Residents oppose proposed Bluegrass Water rate hike

BY BEN OVERBY, MACKENZIE LIONBERGER, BRYCE ANGLIN
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The Kentucky Public Service Commission held a public comments meeting at the McCracken County Courthouse regarding the request of Bluegrass Water Utility Operating Company, LLC's application to increase water and sewer rates across the state.

Bluegrass Water provides regulated wastewater and water services to several area counties, including Graves, Marshall and Calloway counties.

Dozens of community members attended the meeting, with 13 making public comments. The meeting began with a brief explanation of Bluegrass Water's application and the Kentucky PSC's role in deciding the case by general counsel Brian Thomas.

"Utilities in Kentucky are not competitive businesses, but instead monopolies," Thomas said. "The Public Service Commission exists to regulate utility rates to ensure that they're fair, just, and reasonable, and that the service is adequate. So, changing utility rates is a legal process governed by statutes and regulations."

"The application requests authorization to increase Bluegrass Water's water base rate total revenue by $100,001," according to a news release from the PSC. "Residential water customers would see an average monthly water bill increase of $28.22 or approximately 36.3 percent. This means the average residential customer's bill would be about $105.85, up from an average bill of $77.63."

The application also requests authorization to increase Bluegrass Water's wastewater base rate total revenue by $2,633,981. Residential wastewater customers would see an average monthly bill increase ranging from $33.95 to $79.80 for a total of $111.72, up from an average bill of $34.92 to an average bill of $77.77.

This represents an increase ranging approximately from 43.7% to 219.9 percent, according to the commission.

PSC Chair Angie C. Hatton, Vice Chair Mary Pat Regan and Commissioner Barry L. Mayfield were present. Hatton addressed the crowd, saying that the PSC is not required to hold public comment hearings, but decided to hold them because they wanted to hear what the community had to say.

"This is your opportunity to say what you want to say, and it will be on the record," Hatton said. "It will be in the case file. It will be recorded. Other people can see it. It's as if you're giving testimony at the hearing."

Hatton explained that while commission members could not answer questions directly they could "write down and ask [the question] of the applicant at the hearing."

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Dozens of community members attend the public comment meeting on Sept. 2.

Several public commenters accused Bluegrass Water — and their parent company Central States Water Resources which operates across 11 states — of buying up water and wastewater systems and charging excessive prices for their services.

Don Barger, a resident of the Marshall Ridge subdivision in Paducah, said he paid a $15 a month sewer rate before the system was purchased by Bluegrass Water, and the current request would bring his rate to $114 a month. He called the increase excessive, saying it did not reflect the level of service provided, or the cost of living in the area.

"Residents have faced repeated rate increases every 18 to 24 months, forcing us to continually fight for affordable rates," Barger said. "Despite previous hikes, there is little evidence of promised infrastructure repairs. Issues like foul sewer odors and rare utility truck visits persist. The proposed $114 monthly bill is unaffordable for many, especially seniors and families on fixed income. Meanwhile, corporate overhead appears to be growing. Before any further rate hikes are approved, there must be transparency and an independent audit of how previous rate increase revenues were spent. We receive no annual report as to what has been completed with the Marshall Ridge system, and as has already been mentioned, we are a captive audience with no alternative for sewer service. I respectfully request that you deny the proposed increase and demand a full, independent audit before considering any further rate adjustments."

Robert Evans, who described himself as an executive of an asset-based company, said he was "embarrassed to admit" his profession had similarities to the "people that are behind the problems" of everyone in the room. He said while his business shares the same need to make money off its assets, that's where the similarities end.

"This is not a utility company," Evans said. "This is, plain as day, a very greedy private equity firm that goes out to find the many rich people that have money that they want to invest at a high rate of return. They spend whatever it takes to acquire these assets from our neighborhoods. You don't see them buying in cities. You see them buying unincorporated property. It's easy for them to get their hands on. Grossly underpaying for it, or because it's distressed, overpaying for it. They then do not care how much money they spend, because they know they can hire the best accountants and auditors and show you this exorbitant cost because then they know they can use that over and over again."

"This is their business model in 11 states," Evans continued. "Every single state, they charge significantly more than the other public and private companies that are reasonable and fair. There is nothing reasonable and fair about them. This is a business model that discounts all of us except as ATM machines to keep paying their profit returns to their investors."

Jack Russell, a retired Baptist preacher, brought attention to the seemingly no clear definition for the PSC's need to determine that rates are "fair, just, and reasonable." He said he knows of one in scripture.

"Thou Shall not steal," Russell said. "Now I'm not saying you're the ones that are doing the stealing, but what I am saying is you're enabling the ones that are doing the stealing. There are widows and widowers in our Carriage Park subdivision. They've got to worry about paying their medical bills, putting groceries on the table, living off social security, and you fine folks are sitting behind your desk enabling a bunch of people that are extortionists, that are taking food from their tables. They can't afford to buy the medicine from their pharmacies and wonder how they're going to pay their taxes, and it doesn't seem to bother our state, our attorney general, or [the Public Service Commission] that much. I wonder what Jesus would do with this proposal. I don't know whether you're Christian or not, but you don't have to be a good Christian to understand that this is not fair, just, or equitable."

Another public comment meeting will be held at 4 p.m. at the Ensor Learning Resource Center in Georgetown, Ky. Comments can also be submitted at psc.ky.gov/Case/SearchCasesPublicComments, emailed to PSC.comment@ky.gov, or mailed to 211 Sower Boulevard, Frankfort, KY 40601.

The PSC will hold a formal hearing on the rate increase application on Sept. 21 in Frankfort. Their decision on the case is due Mar. 9, 2027.