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CANDLE WOOD ESTATES

- 1) The well.
  - A. When the limestone was specifically asked SEVERAL TIMES, "will the water bill increase in order to install the new well"
  - B. Limestone said, "No, we have funds to invest to install in the well without a rate increase and within the limited time span the State of Tn. has mandated the new well is to be installed by. An investment like this is normal procedure because we will make money in the long run."
  - C. Since the cost of the new well was included in the offer to purchase (because they have the Funds to invest) how can that be a reason for a rate increase?
  - D. HAS the NEW WELL been installed? Have they lived up to their end of the deal? NO, THE NEW WELL STILL HAS NOT INSTALLED. YET, THEY ARE ASKING FOR THIS RATE INCREASE. I heard approximately 66% increase. From the current rate of \$40 which is the fair market rate for our area.
  - E. The sale was voted on and passed because it was railroaded by a scare tactic by the Board.
    1. Though the board knew about the need for a well to be installed for about 5 yrs. The members were not notified about the seriousness of it until:
    2. Just prior to the sale of the water system-
      - a. It was stated that "The state has given POA 2 weeks to sell the water company or make arrangements to have the well installed immediately or face SEVERE DAILY fines until the well is installed."
      - b. The arrangement was made for a meeting with Limestone in 2 weeks. AT the meeting we it was stated "we have 3 weeks to sell the water company or face severe fines."
      - c. 2 weeks plus 3 weeks = 5 weeks. Yet, it met the State mandate of 2 weeks for the sale. Yet, about 2 years later the new well has not been installed. Seems to me something was railroaded through with scare tactics.
  - F. The POA Board stated they could not secure a loan for a new well.
    1. Tried every source available for 5 years (but failed to notify the members that the loan could not be attained) or at least since summer of 2019 when I moved in.
    2. They claimed, "Even tried the Gov't secured loan, it was stated 'an audit was required'. The POA board refuse for an audit to be done. Claimed not enough money."
    3. Candlewood from what I understand was once setup as a non-profit.
      - a. Which from what I understand an audit is often require.
      - b. The board for some reason decided to lose the non-profit statis.

- c. Why? Was it that they felt it was cheaper to pay taxes then to have an audit done and to reapply for the non-profit status as required by law? If not, why did they let the non-profit lapse? Last November, \$5,000 APPR. was reported as being paid for property taxes.

2) the supposed financial need.

Limestone claimed (I presume in a sworn statement) or at least in a statement that they sent to the TN. Dept. of Utilities, Limestone claiming they would have to back out of deal to purchase UNLESS.

A. Unless, the water availability fee was allowed to be collected.

B. Problem, the water availability was (according to what the members were told from the Beginning) the money would be collected by the POA and is to remain the POA'S money. YET, limestone sent a paper saying unless the water availability money was continued to be collected, it would cause Limestone undue financial hardship and Limestone would have to back out of the purchase.

They claimed that (the money that was going to go to the POA) and was not going to them, would cause them undue financial hardship if the fee was discontinued. And they would back out of the deal. What is wrong with this picture?

SOME BODY LIED, either to the person who signed the paperwork or to the TN Dept. of Utilities or both. Since the water availability fee would NOT affect Limestone one way or another.

Would like to hear how water availability fee be clearly explained on how it would cause Limestone a financial loss if it was not collected, when POA collected it and kept it.

C. Since Limestone stated over and over again, they would not raise the rates because of installing a new well because they had funds in reserve to install the new well. **Which implies their offer included the cost of the new well.** They stated it was a normal practice for them to make such an investment. Because they will make it back over the long haul.

**How could that be a just cause to raise the rates?**

3) Limestone had the water Company books audited (at least that is what the POA members were told because there was a lag of a few days until they audited the books before the sale was accepted) and also any intelligent company would audit the books.

A. Why is it now being discovered that the \$40 a month rate is inefficient, and a 66% increase is needed?



- B. Did their auditors make a mistake or were the books wrong? Or were they planning on this rip off from the beginning and lied about it?
  - C. If their auditors made a mistake, then the auditors should be held accountable for recommending the purchase of a non-profitable business. If they intentionally lied, they should suffer the loss. Because, if a rate increase was revealed the sale probably would never have happened.
- 4) If the water system was NOT up to the condition that was represented,
- A) then **the POA board members** who represented the condition should be held accountable if they knew about its poor condition,
  - B) Because a 66% increase which makes it higher than any other water rates around, is not a satisfactory solution when most people seem to be low income or retired people (except those on or near the front lake) many of which are a 1- or 2-person household.
  - C) let's seek an acceptable option to resolve this problem  
the cost of Limestone research to see if the purchase should be made, is cost of normal business making an offer. Thus, the POA members should not be responsible for the research cost.

If a rate hike is needed, then the Maximum amount should be set at the combined rate of cost of living set by Federal Gov't every 5-10 years unless more is needed and agreed upon for major repairs and approved by the members of the POA and/or DEPT OF UTILITIES. This excludes the cost of the well which they claimed they had money to invest without an increase in rates.

PLEASE TAKE ALL FACTS INTO CONSIDERATION. LIMESTONE DID THEIR RESEARCH. IT IS EITHER THEIR FAULT OR THE POA BOARDS FAULT FOR MISREPRESENTING THE WATER COMPANY OR BOTH

LIMESTONE did their research. They knew or should have known what they were getting into.

**LIMESTONE SHOULD NOT HAVE LIED TO CANDLEWOOD POA MEMBERS ABOUT NOT RAISING THE RATES.**

**Then WITHOUT FOLLOWING THROUGH WITH THE TERMS OF THE CONTRACT, INSTALLING A NEW WELL.**

**If they told the truth about the rate increase the sale PROBABLY would not have gone Through.**