearing at such a time is doesn't speak too much for impartiality on the part of Olympia supporting the public.

84. Timing of the rate increase request and meeting dates are suspect, since many of the property owners have gone to warmer climates for the winter or will be on Christmas Vacations out of the area. The timing of the first meeting makes it virtually impossible for several of the members to participate or respond. In all fairness to the property owners, the first meeting should be moved to a later date.

<u>Staff's Response 5.</u> Staff advised these customers that the company withdrew its previous filing and then employed a firm to develop accurate data, which the company was now returning with that new data. Staff had advised concerned customers to notify the company on how to contact them during the period they would be away on vacation, and staff too committed to contact all previous commenting customers of this new filing.

- 85. It would seem crazy to have to pay over \$50 a month for no water usage.
- 86. I have four lots in deer meadows. Only 1 is developed as an RV lot. The other three I pay \$30 a month for each with no water usage. The increase they are asking for would almost double that. Most of the lots in deer meadows are vacant or used seasonally for rave use. I would ask that the vacant lots be left alone and the increase if any would be more reasonable. The big reason they have lost revenue is because of the economy, lots sales have come to a screeching halt and their hookup fees have ceased for now.
- 87. We own a lot at Deer Meadows in which we have been paying \$28 a month for water of which we use none. Now we are being asked to pay \$54 a month for something we get no benefit from.
- 88. In my case again, since i use no water the rate is unfair. I would ask that all undeveloped lots not be asked to share in any rate hikes.
- 89. We oppose this water rate increase on several levels. First of all, we have never used any water on our undeveloped property and with the proposed rate increase; we would be paying over \$50 a month per lot with no water use.
- 90. We own a lot there and haven't used any water in over a year. Currently we pay \$336/year for having the service available. Deer Meadows Water Co. is proposing to increase that amount to \$654! That's a 95% increase! That's outrageous under any circumstances.

<u>Staff's Response 6.</u> Staff advised these customers that when a water company has committed to providing future service to a customer, and has provided a service connection, the company may charge that customer a ready-to-serve charge. This is because the company must maintain its water system so that it is able to provide service to current customers and ready-to-serve customers. This ensures that all customers are paying for their share of the system. Customers who use water pay for their share of the system, plus for the water they use. Ready-to-serve customers don't use water, so they pay only for their share of the system, which includes the cost

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of the plant, return on investment in the plant, and a portion of plant operations and maintenance.

- 91. The DMWC is out to do away with the golf course, which I feel is an asset to deer meadows and will cost all of us in property value loss.
- 92. Perhaps the Deer Meadows Water Company has deemed themselves above the community instead a part of it.
- 93. We believe that Mr. Spencer and his shareholders are simply behaving in a very greedy manner and are acting in retaliation to our community's objections to their previous rate hikes.
- 94. In our own conversation with Mr. Spencer after his initial rate increase, he told us that he would like to sell the company if he could find a buyer and put all of this behind him.
- 95. Now, suddenly, he finds he owns a company valued at \$8 million!! Wow! It has been suggested that Mr. Spencer wanted us to think that his original proposal wasn't all that bad..... he certainly succeeded in that!
- 96. Incentives to conserve water are needed, but, please, let me water my trees!! In August of 2008, my wife and I used 28,330 gallons of water. We have NO lawn; all is covered in small rock or sand. We do not wash our car at home nor do we have a vegetable garden. We have four pots of flowers on our porch and two tomato pots. Last summer we purchased seven trees to place around the perimeter of our yard. We hope to eventually have some shade. As we have compared our water usage to those around us, we definitely come in at the very low end.
- 97. Apparently we made Mr. Spencer very upset.
- 98. All of the water lines are in place and though there are a few residences that are building, each of them will be paying their appropriate amount for hook ups and lines to their homes. We do realize that there are fees to be paid for water testing, etc. Of course the business needs to have a structure to work out of and supplies such as a computer, stamps, insurance, salaries to be paid, taxes, etc. What I object to seeing on the "study" is the value of the pipes! Perhaps they are made of gold???
- 99. I am a retired teacher and receive a fixed pension each month. I have received a 5.8% increase in my Social Security this year. Some years there is no increase to Social Security. In February I will join many of my neighbors as I become eligible for Medicare.... which takes \$98 per month away from my amount, not to mention a supplement. My wife is not eligible for Social Security for four years and she will receive a small pension in two years. I simply state these facts to show you that we are definitely NOT going to be increasing our income to help pay for such a large increase in our water fee.
- 100. Finally, we plead with the Commission to make a reasonable decision regarding this rate increase. We realize that you can only make your decisions based on the information that is provided to you by both the community and the Water Company.
- 101. There are many other questions I have about the study, but will not go into at this time.
- 102. The golf course is a relatively new course with a small membership compared to golf courses in more populated areas. It should be noted that in the late fall and early spring the golf course water consumption decreases, and from approximately November through March the golf course is closed and uses no water.
- 103. Also, many of the property owners go south for the winter or return to their winter homes in other areas. We personally turn off our water in late October and do not turn it on until late March or early April.

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Staff's Response 7. Comment noted.

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- 104. Many of the residents here go south in the winter months. Therefore not as much water is pumped in the winter months.
- 105. I think every corp. should make a profit to stay in business. I also think it should provide a service.

Since we have been a part time resident the cost of water has more than doubled.

- 106. I have heard that maybe someone would like to get the golf course back.
- 107. I am not in favor this large amount to be awarded to Deer Meadows Water Co.
- 108. If we all cut back on our water usage then I foresee the water company asking for another increase with a short time due to decrease revenue. This will be a vicious circle.
- 109. It appears that the owners are price gauging and that the increases for even those who use the water are out of line.
- 110. I do not however like the manner in which Mr. Spencer has gone about seeking the rate increases he has proposed. Use of threats and doing everything behind the backs of his rate payers, no honesty on his part, and finally the corporate greed. I have written a letter outlining my specific concerns to the WUTC and am mailing it today 12/12/2008.
- 111. This water company is just starting into its potential and can only get stronger and wealthier as the now recreation sites get built on as shown by the water usage from 06, 07 & 08.
- 112. Finally there are many examples of DMWC's fiscal irresponsibility over the past few years that the rate payers should not be required to pay for. I ask the Commission to look at this rate request and the company asking for it very closely before they reach any decision regarding this rate request.
- 113. Sounds like the big 3 auto companies--Give us more money so we can continue to mismanage the business.
- 114. Like the majority of property owners in Deer Meadows, we spend only a small amount of time there each year.