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CC: JG/BS

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LPSC Records Division

May 29, 2025

Louisiana Public Service Commission

Office of the Secretary 602 North 5th Street 12th Floor Baton Rouge, LA 70802

Certified Registered Mail: 7021 0350 0002 1573 4879 Also sent Regular Mail

Subject: <u>Formal Protest</u> Against Proposed Rate Increase by Magnolia Water (UOC) Docket Number U-37584

To the Louisiana Public Service Commission:

On behalf of the residents of Greenleaves Subdivision in Mandeville, a community with close to 1,000 homes and thousands of registered voters to whom the Greenleaves Master Association (GMA) reports, we hereby submit this **formal protest** against any further rate increases requested by Magnolia Water (UOC), as listed on the docket for the Louisiana Public Service Commission (LPSC) Open Session scheduled for June 18, 2025.

It is important to note that the LPSC and **its voter elected Commissioners** have chosen to completely **ignore or disregard** the formal protests the GMA has filed in prior years (see attached) to rate increases sought by Magnolia Water for the very issues listed below, which Magnolia has continued to ignore and/or fail to address and resolve in that time.

It should now be clear to the LPSC that automatically granting these rate increases has failed to incentivize Magnolia Water to resolve the persistent problems in our community. We ardently recommend that the LPSC give serious consideration to what is now our **third** protest, as set forth below, and deny the requested rate increase.

We are strongly opposed to the approval of any additional increases for the following reasons:

1. Lack of Transparency and Public Notification

On May 23, 2025, the LPSC released its docket showing Magnolia Water's rate increase item under Section I, with a stated protest deadline of June 3, 2025. This document was available prior to a community meeting held with Ms. Donna Dardar (LPSC, District 1)

and Mr. Steve Ernst (Director of Regulatory Relations, Magnolia Water), yet **this protest deadline and docket item were not disclosed** to the residents or Councilwoman O'Brien. We view this as a **deliberate omission** that undermines public trust and deprives residents of fair opportunity to respond.

Moreover, there is absolutely no reason whatsoever for the LPSC to have shortened the protest period, as requested by Magnolia, especially without adequate notice provided by the LPSC to those who have an interest and prior protests

2. Unresolved and Ongoing Service Failures

Despite previous rate increases and repeated promises, Magnolia Water continues to fail in delivering basic, reliable service to our subdivision:

a. Water Quality Issues

- Residents report brown and discolored water at:
 - 1044 Live Oak Loop
 - Teal Court
 - Trace Loop

- Highland Court
- Short Loop
- 203 Chaucer Lane
- Our 1980s-era water lines have dead-end runs requiring regular flushing, which Magnolia has failed to implement on a regularly scheduled and more frequent basis. According to Magnolia, flushing the lines is the only thing it claims can be done to solve the widespread brown water issues in Greenleaves, which have persisted for years after Magnolia took over our system. Yet, despite the long-standing and well documented problems in that time, Magnolia says it flushes the Greenleaves lines only once per year, which quite obviously does NOT eliminate or even minimize the brown water issues.

b. Sewage Overflows and Odor

- **Overflow incident on May 9, 2025,** near Plantation on Greenleaves Blvd raises concerns about sanitation and public health. We ask:
 - Was the area disinfected?
 - Why does this keep happening?
 - What is the long-term solution?
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- Residents continue to experience **noxious sewer odors** from the force main wet well on Greenleaves Blvd, with no effective odor control despite repeated complaints and outdated filter replacements.

c. Infrastructure Neglect

- **Red clay over manhole** (e.g., across from 517 Mayhaw Branch Dr)
- Unresolved service line leak at 3003 Canaan Place

3. Breach of Commitments

Magnolia Water made the following commitments in meetings with the GMA (August 2022 and April 2023):

- Begin smoke testing to identify sewer infiltration and inflow sources.
- Investigate and address odor complaints.
- Improve response to brown water reports.

None of these commitments have been adequately met. Instead, complaints continue to go unanswered or unresolved.

4. Ratepayer Inequity and Financial Burden

Residents justly believe they are unfairly subsidizing infrastructure repairs in other subdivisions in Louisiana and other States while our own needs are ignored. We are already paying among the highest rates in the region and now face the prospect of another rate increase, with continued longstanding, unresolved issues as discussed above.

We also reiterate our request for the **creation of a financial assistance program** for residents with genuine financial need. This is especially necessary in light of rising costs in utilities, insurance, and basic living expenses.

Our Protest and Demands

We respectfully demand the following from Magnolia Water <u>before</u> any additional rate increase is considered by the PSC:

- 1. Resolution of all outstanding service issues listed above.
- 2. Completion of odor mitigation and smoke testing in Greenleaves.
- 3. Implementation of a flushing program every two (2) months to eliminate brown water.
- 4. A transparent audit of current billing practices.
- 5. A halt to using Greenleaves customer revenue for off-site upgrades and commitment by Magnolia to use said revenue only for Greenleaves improvements and problem resolution.
- 6. Creation of a financial hardship assistance program.
- 7. A full public review and open hearing with adequate notice to all affected residents.
- 8. Submission of a written plan to the LPSC and the GMA by Magnolia Water setting forth a schedule of all actions it will take to address and resolve the foregoing issues and reasonable time frames to accomplish same.

Conclusion:

The people of Greenleaves Subdivision have endured years of broken promises, deteriorating infrastructure, and rising costs with no meaningful change. Magnolia Water made a commitment to the LPSC and to the many residents of Greenleaves to improve the aged infrastructure and resolve the ongoing problems in our community in exchange for rate increases. Magnolia should not continue to be rewarded with additional rate increases that line its pockets while failing to provide even basic services to our community.

We formally protest this rate increase and ask the Commission to withhold approval until substantial corrective action is taken. We further request direct notice of any hearing scheduled by the LPSC to discuss this matter.

Sincerely,

Debbie Montreuil President, Greenleaves Master Association Board of Directors

GREENLEAVES

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September 6, 2023

Eric Skrmetta Commissioner, District 1 Louisiana Public Service Commission 1341 West Causeway Approach Mandeville, LA 70471

RE: Magnolia Water Company & GMA Meeting Regarding Request for Rate Reprieve, Financial Assistance, and Promised Infrastructure Improvement for the Greenleaves Subdivision

Dear Commissioner Skrmetta,

On behalf of the residents of Greenleaves Subdivision, we are writing to bring to your attention the deep concerns and dissatisfaction we have regarding the Magnolia Water Company.

During a meeting held on August 29, 2023, attended by members of the Greenleaves Subdivision HOA, the Greenleaves Master Association (GMA) and Todd Thomas of the Magnolia Water Company (Magnolia), questions were raised concerning the status of utility system improvements that were promised as part of the Louisiana Public Service Commission's (LPSC) approved 2021 rate increase. Additionally, we presented numerous concerns our community continues to experience in relation to the provision of water and sewer services. Regrettably, Mr. Thomas responded with what we believe to be disingenuous remarks.

Despite our proactive approach in scheduling a morning meeting with Mr. Thomas, he quickly dismissed our inquiries, indicating that he would not divulge the company's plans or timelines. Furthermore, he stated that the continued, unpleasant sewer odor experienced along Greenleaves Boulevard (one of main issues residents ask the Association to address with Magnolia) is not emanating from their main sewer pump station located along the Boulevard, but rather comes from a drainage system catch basin maintained by the St. Tammany Parish Government.

While we acknowledge that Magnolia might meet the LPSC requirements for an additional rate increase, and meets minimum Louisiana Department of Health (LDH) and Louisiana Department of Environmental Quality (LDEQ) regulatory requirements, the utility systems day-to-day operations falls short of our community's expectations. These inadequacies have significantly impacted the quality of life for our residents, leading us to believe that any consideration of further rate hikes should be suspended until these matters are effectively addressed.

We insist that the following issues must be resolved and/or taken into consideration during the rate increase review and approval process:

 Nuisance Sewer Odors: Elimination of emissions from Magnolia's main sewer pump station located on Greenleaves Boulevard. This main sewer pump station receives sewage from thousands of sewer service connections within Magnolia's surrounding service area and considering this high amount of flow to one central location odor mitigation needs to be addressed by Magnolia and not blamed on area drainage. 2. Sewer Overflows: Mitigation of infiltration and inflow issues causing sewer manhole overflows during heavy rainfall, resulting in the discharge of raw sewage into our storm drainage system, along with intermittent pump failures.

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- 3. Brown Water Incidents: Resolution of incidents stemming from water lines installed in the 1980s, which feature numerous dead-ends, requiring periodic flushing to reduce brown water occurrences. Considering the volume of brown water incidents, we feel Magnolia needs to implement a comprehensive flushing plan for our service area. We are in the process of collating the complaints from the neighborhood and will submit them to LDH so that they may require Magnolia to institute a flushing plan.
- 4. Lack of Emergency Back-Up Power: Installation of power backup for the water well and sewer pump station on Greenleaves Boulevard. The Association requests photographic evidence of the water well backup power setup, if/when installed. Additionally, we seek an explanation for the absence of permanent backup emergency power for the main sewer pump on Greenleaves Blvd. These improvements were promised as part of the 2021 LPSC approved rate increase and have yet to materialize.
- 5. Increasing Tank Trucks in Greenleaves: Clarification regarding Magnolia's trucks using our subdivision's access roads to access the Greenleaves Wastewater Plant. We request information regarding the potential acceptance of septage waste from waste haulers for treatment and discharge at Magnolia's treatment plant.
- 6. Potential Rate Increase: Clarification as to why Greenleaves residents must consistently bear the burden of escalating annual water bills while Central States Water Resources expands its operations. Our residents understand that Magnolia/Central States Water Resources have acquired many private utility systems and that these systems all fall under the rate structure approved by the LPSC. That said, infrastructure improvements promised as part of the previous increase have yet to be completed and issues that were to be addressed are still lingering. Before an additional increase is approved and Greenleaves residents asked to bear more of a financial burden to improve far flung utility systems while waiting for promised improvements.
- 7. Financial Improvements to Date at the Greenleaves Plant: Transparency in showcasing completed improvements at the plant, along with associated expenses, for the benefit of Greenleaves residents.
- 8. Plant Capacity Concerns: Verification of the plant's capacity to accommodate the demands of 36 subdivisions, including the 16 parcels of Greenleaves Subdivision.

Given the ongoing issues detailed herein and above, the Greenleaves Master Association opposes any further rate increases. The combination of significant rate hikes and persistent challenges has severely eroded our residents' trust in the current system.

We extend our gratitude for your attention to our concerns and earnestly hope for a positive resolution that will usher in much-needed improvements to our community's infrastructure and overall quality of life.

Sincerely Cheryl Grape President - Greenleaves Subdivision HOA Board of Directors

Cc: Secretary Chuck Carr Brown, DEQ Representative Richard Nelson Chief Engineer Amanda Ames, LDH Representative Paul Hollis Senator Fred Mills Senator Patrick McMath Steve Ernst, Magnolia Water Company Michael Dick, Magnolia Water Company

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(985) 624-4905

August 8, 2023

FAX (985) 624-4962

Subject: Request for Rate Reprieve, Financial Assistance, and Promised Infrastructure Improvement for Greenleaves Subdivision

Dear LPSC, LDEW, LDH, District Senator, District Representative, and Magnolia Water Company:

On behalf of the residents of Greenleaves Subdivision, we are writing to bring to your attention the deep concern and dissatisfaction we have regarding the significant increase in our sewer and water bills starting in December 2021. We firmly request a reprieve of any further rate increases until our specific issues are adequately addressed.

During a meeting held on August 3, 2022, with the Greenleaves Subdivision HOA, Steve Ernst, Magnolia's Director of Louisiana Regulatory Relations, and Donna Dardar, Technical Assistant LPSC District 1, we raised questions regarding the LPSC 2021 rate increase and specifically inquired about Magnolia, UOC's plans for utilizing the funds to improve infrastructure within our community. We also presented to Magnolia Water the various concerns we are facing regarding our sewer and water services.

While we acknowledge that Magnolia Water may meet LPSC rate increase requirements and comply with LDEQ and LDH standards, the current state of our water and sewer systems fails to meet the standards set by our community. These issues have led to a significant impact on the quality of life for our residents, and it is our belief that no further rate increases should be considered until these matters are adequately resolved.

Our community is currently facing the following issues:

Nuisance Sewer Odor

Emissions from Magnolia's force main wet well on Greenleaves Boulevard.

Sewer Overflows

Infiltration and inflow leading to overflowing sewer manholes during heavy rain, resulting in the discharge of raw sewage into our storm drainage system, and occasional pump failure overflows.

Brown Water Incidents

Incidents caused by water lines installed in the 1980s with numerous dead-end runs, which we believe require periodic flushing to reduce occurrences.

Lack of Power Backup

The lack of power backup for the water well and sewer force main on Greenleaves Boulevard.

Increasing Tank Trucks in Greenleaves

Magnolia's trucks using our subdivision's access roads to reach the Greenleaves Wastewater Plant.

Potential Yearly Rate Increase

Greenleaves residents wonder why they must continually bear the burden of an increasing yearly water bill while Central States Water Resources develops its business. Our residents believe that we are subsidizing other neighborhoods for the repair of their systems. We find these issues to be unacceptable, as they directly impact our residents' well-being and standard of living.

Despite the infrastructure improvements made by Magnolia Water with the 2021 rate increase, we continue to experience significant challenges related to sewer odor and brown water issues. During the August 2022 meeting, Magnolia Water indicated that smoke testing could address infiltration and inflow and sewer odor issues, but this has not been initiated even a year later. The offensive odor of sewage near the force main wet well remains a persistent concern, with minimal mitigation efforts in place. The implementation of a flushing plan for our water lines to reduce brown water incidents is also lacking.

Furthermore, during our second meeting with Magnolia on April 7, 2023, where Steve Ernst and Michael Dick of Magnolia UOC were present, promises were made to investigate brown water complaints and undertake odor mitigation work at the force main. However, little progress has been made, leaving our residents dissatisfied and feeling unheard.

Given the unresolved issues with brown water and sewage odor, we strongly oppose any further rate increases. The cumulative impact of the substantial rate increases, coupled with ongoing challenges, has significantly affected our residents' trust in the current system.

We urge the LPSC, LDEQ, and LDH to work together to create an enhanced policy tied to rates that prioritizes the swift resolution of our sewer odor and brown water issues with Magnolia Water.

We kindly request a reprieve of any further rate increases until these matters are satisfactorily addressed. Additionally, we propose the establishment of a financial assistance program for residents who demonstrate a genuine financial need.

Thank you for your attention to our concerns. We hope for a positive resolution that will bring muchneeded improvement to our community's infrastructure and quality of life.

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Cheryl Granger / President - Greenleaves Subdivision HOA Board of Directors