



PublicService Commission <psc@utah.gov>

DOCKET NO. 23-001-04 - Complainant Response to BWC written response

1 message

Martell Menlove <martellmenlove@gmail.com>

Tue, Feb 20, 2024 at 12:01 PM

To: PublicService Commission <psc@utah.gov>, wilson@cbgkr.com, Dixie Wilson <zzgravar@aol.com>, Tana Heninger <taheninger@wsd.net>, Tana Heninger <infobridgerlandwater@gmail.com>, Patricia Elizabet Schmid <pschmid@agutah.gov>, Patrick Grecu <pgrecu@agutah.gov>, Madison Galt <mgalt@utah.gov>, "Widerburg, Gary" <gwiderburg@utah.gov>

Cc: Martell Menlove <martell.menlove@gmail.com>

Thank you for your genuine efforts to resolve this complaint. I sincerely appreciate your willingness to consider this issue.

I also recognize that this complaint could have been more timely submitted at the time the BWC request for a rate increase was being considered in 2021. However, the ongoing revenue being collected by BWC and the heretofore lack of expenses that justified their rate increase as well as the expectation that such expenses may likely not occur in the future, makes this complaint justified at this time.

My complaint is very simple, BWC, as per exhibit 2.4 - Docket No. 21-001-01 justified their rate increase based on at least four new and additional expenses, (1) salaries for the family members assuming responsibility for operation of BWC, (2) repayment of a \$1,138,000 loan to provide water connection with Garden City, (3) \$15,000 annually for additional expenses for power to support the connection to Garden City, and (4) \$30,000 annually for the purchase of water accessed from Garden City as a result of their connection.

Let me address each of these items.

(1) I do not have any problem with Wilson family members being fairly compensated for their time and efforts in running BWC. The salaries justified for the work they were to do seem appropriate. However, since this justification BWC has hired or contracted with at least one additional individual to do at least some, if not all, of the work they listed to justify their salaries. An email received on December 16, 2023 Tana Heninger notes that "Billing is now being handled by Marissa Hepneer". Is this additional hire justified and being paid from the salaries used to justify the rate increase or is this a new and additional expense?

(2) I fully support the connection with Garden City and appreciate the efforts of BWC in securing a loan and causing this to happen. I should note that this connection is only a 2 inch connection and as I understand it is only anticipated to be used in an emergency situation where the existing water source is no longer available. To the best of my understanding, the existing source of water for BWC has never failed to supply the amount of water needed to service BWC consumers. It should also be noted that the connection to Garden City has not yet been completed and the pump stations are still without power connections. In full disclosure, I sit on the Garden City Town Council and as such have tried to move forward with Garden City's portion of the connection. I have on multiple times volunteered to advocate for BWC with the Garden City Town Council and my offers to do this have never been responded to by BWC. At one time Tana Heninger told me that Garden City was not living up to its written agreement with BWC. I asked for a copy of such a written agreement so that I could use it to impact the actions of Garden City and have not yet been given this document. When discussing such a document with Garden City officials, they do not know that such a document exists.

Whereas BWC has collected \$50,520 annually since at least July 2022 for the annual repayment of this loan before they actually made payment on the loan, I believe that they should be held accountable for how these funds were expended or refund these funds to the ratepayers.

(3) As per BWC's written response to my complaint, they have collected \$15,000 annually for an expense that they used to justify their rate increase since at least July 2022. Whereas the power to their pump stations is not yet completed and based on weather and construction conditions in Bridgerland Village may likely not be completed until July/August 2024, BWC has collected \$30,000 (\$15,000 per year) for a rate increase justification that has not yet occurred. Additionally, this expense will only occur in the event of an emergency where they will need to pump water from their Garden City connection. As per my original complaint, I believe that BWC should have a reserve account for the additional power that may be needed in an emergency but any funds beyond the reserve account should be returned to the ratepayers and that the rates should be reduced by a proportionate share of \$15,000 annually.

(4) My concern with the \$30,000 justification for the rate increase based on purchasing of water from Garden City is the same as my concern for the increase based on additional power needed in an emergency. Once an emergency reserve

account has been established the remaining amount of the \$60,000 (\$30,000 each year) accumulated since July 2022 should be returned to the ratepayers and rates should be reduced by a proportionate share of the \$30,000.

Although item (1) was not included in my original complaint it should be noted that none of the other three items were addressed in the BWC written response. The written response does justify the use of the revenue in question to install two bleeders. This is greatly appreciated but it should be noted that the budget submitted to justify the rate increase in 2021 contains, on line 15 of Exhibit 2.4, \$25,000 for General Repairs. How was this \$25,000 spent in 2023?

I share the concerns expressed in BWC's written response to defer additional rate increases for as long as possible and appreciate this effort. However, it is my opinion that additional attention needs to be focused on annual maintenance of the system and an ongoing plan to upgrade the system. If the funds in question had been used to replace outdated, and in some cases I am told non-functioning/non-current code compliant, fire hydrants, this complaint would not have been filed. If the funds in question had been used to upgrade/replace non-current code compliant main lines, this complaint would not have been filed.

It is my opinion that a complete audit of revenues and expenses for BWC from at least 2021 when the rate increase was applied for and granted is appropriate and necessary. This may help reveal why the \$40,000 deficit occurred in 2022 when revenues actually increased significantly based on the given rate increase. It also may help to understand how the \$25,000 general repair budget is being spent and how much is actually being spent for salaries and related employee expenses.

Again, I appreciate the PSC's willingness to look at this complaint and offer some resolution to my concerns. I am more than willing to work with BWC in this process.

Sincerely,
Martell Menlove