

Supplemental Statement from Douglas P. Turner, filed online with the Tennessee Public Utility Commission (TPUC) Public Comment Website March 12, 2025, on the matter of Docket #2400044 - Petition of Limestone Water Utility Operating Company LLC to Increase Charges, Fees and Rates and for Approval of a General Rate Increase and Consolidated Rates.

I'm Doug Turner, residing at [REDACTED]. I am a service customer of Limestone for sewer services in the River Rest community in the Grassland area of unincorporated Franklin, in Williamson County TN. This proposed rate increase will seriously impact my utility costs and monthly budget, so I must **OBJECT to this rate increase request by Limestone/CSWR**, both personally for myself and as a homeowner representative for the River Rest Homeowners Association (RR-HOA) and advocate for the adjacent River Rest Condominiums (RR-Condos).

The residents of River Rest (RR-HOA and RR-Condos), in the Grassland community of Williamson County, represent 307 of the "taps" (customers) of the 563 total taps (over 54%) for sewer services provided by Limestone Water ("Limestone"), an operating entity of Central States Water Resources ("CSWR"), a private investor-owned utility operator from St. Louis, Missouri. Limestone has a tariff application before the TN Public Utility Commission (TPUC) for a rate increase of **106% (more than double)** of our monthly sewer services, **from \$42.00 per month to \$86.64 per month**. RR-HOA has a combination of younger families on strict budgets plus older residents on limited incomes, and the majority of RR-Condos has older residents and retirees on limited incomes; **none of us can afford such a hefty increase in rates, amounting to an over \$500.00 increase annually.**

We have been actively participating in the rate hearing process, having filed online comments with the TPUC, testifying in person at two hearings, and submitting documents regarding our concerns and questions to TPUC. We have been remotely listening to the hearings via Webex, and are encouraged by the strong efforts of the Consumer Advocate Division (CAD) of the TN Attorney General's Office. However, we are uncertain whether our concerns or those of CAD are enough, as the **TPUC is apparently showing favoritism to Limestone in its efforts to raise our sewer rates without justification or proof of claimed improvements to our sewer system that Limestone has claimed in its tariff filing.** Our concerns are outlined, below.

1) Financial Concerns

- a) Ask TPUC to consider the extent that the rate increase is due to the company's **failure to do due diligence** in determining the liability in the plant. We support, in principle, the reimbursement of certain acquisition costs to encourage remedial purchase of distressed plants, but **assignment to existing customers the responsibility for a lack of professional due diligence by the company is not justified or fair.** It is questionable whether the assets exceeded the liabilities at purchase, yet they paid a considerable amount for the Cartwright Creek Utility Grassland Wastewater plant.
- b. **A five (5) year ROI is inappropriate** when public owned utilities amortize debt on the range of 20 years for the major structural part of the investment. **Limestone is front-loading their expenses short-term onto the rate-payers.**
- c. Limestone/CSWR did not take advantage of certain guaranteed grant money being offered for infrastructure.
- d. Escrow funds collected over 10+ years – **totaling \$654,000 per hearing testimony** - have apparently gone unused by Limestone and **apparently have not been considered by Limestone as an offset to the expenses** Limestone has claimed for plant improvement and/or replacement (replacement scheduled September 2026).

2) Extension of Time

We ask that the TPUC **extend their time frame to render a decision** from April 14, 2025 to at least May 14, 2025, to allow for the requisite additional review needed by rate-payers, its designated representatives, TN CAD, and others, due to short-notice by Limestone to the rate-payers and public, even though Limestone has internally been active in this tariff pursuit for nearly a year.

- a. **Notice of Hearing to allow for public comment and shared testimony was insufficient**, resulting in lack of good faith and transparency by Limestone/CSWR.

- b. Rate increase projection from Limestone in 2022 at a River Rest community gathering under our pavilion with Brent Theis, with Limestone/CSWR, shortly after they purchased the property in late 2021. Informal notice was shared that they would be pursuing a rate increase in the next few years, **estimated at 5% but not to exceed 20%.** We do not have a formal record of this as it was an open conversation, but from the feedback of the community, the amount suggested at that time is **nowhere near the 106% they are now requesting.** See Limestone Rate Comparison document previously filed for docket.

3) Inequitable Billing and Rates

Sewer rates between Residential Customers and Commercial/Institutional Customers, by Limestone and its predecessor Cartwright/Schaefer, have provided service and **billed commercial/institutional customers at rates less than residential rates, apparently below costs**, while Limestone and its predecessor have **partially offset up deficits by charging higher rates to its residential customers**. Example: Residential \$42.00->\$46.50 per month flat rate; Commercial/Institutional: \$37.00 per month flat rate, regardless of volume of sewage produced. **Historically, the high-producing sewage flow creators have been charged LESS than low-producing residential creators**. Further, proper Design Flow Rate Assignment of Equivalent Resident Unit (ERU) Ratings **have not been implemented** (those referenced by Limestone), to adjust for commercial/institutional high-flow customers by industry classification.

4) Sewage Overflow

River Rest has experienced **two overflows of the Grassland plant since late December 2024**, the second of which occurred earlier the week of February 17, 2025. During the online Webex hearings of February 19 and 20, 2025, Limestone/CSWR executives and representatives **denied under oath that any such overflows had occurred**. Yet, TDEC was indeed informed by RR-HOA leaders and an onsite inspection was conducted by TDEC on February 20, 2025, verifying our concerns. Please reference the attached TDEC Complaint #135388 - Complaint Details Cartwright Creek STP 2-21-2025.pdf. Limestone/CSWR has done little to address these two ongoing issues, other than to install portable backup pumps, **demonstrating that they do not have the capability to properly operate this sewer system**.

5) Additional Pending Acquisitions by Limestone

Limestone is claiming that they are petitioning for a rate increase sooner than is typically allowed (4 years of financials) because of the rate of incurred debt. However, they have additional acquisitions pending in the state of TN. How can they be allowed to **not** finish, repair, replace, or even begin construction on currently-owned deficient systems, while acquiring new properties and doubling, in some cases quadrupling rates? Is this a business move to show artificially-inflated profitability to their private investors, without ever making true their promises to the communities they already serve? **Any additional utility acquisitions by Limestone should be disallowed at this time**.

6) Transparency and Sunshine Laws

Public comments from docket have been removed, at the specific direction of the Commission Chairman Jones on February 19, 2025. At time of their removal there were somewhere close to 300; as of today March 12, 2025 there may be over 400 – if not 500 – public complaints and comments filed on this matter, **that the TPUC is apparently choosing to ignore and hide from the public**. These comments allegedly will return once the TPUC has reached a decision on April 14, 2025. **Public comments should NOT be hidden from the public**.

7) Williamson County Public Utility

As I had stated in my in-person verbal testimony to the Commission at the hearing on February 13, 2025, **ALL** sewer and water systems in Williamson County should be owned and operated by a coordinated, county-wide public utility network, similar to Metro Water Services in Davidson County. **This is in the best long-term interest of the customer**.

8) Bottom Line

A **reasonable** rate increase **may** be justified as is a new facility at Grassland - this is not the issue - but the increase requested by Limestone/CSWR is **not supported**, evidenced by CAD's cross examination of Limestone/CSWR witnesses, CAD's own expert witnesses, and the inflated expenses and accounting submitted by Limestone/CSWR. In all, the extremely high percentage increase, the lack of proper notice to the rate payers and public, the subterfuge utilized by Limestone/CSWR from its filed documents and testimony during the hearing, the lack of timely follow-through on maintenance and repairs by Limestone/CSWR, inflated numbers by Limestone/CSWR, and the lack of transparency by TPUC during the hearing process are all legitimate concerns that the tariff filing and requested rate increase by Limestone/CSWR **should be disallowed by the TPUC**.

Sincerely,

Douglas P. Turner
Resident Member - River Rest Homeowners Association
Advocate for River Rest Condominium Association

Complaint

Complaint Number

135388

DWR Program Area

WPC

Date Received

2/18/2025

How Received

Ask TDEC

Concerning

Sewage Bypass / Overflow

Concerning (Other)

Assigned on

2/19/2025

Record Last Updated

21-FEB-2025 03:30PM

Location based on SITE_ID

Site ID

5217

Site

Cartwright Creek - Grasslands STP

Location

River Rest Subdivision

City

Franklin

Descri...

Treatment of domestic sewage

County

Williamson

EFO N...

Nashville

Site O...

Cartwright Creek Utility Co. STP

Investigation Results

Status

Investigation Ongoing

Date Investigated

2/20/2025

Responsible Party

Central States Water Resources

Completed on

2/21/2025

Referred To

Referred on

Photos

Complaint Description and Writeup

Complaint Description and Writeup

I live in River Rest and the sewage treatment plant, Limestone, was overflowing over the sides of the plant and causing a big stream of raw sewage to run down onto the soccer field in our community. This is a very big health hazard and the treatment plant is right beside the Harpeth River.

DGP investigated the site on February, 20, 2025. DGP assessed the various trails south of Cartwright Creek and east of the Harpeth River, and several areas where rainfall will travel from the treatment facility. I also observed the soccer field, manholes, the facility's main lift station also known as a "wet well", upstream & downstream of the facility's permitted discharge location "Outfall 001", and the northern perimeter of the STP. The manhole adjacent to the soccer field along the southeast entrance to the field and a section of the fence adjacent to the treatment facility were evidence of domestic sewage leaving their system. DGP spoke with Clear Water Solutions regional supervisor, and is aware the Division expects both affected areas to be cleaned and disinfected immediately. The supervisor will respond to DGP when this is completed.