

Jean Jewell

From: Jean Jewell
Sent: Monday, August 15, 2016 10:14 AM
To: Jean Jewell
Subject: FW: Consumer Assistance Form - Comment re: Morning View Water Company

-----Original Message-----

From: chasselstrom@yahoo.com [mailto:chasselstrom@yahoo.com]
Sent: Saturday, August 13, 2016 6:23 PM
To: Front <front@puc.idaho.gov>; Beverly Barker <Beverly.Barker@puc.idaho.gov>
Subject: Consumer Assistance Form: Carol Hasselstrom

Name: Carol Hasselstrom
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Name of Utility Company: Morning View Water Company Contacted Utility: Yes

Complaint: Case MNV-W-16-01
August 13, 2016

I was hoping that this rate increase would be the last thing that the CCMV Homeowners Association, Inc. would have to do. The Homeowners Association was created in 2008 at the request of the IDEQ. They were afraid that Nolan Gneiting, the owner of Morning View Water Company, would make good on his threat to take out bankruptcy and leave the water system customers stranded. Nolan had been fined just under \$400 dollars for not paying fees to a government agency for owning and operating a public water system. None of us at the meeting wanted to own or operate a water system, but we did want the government agencies who by law were to regulate public utilities to actually regulate this public utility so we formed CCMV Homeowners Association, Inc. Since 2008 we have hounded the IDEQ, IPUC, Water resource Board, the Governor and the Licensing bureau to actually bring this public utility into compliance with the laws of the State of Idaho. Eight years later the company is finally in compliance. It won't be for long but it is at the moment. Why do I think that Morning View compliance will be short lived? Because after only one year with the new well the water pressure has started to fluctuate all over the place. I noticed today that we are getting air back into our water. Under the old system 60 percent of our water was the air used to push the water pressure up to acceptable psi. Nolan comes off as a country bumpkin but he is a smart man who spends a great deal of time figuring out how he can outsmart the people around him. I think that is one of the reasons that he has gotten away with not being in compliance in the past. Greg Eager of the IPUC has told me repeatedly that Nolan dances just outside of them being able to take legal action against him. The Jefferson county Planning and Zoning commissioner told me the same thing. She said that even when they did win legally nothing was ever accomplished.

The IPUC doesn't even try. The IPUC keep great records in their archive of all of the case files of every public utility. Unfortunately their employees never read them. At the 'workshop' that was held recently the accountant stated that the last full audit for Morning View Water was completed in 2006. If the man had read the case file he would have read that in 2006 an audit could not be completed because there were not any financial records kept by Morning View Water Company so they asked Morning View to keep all of the bills for three months. Nolan handed them what he claimed was three months of bills and they created a financial statement for Morning View Water for the previous year. I couldn't believe it when I read that section. I work in accounting. I have been part of Idaho State sales tax audits and have worked at hospitals that have had both Federal and State audits on the Medicare and Medicaid. Those audits were thorough. I expected the IPUC auditors to do the same kind of thorough audit. It has never happened. Not once. The

contingency fund placed on the customers of Morning View Water is a perfect example. According to the case files three months of records were all that have ever been kept of the contingency fund. The case workers have stated that they were surprised that Nolan kept them for that long. They knew that the contingency money was lumped into the rest of the water money in the Gneiting's bank account along with all the rest of the money that was collected from the various businesses that Nolan had going on. It's documented very well. Now that there is actually a reason to have a contingency fund for the paying back of the loan that was used to bring the water company into compliance we aren't having one anymore. Two reasons for this I think. One is that the contingency fund cannot be traced. With the exception of the first three months no records have been kept. Second is that no one that I have talked to at either the IDEQ or IPUC think there is any chance that Morning View Water Company will ever pay back the loan. The Gneiting's don't pay their bills. Never have. I guess they could start.

It looks like the IPUC is going to do their usual with this company and throw money at it. Better start coming up with a plan to bail Morning View Water Company out when they have 106 empty houses and zero income. I can see it happening. I received a letter from Mr. Redman of IPUC years ago in which he said that he could set our water rate at anything he wanted it to be. Isn't that nice. We however don't have to live in Morning View Water Company's territory. It will hurt the people who can't sell their houses but it is already hurting them. Banks don't want to loan money on homes in this water company's territory. People have heard about the water problem and will not purchase a home here. I have received calls from banks about the homeowner association on different repossessed homes. They want to know if there will be any dues that need to be paid. The homeowner association is voluntary. Real estate agents lie to potential buyers about the water system. Nolan has lied to the real estate agents and to home owners about the water system. I really would like to see the people on the water system sue Morning View Water Company and the government agencies who did not keep this public utility in compliance. I don't think we would have any trouble winning. Too bad none of us have any money.

Carol Hasselstrom
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