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October 23, 2024

VIA ELECTRONIC FILING

Hon. Herbert H. Hilliard, Chairman
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243
TPUC.DocketRoom@tn.gov

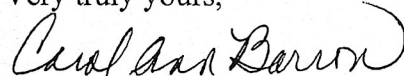
Electronically Filed in TPUC Docket
Room on October 23, 2024 at 3:58 p.m.

RE: Joint Application of Limestone Water Utility Operating Company, LLC and Bridget J. Willhite as Administrator CTA of the Estate of Glenna Newport, for approval of the Acquisition of and to Operate the Newport Resort Water System, and to Transfer or issue a Certificate of Public Convenience and Necessity
Docket No. 24-00034

Dear Chairman Hilliard:

Enclosed for filing please find the original and four (4) copies of the Direct Testimony with Exhibits for Crystal Giles, Jim Vincent, Bruce Spaulding and Dana Thunquist for North Utility District of Rhea County and on behalf of Rhea County, Tennessee in regard to the above-referenced matter. By copy of this correspondence, I am providing copies of the same by email to all parties in this matter.

Very truly yours,


Carol Ann Barron

Enclosures

cc: TN Public Utilities Commission – Via Email: tpuc.docketroom@tn.gov
Ms. Katherine Barnes – Via Email: Katherine.Barnes@butlersnow.com
Mr. Melvin Malone – Via Email: Melvin.Malone@butlersnow.com
Ms. Victoria B. Glover – Via Email: Victoria.glover@ag.tn.gov
Ms. Shilina B. Brown – Via Email: shilina.brown@ag.tn.gov
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Mr. David Woodsmall – Via Email: dwoodsmall@cswrgroup.com
Ms. Bridget J. Whillhite – Via Email: bridget@wmlawfirm.net

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:

**JOINT APPLICATION OF LIMESTONE
WATER UTILITY OPERATING COMPANY, LLC
AND BRIDGET J. WHILHITE, AS ADMINISTRATOR
CTA OF THE ESTATE OF GLENNA NEWPORT, FOR
APPROVAL OF THE ACQUISITION OF AND TO
OPERATE THE NEWPORT RESORT WATER SYSTEM,
AND TO TRANSFER OR ISSUE A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY**

DOCKET NO. 24-00034

**DIRECT TESTIMONY
OF
CRYSTAL GILES**

October 21, 2024

1 **Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION FOR**
2 **THE RECORD.**

3 **A1.** My name is Crystal Giles. My business address is North Utility District of Rhea County,
4 23928 Rhea County Highway, Spring City, Tennessee 37381. I have been employed by
5 North Utility District of Rhea County (NUDRC) for six years as the Office Manager.

6 **Q2. PLEASE PROVIDE A SUMMARY OF YOUR DUTIES AS OFFICE MANAGER.**

7 **A2.** My duties include all matters relating to customer service, bookkeeping, board meeting
8 preparation, compliance with regulations and policy, personnel/payroll, recordkeeping,
9 grant documentation. I work directly with the NUDRC Board, other staff, the Engineer and
10 the Auditor to ensure smooth operations for our customers as well as explore ways to
11 improve the utility district.

12 **Q3. CAN YOU PROVIDE ALL COMMUNICATIONS, DOCUMENTS, AND OTHER**
13 **MATERIALS THAT NORTH UTILITY DISTRICT OF RHEA COUNTY**
14 **(“NUDRC”) HAS RECEIVED FROM LIMESTONE WATER REGARDING THE**
15 **SALE, OFFER FOR SALE, ACQUISITION, OR STATUS OF THE NEWPORT**
16 **RESORT WATER SYSTEM (“NRWS”)?**

17 **A1.** Yes. NUDRC has not received any communication from Limestone Water regarding the
18 sale, acquisition, or status of the Newport Resort Water System (“NRWS”).
19 NUDRC Board President Villa Edwards did receive a call/voicemail on September 11,
20 2024 from Jamie Shannon, Business Development Assistant, for Central State Water
21 Resources, the parent company of Limestone Water, regarding whether there was any
22 interest in selling the NUDRC system. **(Transcription of voice message is attached**
23 **herewith as Exhibit No. 1)**

Q4. CAN YOU PROVIDE ALL DOCUMENTS, INCLUDING MAPS AND CONTRACTS, RELATED TO THE PROVISION OF WATER SERVICE TO THE TRADEWINDS PROPERTY LOCATED AT 1041 WHITES CREED RD., SPRING CITY, TN, WHICH WAS FORMERLY A CUSTOMER OF NRWS?

A4. Yes. 1) The Water Service Contract signed by Tradewinds Investment Properties d/b/a Whites Creek Campground. (Attached herewith as Exhibit No. 2)
2) Engineering Map showing the location of NUDRC's existing lines as well as the placement of the tap for Tradewinds which houses the emergency connection to serve all of NRWS whenever necessary. (Attached herewith as Exhibit No. 3)
3) Letter from Bridget Willhite, Administrator for the Estate of Glenna Newport, the current owner of NRWS. (Attached herewith as Exhibit No. 4)

Q5. CAN YOU PROVIDE ALL COMMUNICATIONS, DOCUMENTS, AND OTHER MATERIALS THAT NUDRC HAS RECEIVED FROM THE ESTATE OF GLENNA NEWPORT OR ITS ADMINISTRATOR REGARDING THE SALE, OFFER FOR SALE, ACQUISITION, OR STATUS OF NRWS?

A5. Yes. Bridget Willhite, Administrator for the Estate of Glenna Newport, was in attendance at the regular scheduled board meeting on September 21, 2023, where she addressed the board. The Board decided to schedule a special-called meeting to have our engineer and our attorney present. The meeting was scheduled for October 2, 2023. Mrs. Willhite attended the special-called NUDRC board meeting on October 2, 2023, where she presented NUDRC with a Letter of Intent for their consideration, wherein NUDRC would lease the NRWS water system and distribute the water to NRWS customers through the NRWS system and NUDRC would pay the sum of \$1,500.00 per month to provide water to

NRWS customers through the unreliable NRWS system. The Letter of Intent also included an Option to Purchase, although the Letter of Intent specifically stated that “NRWS is currently under a contract to sell the [NRWS] assets to an undisclosed buyer for a purchase price of \$25,000.00. Further, the Administrator stated that she would actually need to seek approval from the Probate Court to make the sale. These terms were not agreeable to the NUDRC Board who only wanted to make an outright purchase of the assets of NRWS.

(Letter of Intent is attached herewith as Exhibit No. 5)

Q6. DID NUDRC SUBSEQUENTLY MAKE AN OFFER TO PURCHASE THE ASSETS OF NRWS? AND IF SO, CAN YOU PROVIDE THE PURCHASE PRICE OFFERED BY NUDRC AND THE DATE OF THE OFFER?

A6. Yes. NUDRC made an offer to purchase the assets of NRWS in a letter dated July 24, 2024 to Bridget Willhite, the Administrator for the Estate of Glenna Newport. NUDRC made an offer to purchase Newport Resort Water System for the sum of \$25,000.00. **(7-24-24 Letter to Bridget Willhite regarding the Offer to Purchase NRWS is attached herewith as Exhibit No. 6)**

Q7. DID NUDRC HAVE A DISCUSSION WITH NRWS REGARDING THE PURCHASE OF THE SYSTEM AFTER THE OFFER DISCUSSED IN A6. ABOVE? IF YES, PROVIDE A NARRATIVE OF THE DISCUSSION AND IF THERE WAS A REVISED PURCHASE PRICE OFFERED?

A7. No. NUDRC did subsequently authorize the sum of up to \$55,000.00 to complete the purchase of NRWS, if necessary. However, the Board learned almost immediately thereafter that no further offer by NUDRC would be considered.

Q8. WHEN AND HOW DID NUDRC LEARN THAT ITS OFFER TO PURCHASE

NRWS WAS NOT ACCEPTED?

A8. In a letter dated August 12, 2024, the Administrator for The Estate of Glenna Newport acknowledged receipt of our offer to purchase letter dated 7-24-2024 and further stated that Newport Resort Water System is under contract to be purchased by a third party and TPUC was scheduled to make a final approval on September 9, 2024 and further advised NUDRC to reach out to the TPUC regarding NUDRC's offer to purchase.

(Letter dated 8-12-2024 from Administrator attached herewith as Exhibit No. 7)

Q9. WHEN AND HOW DID NUDRC LEARN OF THE JOINT PETITION OF NRWS AND LIMESTONE FILED WITH THE COMMISSION ABOUT THE SALE OF NRWS?

A9. NUDRC learned that this matter was before the Tennessee Public Utilities Commission through the August 12, 2024 Letter from the Administrator for the Estate of Glenna Newport. (See Exhibit No. 7). Shortly thereafter, staff of NUDRC located the TPUC docket and began to review the documentation with our attorney, who filed the Joint Application of Rhea County, Tennessee and NUDRC's Petition to Intervene in these proceedings on August 29, 2024.

Q10. ARE YOU AWARE OF COMMUNICATIONS, DOCUMENTS OR OTHER MATERIALS THAT THE COUNTY OR NUDRC HAVE RECEIVED FROM NRWS CUSTOMERS REGARDING THE SALE, OFFER FOR SALE, ACQUISITION, OR STATUS OF THE NRWS. SPECIFICALLY, ANY PUBLIC COMMENTS OR MEETING MINUTES FROM TOWN HALL OR OTHER SIMILAR PUBLIC MEETINGS REGARDING THIS MATTER?

A10. Yes. A Petition signed by NRWS customers which was electronically filed in the TPUC

Docket room on August 12, 2024, at 8:34am by Rhea County Mayor, Jim Vincent, stating that they [NRWS customers] wish to initiate all necessary steps to allow the assumption of NRWS by NUDRC. Additionally, several NRWS customers came to NUDRC board meetings held September 21, 2023, and October 2, 2023 voicing their concerns about the unreliability of the current system and the great lengths of time it was taking to restore water service through the NRWS system and their desire for NUDRC to immediately purchase NRWS and assume responsibility of the system. I have the Sign-in sheets from the meetings. **(Attached herewith as Collective Exhibit No. 8)**

Q11. REGARDING NUDRC'S EXISTING CUSTOMER SERVICE, IF NUDRC WERE TO ACQUIRE NRWS, IS THERE A NEARBY OFFICE WHICH NRWS CUSTOMERS CAN VISIT WITH COMPLAINTS, QUESTIONS, MAKE PAYMENTS, ETC?

A11. NUDRC and NRWS share a contiguous border and are in the same geographic location. The NUDRC office is conveniently located for NUDRC and NRWS customers at 23928 Rhea County Highway in Spring City. Normal office hours are Monday-Friday 9am-5pm local time. In addition, the Board meets monthly on the 3rd Thursday at 4pm. All are welcome to attend to voice any concerns or to make any inquiries.

Q12. ARE THERE OTHER OPTIONS FOR NRWS CUSTOMERS TO ADDRESS COMPLAINTS OR ISSUES REGARDING WATER SERVICE?

A12. NUDRC board members are appointed by the Rhea County Mayor, who is available Monday through Friday 8:00 A.M. to 4:30 P.M. to hear any concerns water customers may have about how the board members are administering their responsibilities within

the district. Additionally, customers can appeal any board decision or water rate concerns to Tennessee Board of Utility Regulations (TBOUR).

Q13. IF THERE IS AN INTERRUPTION TO SERVICE (I.E. PUMP FAILURE, LINE FAILURE, ETC.), HOW QUICKLY CAN NUDRC RESPOND TO AN INCIDENT WITH A NRWS CUSTOMER?

A13. Our procedures are such that NUDRC will dispatch a crew to assess the problem within the hour and begin making the necessary repairs. But please keep in mind that with the requirements from 811 we may not be able to start digging until at least 2 hours later but repairs are first priority and are fixed as soon as possible.

Q14. REFERRING TO NUDRC'S WEBSITE FOR ITS CURRENT RATES (<https://nudrc.org/current-rates>) IT STATES THAT THE WATER TAP FEE RATES FOR A RESIDENTIAL ¾" METER-INSTALLED IS \$2,200.00 AND A COMMERCIAL 2" METER-INSTALLED IS \$7,000.00 MINIMUM. IS IT CORRECT THAT NUDRC DID NOT CHARGE NRWS A TAP FEE WHEN IT WAS CONNECTED?

A14. NUDRC did not charge a tap fee to NRWS, however, NUDRC did charge for a commercial 2" meter-installed to Tradewinds Investment Properties as they are the owner of the commercial meter, and Tradewinds Investment Properties is the NUDRC customer, so they paid \$7,000.00 for the connection. **(Payment from Tradewinds Investment Properties attached herewith as Exhibit No. 9)**

Q15. REFERRING TO THE NUDRC'S CURRENT RATES ON ITS WEBSITE. SHOULD NUDRC PURCHASE NRWS, DOES NUDRC INTEND TO PROVIDE

137 **NRWS CUSTOMERS WITH WATER SERVICE AT THE RATES OUTLINED ON**
138 **ITS WEBPAGE? IF SO, WHICH RATES WOULD APPLY TO NRWS**
139 **CUSTOMERS?**

140 **A15.** NUDRC will charge NRWS customers the same rates that our current ratepayers have. The
141 rate schedule is \$30/2,000 gallons and \$9.75/1,000 gallons afterward. NUDRC also offers
142 a leak protection service with a 3rd party company called Servline (Homeserve) that costs
143 \$1.30 per month. This is automatically opted in for the customer, but they do have the
144 option to opt out.

145 **A typical bill for 3000 gallons would be as follows:**

Base Rate- 2,000 gallons	\$30.00
1,000 gallons	\$ 9.75
Servline Leak Protection	\$ 1.30
Sales Tax	\$ 3.88
Total Amount Due	\$44.93

146 **Q16. WAS NUDRC APPROACHED BY THE ADMINISTRATOR ABOUT AN OFFER**
147 **TO BY THE NRWS SYSTEM FOR AN AMOUNT OF \$125,000.00?**

148 **A16.** No. NUDRC has never been give \$125,000.00 as a purchase price for NRWS. We were
149 given the sum of \$25,000.00 and we have offered to purchase NRWS for \$25,000.00, and
150 the NUDRC Board approved a cap of \$55,000.00.

151 **Q17. THE AGREED ORDER AS TO DIVISION AND SALE OF CERTAIN ESTATE**
152 **ASSETS, IN THE CHANCERY COURT FOR RHEA COUNTY, TENNESSEE**

PROBATE DIVISION, NO. 19-PR-2725, AUGUST 16, 2022, PAGE 5, SECTION
III, (NEWPORT RESORT WATER STSTEM), PROVIDES THAT “[T]HE SALES
PRICE TO BE OFFERED IS \$125,000(LAND, INVENTORY, EXISTING ACTIVE
TAPS)” FOR THE NEWPORT RESORT WATER SYSTEM. HOWEVER, THE
SALES AGREEMENT TO LIMESTONE WATER PROVIDES A SALES PRICE
OF \$25,000.00. DID NRWS PROVIDE AN EXPLANATION TO NUDRC ABOUT
THE DISCREPANCY BETWEEN THE \$125,000.00 REFERRED TO IN THE
PROBATE ORDER AND THE \$25,000.00 SALE TO LIMESTONE WATER?

A17. No. NUDRC was never been given an explanation as to the difference in price from the
Probate Order and the \$25,000.00 sale to Limestone Water. (**Probate Order attached
herewith as Exhibit No. 10)**


**Q18. IS NUDRC AWARE OF ANY COURT ORDER APPROVING OR
DISAPPROVING THE SALE, INCLUDING ANY SPECIFIC SALE PRICE, OF
THE NRWS SYSTEM?**

A18. No. NUDRC is not aware of any court order approving or disapproving the sale for any
price for the NRWS system.

Q19. DOES THIS CONCLUDE YOUR TESTIMONY?

A19. Yes. However, I reserve the right to supplement my testimony if additional information
becomes available.

this matter, and that my testimony herein is true and correct to the best of my information,
knowledge, and belief.



CRYSTAL GILES
Office Manager for NUDRC

STATE OF TENNESSEE

COUNTY OF RHEA

Personally, appeared before me, the undersigned, a Notary Public in and for said County and State, the within named individual, **CRYSTAL GILES**, with whom I am personally acquainted (or upon the basis of satisfactory evidence presented to me), who, after being duly sworn, made oath that he/she executed the foregoing for the purposes therein contained.

WITNESS my hand and seal this 21st day of October, 2024.


Cynthia Thomas
NOTARY PUBLIC
Commission Expires: 11/19/25