

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the
Application of Willow Creek
for a General Rate Increase

Docket No. 13-2506-01

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PUBLIC WITNESS DAY HEARING  
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TAKEN AT: Heber M. Wells Building
160 East 300 South, Room 451
Salt Lake City, Utah 84111

DATE: Thursday, August 1, 2013

TIME: 12:00 p.m.

REPORTED BY: Michelle Mallonee, RPR

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APPEARANCES

MELANIE REIF

ADMINISTRATIVE LAW JUDGE

PUBLIC SERVICE COMMISSION

FOR DIVISION OF PUBLIC UTILITIES:

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OWNER, WILLOW CREEK WATER COMPANY

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CERTIFIED OPERATOR, WILLOW CREEK WATER COMPANY

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Public Witness Day Hearing

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August 1, 2013

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PROCEEDINGS

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THE COURT: We'll be on the record now. Those

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who have identified themselves will be participating in the public

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witness hearing. We will take the names in the order in which

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they've been given. And I will go over that just to--we do have

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some individuals on the telephone. So I'll just identify the

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person, and then they can identify themselves, spell their name

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for the court reporter.

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And just to back up. I appreciate everyone coming

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today and for being with us and for participating on the phone if

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you're on the telephone.

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My name is Melanie Reif, and I serve as the

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administrative law judge for the Utah Public Service

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Commission. And as you know, this is the Public Witness Day

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Hearing portion of the general rate case involving the Willow

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Creek Water Company. And the docket in this case is Docket

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13-2506-01.

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And you have the opportunity today to give your

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testimony under oath, if you wish, which means that you may be

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subject to cross-examination. Cross-examination may come

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from the Commission, i.e., myself or from one of the parties. Or

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you may just wish to give comment. And comment is just what it

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means. You don't have to be subject to cross-examination. It's

1 just your choice.

2 So with that in mind, we will start with the first
3 individual on the list. This person is joining us via telephone.
4 His name is Kirk Holden.

5 And Mr. Holden, are you with me?

6 MR. HOLDEN: Yes, I am.

7 THE COURT: Okay. Thank you. Mr. Holden, did
8 you hear my explanation about having the opportunity to give
9 comment or, if you wish, you can give sworn testimony. Do you
10 have a preference?

11 MR. HOLDEN: Either way. I would be--I can give
12 sworn testimony. But whatever is okay.

13 THE COURT: Okay. That's entirely your choice.
14 And in order to do so, I need to put you under oath. So if you'd
15 kindly raise your right hand.

16 MR. HOLDEN: Okay.

17 THE COURT: And do you swear that the testimony
18 you are about to give is the truth?

19 MR. HOLDEN: Yes.

20 THE COURT: Okay. Very good. I am going to
21 allow you to proceed, sir.

22 I do want to mention, just for the sake of everyone
23 here because we do have a number of individuals in the room as
24 well as on the telephone, to please keep--you know, to the
25 extent that you can, please keep your statement or your

1 testimony brief. And try not to repeat to the extent that you can,
2 please.

3 So, Mr. Holden, you have the floor. And so please
4 proceed.

5 TESTIMONY OF KIRK HOLDEN

6 MR. HOLDEN: Okay. And I guess my main reason
7 for being here today--obviously, I'm a homeowner that uses
8 water from this water district. And my main concern is the
9 abrupt rate increase that we've had.

10 As we moved into our house, we obviously had
11 plans to put a nice yard in as to the standards that the
12 homeowners association has anyhow. So we started generating
13 enough funds to be able to do this. And we've invested quite a
14 bit in our property. Along with that, we were paying a marginal
15 water rate that was acceptable at the time that we made
16 decisions how we do things, whether it be in your yard or inside
17 our house. And then recently, our rates, obviously, have
18 increased.

19 And as these rates have increased--we understand
20 that there is some level of acceptability to a rate increase
21 because things have to be maintained properly. And there's
22 also things you learn over time that, obviously, that might have
23 been missed originally, that they need a certain amount of
24 money maintained in a water board or a water district to be able
25 to maintain pumps and so on.

1 We never really were prepared for the first rate
2 increase, and really have not really been prepared for the
3 second proposed rate increase. This is all very new to us. And
4 it started coming after we had set plans, obviously, to put yards
5 in, things like that.

6 So my main concern is not only the rate increase,
7 but how abrupt the rate increases have become. And to the
8 extent to where I'm concerned about how it will affect the future
9 of our--how it will affect the future of our subdivision, whether it
10 be other people needing to put in yards and being able to afford
11 them, whether it be me wanting to continue to stay in the
12 subdivision, because it may create some undue hardship at
13 some point in time. Because I think the rates are, you know,
14 going up considerably.

15 So that's really what I want to say. My main
16 concern, really, is just that sudden abrupt increase.

17 THE COURT: Thank you for your testimony, Mr.
18 Holden.

19 Are there any questions for Mr. Holden?

20 Thank you for joining us today, Mr. Holden. You
21 are excused. You may stay on the line if you wish. If you would
22 please mute your end, that would be very helpful.

23 We'll take Marci Holden next. Ms. Holden, are you
24 on the line?

25 MS. HOLDEN: Yes.

1 THE COURT: Ms. Holden, could you please state
2 and spell your name for the court reporter.

3 MS. HOLDEN: Marci Holden, M-A-R-C-I,
4 H-O-L-D-E-N.

5 THE COURT: And Ms. Holden, do you have a
6 preference as to whether you provide testimony or comment in
7 this matter?

8 MS. HOLDEN: Pardon? Would you repeat that,
9 please?

10 THE COURT: Do you have a preference as to
11 whether you provide testimony or comment?

12 MS. HOLDEN: Testimony.

13 THE COURT: Okay.

14 MS. HOLDEN: Would be great.

15 THE COURT: Would you please raise your right
16 hand.

17 MS. HOLDEN: Yes.

18 THE COURT: And do you swear that the testimony
19 you are about to give is the truth?

20 MS. HOLDEN: Yes.

21 THE COURT: Thank you. Please proceed.

22 TESTIMONY OF MARCI HOLDEN

23 MS. HOLDEN: My husband just spoke. And along
24 with everything that he just said, of course I agree with.

25 The abrupt increase and the amount of money that

1 they're going up, from where we've started, is over four times
2 where we started. And it will definitely make a huge impact.
3 We're looking at probably--and this is being on the conservative
4 side of using water--we're thinking we'll be in the water bill
5 range of probably at least \$600 a month. That's, like, a good
6 chunk of money. And like he was stating, it is going to be really
7 difficult to make those types of payments to even keep a yard
8 up. And we were not notified of really any problems going on.
9 And we really put in a whole bunch of money into our yard and
10 would have done things completely different if we would have
11 been aware of really what was happening.

12 The other aspect of it is, too, like I said, just not
13 being let know that there was a problem of what we were
14 dealing with. And this is happening so quickly. That's
15 everything I have to say.

16 THE COURT: Thank you, Ms. Holden.

17 Are there any questions for Ms. Holden?

18 Ms. Holden, there are no questions. You may be
19 excused. You may hold the line if you wish. And please mute
20 your end. Thank you for joining us.

21 MS. HOLDEN: Thank you.

22 THE COURT: Sky Olson, are you on the line?

23 MR. OLSON: Yes, I am.

24 THE COURT: Thank you, Mr. Olson. Could you
25 speak up a bit, please.

1 MR. OLSON: Is that better?

2 THE COURT: That is better, thank you. Mr. Olson,
3 could you state and spell your name.

4 MR. OLSON: S-K-Y, O-L-S-O-N.

5 THE COURT: Thank you, Mr. Olson. Do you have
6 a preference as to whether you testify or provide comment?

7 MR. OLSON: I want to testify.

8 THE COURT: Okay. And will you please raise your
9 right hand.

10 And do you swear that the testimony you are about
11 to give is the truth?

12 MR. OLSON: I do.

13 THE COURT: Thank you. You may proceed with
14 your testimony.

15 TESTIMONY OF SKY OLSON

16 MR. OLSON: Okay. I'm just throwing out some
17 others to kind of coordinate comment on them. I have not even
18 put in my yard yet. And with these abrupt water changes, I
19 know monthly we are allotted 12,000 gallons, so annually
20 144,000 gallons. I don't have a yard. All I have is a small
21 garden that is 2400 square feet that I water daily. And I am
22 going over my allotted amount of water of 12,000 gallons per
23 month. So, with that in mind, I'm paying, you know, for a couple
24 extra thousand gallons at a \$1.50, which is no big deal. But I
25 don't have a yard in yet. I have no grass. I have not done

1 landscaping.

2 So the proposed, from what I've heard, it will go to
3 \$4.50 per thousand gallons that we go over. There are not very
4 many months. It will only be summer months that we go over. I
5 would like to see possibly if we could do an annual overage
6 calculation because during the winter, we're using less water.
7 And most people in our subdivision are fairly conservative with
8 water during the summer. There's nothing that I've ever seen
9 that would make me say someone's wasting a ton of water. We
10 are all very conservative.

11 So if we base it off of 144,000 gallons, I don't know
12 if we would even see any overages. But if I'm going over,
13 currently, on a monthly basis during the summer only with a
14 small garden--I have a small family. There's four members. I
15 would like to see our allotted amount per month increased so we
16 would avoid those overages. That's all I have to say.

17 THE COURT: Thank you, Mr. Olson.

18 Are there any questions for Mr. Olson?

19 Mr. Olson, you may be excused. If you would like
20 to hold the line, please mute your end.

21 DJ Anderson, are you on the line?

22 MR. ANDERSON: I'm right here.

23 THE COURT: Oh, Mr. Anderson. Thank you.

24 For those who are in the room and wish to give
25 comment, I think it would be real helpful that you have a

1 microphone.

2 Could you please come up to this--actually, right
3 here. Yes.

4 Mr. Olson, do you have a preference as to--

5 MR. ANDERSON: Anderson?

6 THE COURT: I'm sorry. Mr. Anderson. I'm sorry.

7 Do you have a preference as to whether you give testimony or
8 comment?

9 MR. ANDERSON: I'd just rather comment.

10 THE COURT: Okay. Will you make sure that that
11 microphone is right up to you so that when you speak, it picks
12 up your voice well so the court reporter and those on the
13 telephone can hear well.

14 MR. ANDERSON: Is that better?

15 THE COURT: That is much better. Thank you.

16 COMMENT OF DJ ANDERSON

17 MR. ANDERSON: My concern is we haven't moved
18 into our house yet. We are just in the process of building. And
19 when we--you know, before deciding to build our house, we
20 budgeted everything out and come up with the water. And our
21 concern now is, you know, once we move in, will we even--at
22 this rate, we won't be able to afford to put a yard in or who
23 knows when? And so we're just concerned that we budgeted to
24 make ends meet on a much lower rate, you know. And that's
25 kind of our concern and why I'm here today, so.

1 THE COURT: Thank you, Mr. Anderson. Is there
2 anything more?

3 MR. ANDERSON: No.

4 THE COURT: Okay. Thank you. You may be
5 excused.

6 Mr. Richard Croft. Mr. Croft, do you wish to give
7 testimony or comment?

8 MR. CROFT: Comment will be fine.

9 THE COURT: Okay. Thank you. If you'd make
10 sure that that microphone is real close to you so that we can
11 pick up your voice well.

12 MR. CROFT: All right. Does that sound good?

13 THE COURT: Maybe a little bit closer.

14 MR. CROFT: Uncomfortably close.

15 THE COURT: Yes. Yes. That's perfect.

16 MR. CROFT: All right. Great.

17 THE COURT: Thank you.

18 COMMENT OF RICHARD CROFT

19 MR. CROFT: I just wanted to comment on a couple
20 of things as we discussed this. I don't know--where did this
21 data come from? Is that from you? I would love to see this
22 data. This is data I'm looking at in my hand here.

23 THE COURT: Mr. Croft, could you maybe identify
24 what it is you're looking at?

25 MR. CROFT: What's that I'm trying to do here.

1 THE COURT: The folks on the telephone wouldn't
2 have any idea. And if you could speak directly into the
3 microphone.

4 MR. CROFT: I just received a handout here that
5 shows the water--well, it's entitled, "Comparison of Monthly
6 Water Bills Based on Various Levels of Water Usage," which is
7 actually very helpful. And I appreciate this. It highlights the
8 comparisons with our county and other local areas.

9 What I would like to see is the same type of thing
10 showing where the \$4.50 per thousand gallons compares to
11 others around in our area. I haven't been able to collect too
12 much data on that. But what I have found when I go to the state
13 water plan for the Bear River Basin, I see in Chapter 4 in that
14 water plan, it does list out approximately 15 communities in our
15 area, Logan to Tremonton. And it does show the limits there
16 and the overages, the actual overage charge for those -- each of
17 those communities. None of them--in the first block that I can
18 see, none of them are showing anything that's over \$2 per
19 thousand gallons.

20 So I'm--I have a keen interest, as you can imagine,
21 as to why we're at \$4.50 per thousand gallons. That's hard to
22 understand. And based on the feedback that I have from many
23 of my neighbors, this is a very big concern to them. At that type
24 of rate, they really are--some of them are going over in May. So
25 from what I've understood before, I understand conservation is a

1 big issue, and as a state, we need to consider that. And as a
2 community, I think we're willing to participate in every way we
3 can.

4 I think how we do our landscaping is going to be
5 part of that. I think how we water is part of that. I think how we
6 build inside our house is going to be part of that as well. And
7 we need to--it would be very helpful to understand the policies
8 of the State up front before some of these people are actually
9 building homes and making plans and even investing lots of
10 money in landscaping so that they can understand that this is
11 going to be--one, that we want to conserve and, two, we want to
12 survive. And for a lot of these families, survival is kind of a big
13 issue. And if they're paying 4- or \$500 a month in the
14 summertime, for a lot of these families, it's between 1- and
15 \$3000 a year that's going to be extra just for watering. So that
16 \$4.50 a gallon, I'd like to see that in perspective and kind of
17 understand what the mentality is. I understand conservation.

18 Also, in the same document that I referenced
19 earlier, the Bear River Basin portion of the state water plan, it
20 highlights the mentality of the State that the jump between tiers
21 has got to be significant in order to make sure that conservation
22 actually happens. And the \$4.50 seems like a pretty large jump.
23 And so we're just homeowners and we don't know a whole lot
24 about what's going on. But it is a big concern to us.

25 And that's part of my comment is to make a point

1 that we seem like--we feel like we're way, way above what the
2 natural landscape is as far as cost per thousand gallons for
3 overages.

4 There are some concerns as to whether or not
5 12,000 gallons is an appropriate limit for where we're at. Again,
6 I understand that it's going to be conservation. But we do have
7 concerns as far as what our water shares originally meant and
8 why we've made a jump from 25,000 per month down to 12,000
9 per month as far as being able to charge these massive overage
10 charges if we have 144,000 shares per year. And most of us
11 are spending a lot less money for 60 percent of the year. It
12 doesn't make sense to switch this to a monthly and get them for
13 a couple months out of the summer and then go back to low
14 water usage for the rest of the year. If we have shares for
15 144,000, then why be charged for above and beyond that for
16 overage?

17 Now, I understand supporting the water company,
18 and we've got to do it. We have to run this water company
19 right. It doesn't do us any good to have a bankrupt water
20 company. So I'm trying to at least establish that, as a
21 community, we appreciate that. And we want to support this
22 company. We understand that there are going to be some
23 increases. We have to deal with that. But those are our
24 concerns at this point.

25 There were a couple of other things I would

1 comment on. Is it possible for us, in an effort to save and to
2 conserve water--as we put in our yards, we'd like to know is
3 there a way for us to have at least a break to establish a
4 landscape? I think that there's data to support that existing
5 landscapes and mature landscapes actually help to conserve
6 water. And one of the difficulties that we have is in the short
7 term, we're trying to establish--this is a really young community.
8 We're trying to establish that mature landscaping. And if you've
9 been out there, we don't have anything.

10 So trying to get a lawn to grow and get trees to
11 grow out there, there's some costs up front, and water is one of
12 those costs. But if we raise that bar too high and people don't
13 put in landscaping, I think, as a community, you could find some
14 data that says this is going to hurt us because we don't have
15 landscaping.

16 And so to cite one of the examples. When Las
17 Vegas initially came out with their "Convert Your Grass to
18 Xeriscaping," or whatever, they discovered after some time that--
19 everyone was hauling out all their grass, and they started to
20 realize that these new xeriscapes were causing increases in the
21 general temperature all throughout the community, that there
22 was increases in energy usage and water usage because of the
23 loss of some of these important landscapes.

24 I think they've been making adjustments, and
25 they're taking a more balanced approach. I think we should all

1 take that. But there's some data there that indicates that
2 there's value in actually being able to have a tree and a lawn as
3 far as decreased temperatures. And I think when we're talking
4 about overages, we're up against a lot more trying to establish
5 a lawn in our community where we're so young. When, if we
6 had a mature landscaping, if we can get to that in five years, I
7 think we can justify that overages would be a lot less; and
8 therefore, it might be more reasonable to begin to enforce more
9 tightly once we get into that type of a situation. But the
10 community would be much better off with landscaping, mature
11 landscaping in place.

12 I don't want to see us hinder that process in
13 establishing that type of landscaping, not just for the beauty of
14 our neighborhood, but for the conservation in general. It's just
15 a fact that it's much more difficult to keep a lawn growing out in
16 the middle of nowhere than it is with houses and trees around to
17 block and shade and to contribute to the overall ecosystem.

18 So those are the two things that I have comments
19 about. That's all I have for now.

20 THE COURT: Thank you, Mr. Croft. You may be
21 excused.

22 Nathan Erickson. Mr. Erickson, do you wish to give
23 comment or testimony today?

24 MR. ERICKSON: I'll give testimony.

25 THE COURT: Okay. Would you please raise your

1 right hand.

2 And do you swear that the testimony you are about
3 to give is the truth?

4 MR. ERICKSON: Yes.

5 THE COURT: Thank you. You may proceed.

6 TESTIMONY OF NATHAN ERICKSON

7 MR. ERICKSON: Okay. I'd just like to start out by
8 giving you a little background of who I am. I've been living in
9 the High Country Estates subdivision since June of 2011. And
10 we recently put in our yard. Our lot is Lot No. 13, I believe?

11 MR. TAYLOR: Fifteen.

12 MR. VEIBELL: Fifteen.

13 MR. ERICKSON: Fifteen. Lot No. 15. And it's just
14 over an acre in size.

15 We just finished our landscaping, or the grass
16 portion of our landscaping, last fall. And we chose to do
17 hydroseeding on approximately about a third of our lot. We
18 have our home on part of it as well. And then the rest of it is
19 unmaintained at this point.

20 And as of July, our water bill with the interim rate
21 increase was \$175. And with the proposed rate increase of \$78
22 for a base and then an overage increase of approximately
23 \$4.50, I think is what I heard, it would have been over \$400.
24 So, obviously, this is a big area of concern for us.

25 So when we started preparing for this meeting, I

1 read through the regulations relating to the Willow Creek Water
2 Company that I received when I purchased my home. This is the
3 Willow Creek Water Company, Incorporated, Rate Schedules
4 and Rules and Regulations, Tariff No. 1, effective April 1, 2009.
5 And it goes through--on page No. T4, it says, "Water use per
6 customer."

7 It says, "As stated in the Company Articles of
8 Incorporation, each user will not own more"--"each user will own
9 one or more shares of common stock in the company. Each user
10 will be entitled to use not more than 146,637 gallons of water
11 per year for A shares; 146,637 gallons per year for B shares; C
12 and D shares, 65,172 gallons per year. Each lot owner in the
13 subdivision will be issued two shares of company stock when
14 they purchase the lot, one A and one B share."

15 So if you go back to page 1 of this document, that
16 one A and one B share adds up to 293,274 gallons annually.

17 And so in conjunction with Sky Olson's testimony,
18 he mentioned 12,000 gallons a month, which this is--if you
19 prorate, 293,274 is half of what we originally purchased when
20 we bought the lot.

21 But even, as was testified previously that it was
22 25,000 gallons a month, that, in effect, is also inaccurate.
23 Because 293,000 gallons per year takes into account winter
24 months, wherein water usage is, by default, less because we
25 don't have to water gardens and yards and stuff like that.

1 So I was over by approximately 84,000 gallons
2 during the month of July this year, which contributed to the \$175
3 bill that I received. And I'd just like to note that that's not
4 completely out of the ordinary. I recognize that I watered my
5 yard more this year because we planted the grass late in the
6 year. And in order to get it to be established--when we started
7 watering in the spring, there were almost no roots because there
8 hadn't been much time for the seeds to sprout and develop roots
9 last fall. So we watered this year more than we would on a
10 normal year in order to establish the root system of the grass
11 that we planted.

12 As I said previously, we haven't landscaped all of
13 our yard. In fact, it's less than half of our yard--or of our
14 property that has been landscaped with grass. And so I think
15 that it's not that we're being--what's the word--over extravagant
16 with our landscaping.

17 And I think that the potential for increasing these
18 rates and reducing the number of gallons that we have is
19 potentially against, you know, what we signed up to begin with.
20 There, on page T5 of that Willow Creek Water Company rate
21 schedules, it says that, "All meters shall be read by the
22 Company yearly occurring October 31," which when we plan for
23 our yards, if we're recognizing that it's going to be an annual
24 rate, that means that the high summer months will, by default,
25 be averaged out by the low winter months so that the likelihood

1 of going over the 293,000 gallon allotment is much less.

2 In addition to that, on page T6, it says, "The right is
3 reserved to amend or add to these rules and regulations, as
4 experience may show it necessary and as such amendments or
5 additions are approved by the Public Service Commission of
6 Utah." I recognize that, you know, we may have been insolvent
7 in the past, that \$38 a month may not have covered our base
8 costs. And so I understand rate increases.

9 But in terms of water shares that we purchased
10 when we purchased the company, in my opinion, that doesn't fall
11 into the category of rate and rule increases. Those are shares
12 of water that we purchased. And that's the way I interpret it. So
13 if that's not the way it should be interpreted, I'd like to
14 understand how it should be interpreted and why it should be
15 interpreted different than that.

16 So if we are billed once a year and we own our own
17 water shares, this change has a dramatic effect on us. And as
18 you've heard testified by other people, it's not something that
19 we take lightly. We're conservation minded in living up there in
20 the High Country Estates. But when we're faced with the
21 potential of paying, you know, 4- or 5- or even \$600 during the
22 summer months, then, I think, naturally we start to look for
23 areas of recourse.

24 And so I don't know, you know, what is potential,
25 but the impacts of having everybody up there go and apply for

1 their own well permit is probably not something that would be
2 the most efficient use of resources on any side. Or, you know,
3 lawsuits or anything like that that could happen as a result of
4 pursuing these high rates would be a big drain on us as well as
5 on the State. It's something that I'd like to avoid.

6 And so, you know, if I could propose a compromise,
7 I think that a system where we could become solvent, based on
8 just our base rate. So, you know, if we had to raise the rates
9 from \$38 a month to some other rate that was sustainable, that
10 would be acceptable to me. I think that the \$4.50 a thousand
11 gallon overage for 12,000 gallons is not acceptable. And if we
12 did have to go to a \$4.50 a gallon, I think it would be acceptable
13 to do that only after we had used the 293,000 gallon per year
14 that we were originally promised when we purchased the lots.
15 And I think that's all the comment that I have at this point.

16 THE COURT: Thank you, Mr. Erickson. You may
17 be excused.

18 MR. ERICKSON: Any questions?

19 THE COURT: Beau Lewis. Mr. Lewis, do you wish
20 to give testimony or comment today?

21 MR. LEWIS: I'll give testimony.

22 THE COURT: Okay. Could you please raise your
23 right hand.

24 And do you swear that the testimony you are about
25 to give is the truth?

1

MR. LEWIS: Yes.

2

THE COURT: Thank you.

3

TESTIMONY OF BEAU LEWIS

4

MR. LEWIS: Real quickly, my background--well, first of all, I appreciate the opportunity to express myself. I do appreciate that.

7

And my background is in business. I have several manufacturing companies that I'm the CFO of. As I have tried to understand, I think everybody's intention is that of to keep the water company healthy, be able to provide water.

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11

Obviously, the Public Service or the Division of Public Utilities is to keep conservancy. And I know Governor Herbert has been very concerned about water conservancy. So that is important to me.

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What I'm trying to wrap my mind around is I understand there are fixed costs and variable costs. In our business in 2009, when the economy was shrinking due to the economic circumstances, we had a fixed cost in our business that we had to cover. And the fewer calls that came in the door, the harder it was for us to cover. And it made the cost of each door more expensive.

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As we were tempted, like our competitors, to raise our price to be able to cover that fixed cost because the volume wasn't there to cover that, it was tempting to do so. We decided to keep our rates and scrape by so that we could get by, but yet

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1 still keep company health. Our competitors, who did raise their
2 price to take care of that fixed cost, have since gone out of
3 business.

4 What kept us in business and actually gave us 40
5 percent growth in an economic down time was that of the
6 market. And in Table 15 of what Rich referenced, and seeing
7 the overage cost, the rate is typically \$1 to \$2, as he had
8 mentioned, for every thousand gallons. I do have a concern. I
9 understand the rate increase in the \$71.80, I believe part--and
10 this is my understanding -- is that part of that is to cover our
11 fixed costs. And I love that. I've actually been promoting the
12 stability of the company since I talked to Alton the first time.
13 And I really think it's important that we have a fixed cost that
14 will cover that. And the \$71.80, I believe, takes care of that and
15 helps us build a buffer.

16 My concern is in the, like I said, the overage rate.
17 It doesn't cost that much to be able to produce or give that
18 water to the people. I think the whole point of that overage rate
19 of \$4.50 is to promote conservancy. And I just have a difficult
20 time understanding why \$4.50 would be required if the
21 neighboring areas are at \$2 or under.

22 And my main concern is that of--Alton has spent a
23 lot of time and money putting a development in. I feel like this
24 rate increase--in my personal case, a standard rate of 150--if I
25 were to take any of these areas and apply myself, I would be

1 \$150 in the summer. With the current circumstances of what's
2 being proposed, I would be at \$300 a month, which I feel is
3 enough to consider taking out lawn or doing something to be
4 able to meet that in my finances.

5 My main concern is that it will hinder the
6 development, or precisely the thing that we need, which is new
7 homes, to generate new revenue and share that fixed cost. So
8 if we could stretch out the time period in which we're trying to
9 recover that buffer and decrease the overage rate to the \$2
10 area, which would put me in about the 150 and keep us
11 competitive, I think that would be a very considerable option.
12 Or if it's another potential solution to simply apply an overage
13 rate to everything and not have a limit, so--and I haven't done
14 the math.

15 But the reality is--my main concern is that of I don't
16 want to hinder the progress of the development, which is
17 precisely the thing that will help the long-term situation. That's
18 all I have.

19 THE COURT: Thank you, Mr. Lewis.

20 Before you leave, are there any questions for Mr.
21 Lewis? All right.

22 Thank you, Mr. Lewis. You may be excused.

23 Travis Green. Mr. Green, do you wish to give
24 comment or testimony today?

25 MR. GREEN: I'll give testimony.

1 THE COURT: Okay. And would you please raise
2 your right hand.

3 Do you swear the testimony you are about to give is
4 the truth?

5 MR. GREEN: Yes.

6 THE COURT: Thank you. Please proceed.

7 TESTIMONY OF TRAVIS GREEN

8 MR. GREEN: Okay. A little background on myself.
9 I'm the owner of Green Grow Lawn Care and Hydroseeding. I've
10 helped some of the neighbors with their lawns in hydroseeding
11 and landscaping and also with their month-to-month lawn care
12 with fertilizing, weed control, aerating, things that will improve
13 the health of lawns and landscape, which obviously is deeper
14 roots and healthier landscapes. And as Rich said, with trees
15 and just more lush landscape, it can then, in turn, improve the
16 environment and lead to wiser usage of water versus lawns
17 exposed to full sun with no trees and exposed to the high winds
18 and other things in our area.

19 The main things I just wanted to focus on--and I
20 just share that as a background. We maintain and help--we
21 hydroseed 200 yards, roughly, every year for the last 20 years
22 throughout Northern Utah. And we maintain and take care of
23 close to 300 to 500 lawns throughout the valley between
24 Tremonton and Logan, and even into Ogden.

25 So I guess my point is I feel like I have expertise in

1 that area to know when people are being negligent or abusive
2 with how they water their landscape and their yards. And I also
3 know when people are doing a good job and being conservative.

4 So I guess my major point is that I, for a fact, know
5 exactly what Beau Lewis, Nate Erickson, Chris Fricke, Josh
6 Westagard, and other people in the community are watering.
7 And in my professional opinion, they are being conservative.
8 They're not being negligent or wasteful.

9 And so I guess my point is--my understanding is the
10 reason for the extreme rate increase proposal to \$4.50 per
11 thousand gallons of overage is to encourage, by--you know,
12 money talks, basically, like to--to encourage people to be more
13 conservative or else they're going to have these high costs of
14 the overage bills.

15 But my point is the message has already been
16 received just with the temporary overage limits that have
17 currently been inflicted, with--I believe we're at \$49 a month and
18 \$1.50 per thousand gallons of overage. And people are already
19 paying upwards of \$200 a month. And already in talking to
20 many people in the community of which are also clients and
21 friends, everybody has already received the message and, in
22 turn, responded in a positive way in the sense of being more
23 conservative. And anybody who drove throughout the
24 neighborhood would see that most lawns are slightly brown and
25 stressed. And so even just visually through a common just

1 drive-by, you can tell they're not overly watering or being
2 wasteful.

3 So I guess I don't understand why there would be
4 the need to be so aggressive in an increase when the message
5 has been received. So I guess that's a big question or concern
6 I have is if the message is received and we're responding in a
7 satisfactory way in accordance with the Governor and other
8 people who want this conservancy, that message has already
9 been relayed and received. And I think we've responded in a
10 proper way and the conservancy is already in effect.

11 The other point I would like to make, or even a
12 question to ask is my specific situation. I'm in the Spring Ridge
13 Estates, and I have a 5.8-acre lot. Many of these other lots are
14 a half acre to an acre. And with my shares that Nate Erickson
15 mentioned, I bought even more shares of water. And yet I feel
16 like I'm under the same umbrella of, "Well, you have to water as
17 much as a half-acre lot." So I would be interested in, perhaps,
18 a definition or a better understanding as to what I get out of my
19 shares. If I paid more for those shares, then why are we all
20 thrown under the same umbrella?

21 And also, I do want to just echo what Sky Olson
22 and Nate Erickson said is if we bought these shares with the
23 understanding of being able to use 296,000 gallons annually, I
24 would assume that that should still be the case. And if
25 something was changed, I guess I would just hope for a little

1 more compromise than such a drastic change with the \$4.50
2 overage and then such a short cap at 12,000 gallons. I just feel
3 like there should be a little more, kind of, middle ground there.

4 So anyways, that's all I really have, unless there's
5 any questions.

6 THE COURT: Thank you, Mr. Green.

7 Are there any questions for Mr. Green?

8 Thank you, Mr. Green. You may be excused.

9 Thank you, everyone, for being here today. The
10 Commission appreciates all of the comments and testimony
11 that's been provided. And we'll take it into consideration. And
12 we'll be issuing an order sometime in the future regarding the
13 subject.

14 And if you wish to keep apprised of the matter and
15 be updated of the decision when it comes out, you can access
16 the Public Service Commission website. And from there, you
17 can go to the link, water link, and find this particular docket,
18 Docket 13-2506-01. And you can also request from the
19 Commission's secretary that you be added to any notification
20 that is sent with respect to this docket, if you wish to get
21 immediate notification when the order is issued.

22 Again, thank you very much for joining us today.
23 Your comments and testimony are very important in reviewing
24 this matter. And I wish you a very good day. And thank you
25 again for participating. This is adjourned. Thank you.

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MR. ERICKSON: Is there any chance we'll have to ask questions?

THE COURT: No, sir.

(The hearing was adjourned at 12:46 p.m.)

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CERTIFICATE

State of Utah)

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County of Salt Lake)

I, Michelle Mallonee, a Registered Professional Reporter in and for the State of Utah, do hereby certify:

That the proceedings of said matter was reported by me in stenotype and thereafter transcribed into typewritten form;

That the same constitutes a true and correct transcription of said proceedings so taken and transcribed;

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

Michelle Mallonee, RPR, CSR