

**From:** de  
**Sent:** Monday, December 24, 2012 7:06 PM  
**To:** Public Involvement (UTC)  
**Cc:** Randi.Becker@leg.wa.gov; Wilcox, JT; gary.alexander@leg.wa.gov; 'Steve'  
**Subject:** Docket no. UW-121904, Eastwood Park Water Company,

I ask that my comments be included for consideration in this hearing but more specifically that the Eastwood Park Water Company's rate hike request be rejected for the following reasons:

1. There was no requisite 30 day notice given before this hearing was scheduled. We are well into the holiday season slowdown as I previously commented in my email to you on Sun 12/9/2012 10:57 AM (attached). EWP Water's request was hurriedly submitted when the pump went out that week. In fact, it appears Mr. Green filed this at the same time frame he received the email that the water was safe to drink by the T/PC Department of Health and notified us. The pump went out Monday afternoon and we got the "safe to drink" call on Friday at 109pm. I believe the WA rule is public comments *shall* run 30 days. This was also an issue of contention I brought up with Mr. Ward, WUTC during Green's last rate increase request. Regardless, we (the customer) were notified of this rate request, not on the dated notice of the 27<sup>th</sup>, nor on the 29<sup>th</sup> as he states when he filed this with you but rather by enclosure in our monthly billing read on Sat the 1<sup>st</sup> of Dec, mailed on Sat/Sun and then delivered on Monday/Tuesday (3 and 4 December) by the USPS.
2. This rate request is actually more than a ~30% increase as this figure only addresses the base rate (10\$ per month, per 86 customers, per year is a baseline figure) for the consumer. It does not take into account the water usage rate increase nor his reduction of block amounts. These type marketing "fine print" subterfuge has reached its shelf life for the common man. It is time for business men/women as well as salespersons, to be straight up and honest, something like the Truth in Lending was supposed to. It would be interesting to see exactly how much as a percentage the Greens revenues from their EWP water Co have increased from 2008 until now. Perhaps compare the overall expenses of 2008 vice a one year snapshot of 2011. I bet in drilling down to facts in these many years there would be a very different picture captured here. Yet we cannot delve too deep into proprietary information except when dubious facts arise.
3. There appears to be more than a bit of acceptable co-mingling creep in expenses/deductions between Mr. Green's J.L. Scott's Real Estate franchise, the EWP water company and the Green's personal use. As State law does not allow this a business to take deductions for doing business with the State many of the Green's deductions and rationale are suspect. I would be curious as to reading an IRS ruling on usage on deductions within multiple businesses, what are acceptable supporting accounting records and to closely review them. In a quick review I am confused why the Toyota Financial Corp is identified as a deduction? Is this for the monthly payment on the Chevy Tahoe? If so, why am I paying the Greens monthly vehicle payment on the vehicle also uses in his Real Estate business or for his personal usage? I still believe I should only pay for EWP water expenses. There are just too many open ended questions on this matter and at this point, need to be answered by the Greens to allow this to go forward. Specifically, the "office" computer purchased in 2002, did he take the 1500 \$ deduction for software upgrade in the past or not? Is the office space subleased from himself as a franchise holder in his real estate practice. Suspect as well are the payments for whoever (him or his wife) is claiming to do the books that particular

month, well as the vehicles deductions/expenses that are driven for his personal use, his real estate business, and his water company. A major point to be adjudicated in this matter is the fact from a State perspective is that EWP water company cannot deduct the cost of doing business with the State, so the regulatory “ fees” from State and Federal(?) agencies he mentions as rationale have no standing in this matter. A determination from the State DOR would be required to further allow this. Also of contention is that a determination of employment status is required from Employment Security for Mr. Burnett (mentioned below) as well as the legal status of Mrs. Green, i.e. is she the President, or their bookkeeper? The statement that Mr. Green claims that he has 33 years experience and his wife 20 years has no relevance to anything germane to this matter.

4. I also find Mr. Donnie Brunet’s salary of 25\$ per month more than a bit suspicious. Regardless of even remote plausibility, this just does not pass the smell test. I mean this fine retired Navy Petty Officer no disrespect. I also wish his wife well in her medical needs, but Mr. Green , his employer, holds him circumspect when making such petty claims such as Green has done here by claiming to pay him only 25\$ per month. Mr. Green writes on the 2011 report that only two persons work part time in his business. Yet he include himself, his wife and now Mr. Burnet on record. Now, I have only seen Mr. Green once in this last entire year reading meters on my street. Not to say he doesn’t read or hasn’t/doesn’t read the meters just that I have never seen him do it, but once . I have lived here over 25 years and since permanent retirement over 10 years ago, I’m up early and worked till dusk, from early March to late Nov when the last outage occurred. So the probability I should have seen him more, is very high, yet still plausible to his version ,still odds are seeing Green would be much greater than not to see him reading the meters. It was Mr. Burnet that was hired to work the install of the 40 odd defective meters when Mr. Green accelerated the move to metered usage in 08. As for the inference of all the expenses that he had incurred to make that price hike viable? Mr. Green knew that by law he is required to bear those costs to bring his system up to standards before implementation. Green was advised of that when he petitioned in 08. As with most of the rationale he uses, these words are just fluffy words, appropriately named here by what we in the Government used to call: “Greenspeak”, those extraneous and superfluous words used to make the argument sound better, kind of like all the “fine print” that Salesmen use. Very appropriate on so many levels in this case. Green would be better served to read Carl Sagan on his “Boloney Detection Kit”.
5. Mr. Green also makes mentions in an email asking for his rationale ( copy enclosed) that he had to “loan” his business money to keep it solvent. There is a loan listed in his documentation at 9%. So I assume that is the loan he touts. I am still fuzzy on the concept of how you legally loan yourself money and then charge yourself interest in doing so, especially when part of that loan was for doing business with the State as he claims which he cannot deduct according to the DOR. Regardless a loan to yourself is more like “Owner’s Equity” and really not just more creative accounting techniques for baby corporations I suspect this “Loan”“was more a cash flow problem because of the “Board of Directors”” poor management decisions in claiming classic executive perks on such items as Mrs. Green’s health insurance premiums Sure seems that perhaps they are looking for more creative ways for EWP customers to cover them financially . The Greens have listed they have taken out, in rough figures, ~ 25K in salary and health insurance premiums in 2011, not a bad take on revenue of ~42.3K while claiming deductions of (39.7K) and a bottom line loss of (1.8K). The 42.3 Revenue is quite a bit more than the revenues of 2008 of ~35K which was the 34.75\$ a month x 86 x 12

flat rate . So we go from ~35\$ per month ( 34.75\$) earning ~ 36K \$ per annum to 30\$ per month( plus usage earning of 1\$ per K and 1.50 per C( 100) after) of approx 42.3K. 42.3K – 36K is only a profit of 6K from the heyday of EWP in 2008 but additionally they also realized 25K\$ they have paid themselves in salary and benefits.

6. You would have thought that he would have planned to upgrade his system for continuity before he paid his other himself and his other business. I understand how a limited liability company/ now an S-Corp works, yet I would love to hear how this farce is pulled off. It should also be noted that the pretense of being a real “corporation “in this matter is a subterfuge when it comes to using terms like “the Board of Directors decided”. This is a Mom and Pop monopoly deciding that they will jack up the customers cost to pay the now President/Bookkeeper/Wife’s health insurance, cell phone and her booking keeping expenses, pay for their fuel and vehicle insurance, as well as the “rent expenses mentioned above. The games of musical chairs similar to this is called charades.
7. Lastly I have to ask what capital stock in the amount of 6K \$( line 11,. Pg 11-2, Class C Water Companies Annual Report, due 1 May, date stamped; May 08 2012 ) was issued and to whom? I see this as maybe helpful in understanding the liquidation process in case of bankruptcy. I just worry that may happen sooner than later,

We all want a COLA, we all need a COLA. Mine and my wife’s was only ~1.7 -1.8% this year, after years of previous lackluster increases of ~2-3% barely keeping pace with the economy. Of that pittance 1.7% the Government gave my wife that took back approx ½ of that for various and sundry things, so she start the year with pretty much a zero net gain. Mine is not much better. So aside from the Green’s asinine request with this superfluous rationale, he has “gamed” the system with extraneous expenses and attempting to have pay go his wife’s health expenses as well as his supplement his other business . Totally unacceptable and I do have to say I am doubtful of the fact that this additional benefit to his wife was included with their Federal Taxes as additional income/revenue.

Even with the latest information the Greens provides on this, it is still very suspect as it appears to be a matter of one business being used to support the other. I seriously doubt that the WUTC has the authority to review Mr. Green’s Real Estate business accounting to better identify/research the many potential issues here. That does not say anything as to the WUTC is not doing a professional job, rather they do a very good and stay within their administrative jurisdiction. They serve all. I just always followed the principle of informing other local, state and local organizations of possible irregularities when discovered during the course of an preliminary inquiry. I do feel there needs to be a comprehensive review by the State’s Employment Security Dept, The DOR and the IRS so as to better answer these questions or advise and assist the Green’s businesses to ensure there are no further perceptions of irregularities before going forward in this request.

So again, I request that the Eastwood Park Water Co.’s rate increase be disapproved.

Sincerely

Clyde D. Hendrix,  
Chief Warrant Officer 3  
US Army Retired

Encls as

### Filing Entry

Docket **UW-121904**

No.

Company Eastwood Park Water Co., Inc.

Filing Tariff Revision  
type

Industry Water

Status Pending

Lead Staff Jim Ward

Filed date 11/30/2012

Effective 01/01/2013

Closed

date

Summary: Proposed general rate increase that would generate \$10,320 (29 percent) additional annual revenue. The company serves 86 customers near Spanaway in Pierce County. The proposed effective date is January 1, 2013. The company's last rate increase became effective on April 1, 2008.

Looking for 10, 320\$ 29%

**EMAIL to MR GREEN 12/08/12**

Mr. & Mrs. Hendrix;

Thank you for your e-mail, I will respond with an answer in the next few day's.

Regards!

Bob Green

General Manager  
Eastwood Park Water Co.  
253-380-8421  
429 29th St. N.E. Suite A  
Puyallup, WA 98372  
Office: 253-770-5268  
Fax: 253-841-0118  
[Robertg@johnlscott.com](mailto:Robertg@johnlscott.com)

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**From:** de  
**Sent:** Fri 12/7/2012 2:18 PM

**To:** Robert Green  
**Cc:** [comments@wutc.wa.gov](mailto:comments@wutc.wa.gov)  
**Subject:** EWP water rate increase

Bob, I'm confused a bit here on some of the detail you write about in your Important Notice. Your letter and the dates, along with recent events are a bit confusing, but nevertheless, it seems the last rate increase was for these exact reasons you cite in your very short fused notice you give( minus the federal agency part) . Other than using your last rate increase to pay for the 'repair/replace' of the additional meters you needed and hire a person to read them because you accelerated the metering mandate, what infrastructure upgrade projects were accomplished in this last 5 year period with that increase? Specifically why is this 10.3K\$ increase necessary, especially in such precarious times.

Additionally, would you please be more specific as to who these governmental agencies are, specifically what Federal/State agency are regulating you and what are their "fees" ? I do want to look into this further with my representatives in hope of finding ways to alleviate some of that fee/tax, especially on monopolies that deal with one of the most basic elements of life. Somewhere along the line those "fees" seem to get bigger and oh, so more important by the time they get to me.

I will say up front your timing in this matter and the general lack of information are at best, deplorable, absolutely deplorable. It should be noted by all parties that EWP Homeowners have less than 30 days notice to comment on something that will jack up a basic necessity > 30+% , all the while dealing with your 4 day water outage and going into the Christmas holiday slowdown no less.

Just seems like everyone is lining up to get a hand in your pocket these days before the other guy does and that you're at the head of that line. In my opinion Bob, you're asking way too much this time and haven't demonstrated a real cause. A 30+% increase on a basic sustenance monopoly with a looming recession likely, a weak economy and a worsening climate change expected this year? Very, very poor timing. Us old retirees only got ~2.% increase this year, additionally I had to buy a whole lot of distilled water recently because of your service delivery disruption and my health. I suspect, and with good cause, that this will happen many more times in the foreseeable future. It's your continued lack of communication in managing this Water Company side business of yours that give me pause and make me very cautious of its continued service delivery, the integrity of the water quality and your antiquated system functionality, especially considering its age, its lackluster maintenance program and the admitted degraded status of its infrastructure. It seems you're always asking for money for these necessary upgrades that never seem to happen over these last 30 years. I do not see any work or movement towards any upgrades, just continued requests for more money. Show the math, remove the doubt! So perhaps if you communicated the what and why of these necessary upgrades onemight be a bit more inclined to agree. The basic interrogative are always a good start.

Regardless, your rate hike request is in play, so please provide me with requested details as soon as possible so as to have adequate time to comment to the UTC as well as consult with my representatives. I thank you in advance for this information.

Sincerely  
Clyde Hendrix

12/08/12

Mr. & Mrs. Hendrix;

Thank you for your e-mail, I will respond with an answer in the next few day's.

Regards!

Bob Green

General Manager  
Eastwood Park Water Co.  
253-380-8421  
429 29th St. N.E. Suite A  
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Office: 253-770-5268  
Fax: 253-841-0118  
[RobertG@johnlscott.com](mailto:RobertG@johnlscott.com)

Green's email back to me

[prvs=682e282d8=RobertG@johnlscott.com](mailto:prvs=682e282d8=RobertG@johnlscott.com); on behalf of; Robert Green  
[RobertG@johnlscott.com]

Subj: RE: YOUR E-MAIL LETTER DATED 12/07/12 EASTWOOD PARK WATER  
CO. dtd: Sat 12/8/2012 2:56 PM

12/08/12

Dear Mr. & Mrs. Hendrix;

Thank you for your letter dated 12/07/12

In the past as you know we did have meter's that where installed in 1980 But we did not read the meter's, We billed \$34.75 per month per customer and the customer used as much water as they wanted with the exception of the summer month's, When we where told that in the near future we would have to start reading meter's to control water usage, We had to replace our old meter's and install new up to date meter's.

Approximately 4+ years ago we submitted to the UTC for price increase, Base rate of \$30.00 per month plus \$1.00 per 100 cubic feet of water used (one hundred cubic feet equals 748 gallons). For the years 2010, 2011 & 2012 the water use has continued to drop to a low usage record, Due to continued reductions in use by the customer's and as the rising costs here continue to raise for everything from postage, office supplies,mainenance materials, treatment chemicals, fuel, electricity, inspections, training classes, taxes for personal/real property and the need to replace the above ground motor's and the purchase of a back up pump and motor for inground plus the needed costs to run the water company on a day to day basis, The water rates will have to increase in 2013.

The water system was built in 1979 and now is 33 years old, In the last 4+ years we have rebuilt the 3 above ground pump motor's, Installed a meter on the inground pump as required, Replaced some bad meters, Re side the roof/walls on the pump house Replaced check valves, plus install the emergency generator, propane tank and the plumbing/electrical.

As to your comments on the 30 day notice You received, The 30 day notice must be given to all the customer's of the utility prior to the rate's going into effect as per the UTC.

In answer to your comment that you and the customers of Eastwood Park Water co., where without water for 4 day's this is not true, You and the customers where without water starting Monday 11/26/12 at 4:00 p.m. to 8:00 p.m. 11/27/12 . Our inground pump broke, The pump and motor was installed 8 years ago at a cost of \$6,300.00 We are glad we had purchased a new pump and motor as a back up a few years back or you would be without water for 3-5 days, Now we have to replace the back up pump and motor for an emergency event.

In closing there is no lack of communication in managing the water company with you or with the customers, This is not a side business of mine, I am the general manager on call 24 hrs. a day, spend at least 4 hours per day, 5 day's a week running the day to day business of the water co., The water quality is high and we have a great maintance program and emergency plan.

Mr. Hendrex, please explain to me how you would run the water company and what rates would you charge in order to maintain a 33 year old system that requires more and more money to run ?

Last year we had a \$1,800 loss and i had to loan the company money to pay for the rising costs, Out of our request for a raise in revenues, We have to save \$4,000.00 for future replacement of system components, plus buy a new back up in ground motor/pump and a new above ground hydro constant pump and motor plus keep the company in the black and out of the red.

Regards!

Bob Green  
General Manager  
Eastwood Park Water Co.  
253-380-8421

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