

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of The        )  
Request of Pineview        )     Docket No. 08-2438-01  
West Water Company for    )  
Approval of a Rate         )  
Increase.                    )

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TRANSCRIPT OF HEARING PROCEEDINGS

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TAKEN AT:           Public Service Commission  
                      160 East 300 South, Fourth Floor  
                      Salt Lake City, Utah 84111

DATE:                January 5, 2009

TIME:                9:30 a.m.

REPORTED BY:        Kelly L. Wilburn, CSR, RPR

(January 5, 2009 - Pineview West Water Company)

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APPEARANCES

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PUBLIC WITNESS COMMENTS

| Name         | Page |
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| Velma Reeder | 9    |
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1 JANUARY 5, 2009 9:30 A.M.

2 P R O C E E D I N G S

3 THE COURT: This is the Matter of the Request  
4 of Pineview West Water Company for Approval of a Rate  
5 Increase. Docket No. 08-2438-01.

6 And my understanding is that this hearing is  
7 just gonna be limited to public witness testimony; is  
8 that correct?

9 MS. SCHMID: Yes.

10 MR. BRYNER: That is correct.

11 THE COURT: Let's go ahead and take  
12 appearances if we could. On this side first.

13 MS. SCHMID: Patricia E. Schmid with the  
14 Attorney General's Office representing the Division of  
15 Public Utilities.

16 THE COURT: Thank you. On this side.

17 MR. BRYNER: Bryan Bryner representing  
18 Pineview West Water Company. And I have with me Nate  
19 Brockbank and June Anderson from the Company.

20 THE COURT: Okay, great. June Anderson, is  
21 that?

22 MR. BRYNER: June Anderson, yes.

23 THE COURT: Okay. All right then. And do we  
24 have anyone on the phone? Is there somebody on the  
25 phone?

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1 MS. SCHMID: Mr. Turner, are you still there?

2 We did have a Mr. Turner and a Mr. Miles.

3 Mr. Turner, are you still there?

4 THE COURT: When they call through we'll  
5 connect it again, I guess.

6 MS. SCHMID: So should I turn it off now?

7 THE COURT: Yeah, thanks. Okay. How do we,  
8 how do we want to proceed? Are we just gonna have  
9 public witness today?

10 MS. SCHMID: Yeah. Maybe a little bit more  
11 explanation could be helpful.

12 THE COURT: Yeah, that would be good.

13 MS. SCHMID: This case has been separated by  
14 the Division, and I believe by the Commission although  
15 I'm not sure about that, into two parts. One part  
16 deals with the requested special assessment, and the  
17 other part deals with a general rate increase.

18 The Division sent data requests to the water  
19 company on December 4th concerning special assessment  
20 matters. The Company responded early, and we did  
21 receive them last week. However -- their answers last  
22 week. However, we still need some more information.

23 And so that is why, although we had hoped to  
24 discuss the special assessment at this hearing in  
25 conjunction with the public witness, we've requested

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1 to have the special assessment hearing postponed by a  
2 couple weeks.

3 THE COURT: Okay.

4 MS. SCHMID: The Company has been extremely  
5 cooperative. And has their records organized well.  
6 They are not being dilatory in any way. We just  
7 underestimated the amount of time it would take to  
8 understand some of the entries by just a little bit.

9 THE COURT: Okay. All right. Great.

10 Mr. Bryner?

11 MR. BRYNER: Yes.

12 THE COURT: Did you want to have  
13 Ms. Brock -- Anderson testify, or Mr. Brockbank, or  
14 are we just gonna limit it then to public witness  
15 today?

16 (Telephone interruption.)

17 MS. SCHMID: Hearing room.

18 MR. MILES: Hi. This is Lee Miles with Peter  
19 Turner.

20 MS. SCHMID: Perfect.

21 THE COURT: Okay.

22 MS. SCHMID: The hearing is going on.

23 MR. MILES: Okay, thanks.

24 MR. BRYNER: Okay. To answer your  
25 question --



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1 THE COURT REPORTER: Sir, you need to turn on  
2 your microphone or speak into it.

3 THE COURT: Oh, sorry. The green light  
4 should just be on on the microphone.

5 MR. BRYNER: What we intend to do is just  
6 take public testimony and statements today. However,  
7 if a matter arises that needs clarification or that we  
8 could answer, you know, perhaps June could answer  
9 that. But what we'd like to do is reserve other  
10 testimony for the, the later hearing.

11 THE COURT: Okay. All right then. Then with  
12 that, I understand we have about three witnesses  
13 today; is that correct? Right in the middle here,  
14 one, two, three.

15 Okay. Let me have your names, please. Sir,  
16 if we could start with you right in the front row.

17 MR. REEDER: Richard Reeder. R-e-e-d-e-r.

18 THE COURT: Okay. Thank you, Mr. Reeder.

19 Next?

20 MS. REEDER: Velma Reeder.

21 THE COURT: Velma Reeder.

22 THE COURT REPORTER: Can you spell that?

23 MS. REEDER: Pardon?

24 THE COURT REPORTER: Can you spell that,  
25 please?

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1 MS. REEDER: V-e-l-m-a.

2 THE COURT: And then sir?

3 MR. FORBES: Kevin Forbes.

4 THE COURT: Kevin Forbes?

5 MR. FORBES: Yeah, F-o-r-b-e-s.

6 THE COURT: And then Mr. Lee Miles and  
7 Mr. Peter Turner, you're both on the phone?

8 MR. MILES: Correct.

9 MR. TURNER: Yes.

10 THE COURT: Okay. And I understand you are  
11 public witnesses as well?

12 MR. MILES: Yes.

13 MR. TURNER: Yes.

14 THE COURT: Okay. Then what we'll do is,  
15 Mr. and Mrs. Reeder and Mr. Forbes, if you don't mind  
16 I'd like for you to come up to this, this table here,  
17 this chair right there if you would like to testify.

18 There's two ways you can proceed. If you  
19 would like for your testimony to be considered by the  
20 Commission as they make their decision, then you'll  
21 have to be sworn in. You're also subject to cross  
22 examination.

23 If not, you can testify. It won't be under  
24 oath. But just keep in mind that that can't be  
25 considered as a factual basis for the Commission's

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1 decision. And that goes for you, Mr. Miles and  
2 Mr. Turner, as well.

3 SPEAKER ON TELEPHONE: Thank you.

4 THE COURT: Okay. So Mr. Reeder, would you  
5 like to testify today?

6 MR. REEDER: I don't think so.

7 THE COURT: Okay. Ms. Reeder?

8 MS. REEDER: Well, this is the first hearing  
9 I've ever been to.

10 THE COURT: That's fine.

11 MS. REEDER: So I don't know exactly what you  
12 want. We come to see what is going on with the  
13 hearing and with our rate increases and what's being  
14 considered.

15 THE COURT: Would you like to voice any  
16 concerns?

17 MS. REEDER: The concerns that we have are  
18 that all the charges really --

19 THE COURT: Let me have you just come right  
20 to that chair right there. And would you like what  
21 you say to be considered by the Commission in making  
22 their decision?

23 MS. REEDER: I guess.

24 THE COURT: Okay. Then if you could just  
25 raise your right hand for me, Ms. Reeder.

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1 (Ms. Reeder was sworn.)

2 THE COURT: All right, thank you. Have a  
3 seat. And just make sure that little green light is  
4 on. Push that button that says "Push."

5 MS. REEDER: It is.

6 THE COURT: Okay. Go ahead and you can state  
7 what you would like for the record.

8 MS. REEDER: The concerns that the people had  
9 up there is that it seemed like to us all of a sudden,  
10 after Nate took over as the developer of the other  
11 section of our, our place to build up there, Radford  
12 Hills, that we had a lot of extra charges.

13 And when we got digging into it we find that  
14 a lot of those charges really came from the fact that  
15 the owner of the water company prior had not fixed  
16 things. So when they hooked on the new sys -- the new  
17 people, it had to be repaired.

18 And it's been hard to convince the  
19 shareholders up there that all the charges really  
20 belong to all of us. So Nate and June have been  
21 really good about showing us all the bills, but most  
22 of us really don't understand how to run a water  
23 company either.

24 And this is why we come to the Public Service  
25 Commission is so that we could get the bills paid,



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1 because we found out there were a lot of them. And  
2 they were ready to turn off our water.

3 THE COURT: Uh-huh (affirmative.)

4 MS. REEDER: We'd also like to get it fixed,  
5 but they also would like to pay their fair share of  
6 what's owed. And we felt like the Public Service  
7 Commission could maybe help us decide what that was.

8 THE COURT: Okay. Anything else you'd like  
9 to add?

10 MS. REEDER: We're willing to do a rate  
11 increase, because we all know we need it.

12 THE COURT: Uh-huh (affirmative.)

13 MS. REEDER: And, but we don't know how much  
14 it really should be, or what we should consider, how  
15 far out, and those kinds of things.

16 THE COURT: Okay.

17 MS. REEDER: So.

18 THE COURT: All right, thank you. Any  
19 questions for Ms. Reeder? No? All right.

20 Mr. Forbes?

21 MR. FORBES: Mine was really in the form of a  
22 question rather than any comment. I was --

23 THE COURT: If you could just come up to this  
24 chair, please.

25 MR. FORBES: I was just wanting to know what

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1 the amount of the special assessment is. What the  
2 request is at this time.

3 THE COURT: Do we know yet, or is that still  
4 being decided?

5 MS. SCHMID: That's still being investigated.

6 THE COURT: Okay.

7 MR. FORBES: Okay. That's.

8 THE COURT: Is that all you?

9 MR. FORBES: Yeah. That was my only concern  
10 right now.

11 THE COURT: Okay.

12 MR. FORBES: I do have some concerns, but I  
13 don't think at this point they would be worth voicing,  
14 so.

15 THE COURT: Okay. All right. Thank you,  
16 Mr. Forbes.

17 Mr. Miles, why don't you go ahead. Would you  
18 like your testimony to be considered on the record by  
19 the Commission?

20 MR. MILES: I certainly would have no problem  
21 with that. But I'm somewhat like everybody else. I  
22 don't have a lot to add right now. I'd like to just  
23 hear what's going on and give comment maybe later.

24 THE COURT: Okay. And Mr. Turner?

25 MR. TURNER: Yeah, I'd like to make some

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1 comments.

2 THE COURT: Okay. Did you want your  
3 testimony considered by the Commission?

4 MR. TURNER: Yes.

5 THE COURT: Okay.

6 (Mr. Turner was sworn.)

7 THE COURT: All right. Go ahead, Mr. Turner.

8 MR. TURNER: I have worked with June Anderson  
9 and the Board for a while now in evaluating our  
10 expenses and our income. And I firmly do believe we  
11 need some sort of a special assessment to get us  
12 caught up with our current bills, and then a rate  
13 increase going forward so that we can be a viable  
14 company.

15 One of the things I'd like to add or at least  
16 comment on for the special assessment is that there  
17 are some charges in there that Nate, the president of  
18 the water company, has covered personally and -- for  
19 this year in 2008. And I think, I do believe he needs  
20 to be reimbursed for those.

21 In 2006 and '7 there -- we ran in the red.  
22 And Titan Construction and/or Nate, I'm not sure who  
23 actually paid for it, but basically the developer  
24 covered the costs.

25 And at, at the water meetings we had or water

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1 company meetings it was explained to us, at least in  
2 my mind, that he was -- or Titan was just gonna cover  
3 those as part of his expenses I guess as a -- is the  
4 way I put it.

5 And I don't think they should be considered  
6 to be recover -- recoverable expenses, either with the  
7 special assessment or with the rate increase.

8 And then another comment I'd say is that I  
9 want to make sure that all users are included in the  
10 special assessment. And that might even be users that  
11 are currently only secondary system users only.

12 Because the -- I think, as I understand it,  
13 pretty much all the infrastructure feeds both culinary  
14 and secondary, and they should all be treated somewhat  
15 equally for the special assessment. And that -- those  
16 are my comments just to be considered.

17 THE COURT: Okay. Thank you, Mr. Turner.

18 Any questions for Mr. Turner?

19 MS. SCHMID: None.

20 THE COURT: None? Okay. Then if that's it,  
21 I think my understanding is that we'll just try to  
22 schedule another hearing for about three weeks out.

23 MS. SCHMID: Or two.

24 THE COURT: Or two weeks out, okay. What I  
25 can do is just, I can e-mail you, Ms. Schmid and



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1 Mr. Bryner, I can e-mail you. What's your e-mail?

2 MR. BRYNER: It's BBryner.

3 THE COURT: B-r-e?

4 MR. BRYNER: B-b-r-y-n-e-r.

5 THE COURT: Okay.

6 MR. BRYNER: @Smithlawonline.com.

7 THE COURT: Okay. I don't have my calendar  
8 before me right now, so what I'll do is I'll e-mail  
9 both of you for about two weeks out. And then if the  
10 hearing date that I propose is okay, then we'll go  
11 ahead and schedule it then.

12 My understanding also is that I think some of  
13 the public wants to wait until that information comes  
14 in to comment, so I think we should reserve some time  
15 then. For example like Mr. Forbes, if he'd like to  
16 comment. Mr. Miles as well. So we'll leave a portion  
17 of that time for, for them.

18 Anything else that we need to cover today?

19 MS. SCHMID: Nothing more from the Division.

20 THE COURT: Okay.

21 MR. BRYNER: No, nothing else.

22 THE COURT: All right. Thank you very much.

23 (The hearing was concluded at 9:43 a.m.)

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C E R T I F I C A T E

STATE OF UTAH                    )  
  ) ss.  
COUNTY OF SALT LAKE            )

This is to certify that the foregoing proceedings were taken before me, KELLY L. WILBURN, a Registered Professional Reporter and Notary Public in and for the State of Utah.

That the proceedings were reported by me in stenotype and thereafter caused by me to be transcribed into typewriting. And that a full, true, and correct transcription of said proceedings so taken and transcribed is set forth in the foregoing pages, numbered 1 through 14, inclusive.

I further certify that I am not of kin or otherwise associated with any of the parties to said cause of action, and that I am not interested in the event thereof.

WITNESS MY HAND AND OFFICIAL SEAL AT KEARNS, UTAH  
THIS 6th DAY OF January, 2009.

\_\_\_\_\_  
Kelly L. Wilburn, CSR, RPR  
My Commission Expires:  
May 16, 2009

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