

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

ORIGINAL

TRANSCRIPT OF PROCEEDINGS
Public Hearing
May 17, 2004
Platte City, Missouri
Volume 1

In the Matter of Timber Creek)
Sewer Company, Inc's Request for) Case SR-2004-0532
a Small Company Rate Increase)

MORRIS L. WOODRUFF, Presiding,
Senior Regulatory Law Judge

REPORTED BY:
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*Missouri
Public Service Commission*

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1 COMMISSIONER WOODRUFF: Good evening
2 everyone. Let's go ahead and start with the formal
3 part of the proceeding here. My name is Morris
4 Woodruff. I am one of the judges with the
5 commission. This is In The Matter of Timber Creek
6 Sewer Company, Incorporated, Request For a Small
7 Company Rate Increase. It is Commission Case Number
8 SR-2004-0532.

9 And at this point normally I would
10 introduce the commissioners that are here with me.
11 As you can see I am the only one here at the
12 moment. Commissioner Robert Clayton was planning on
13 being here. We got a phone call a few hours ago
14 indicating that his car broke down in Columbia. So
15 he is not going to be able to be here. He along
16 with all the commissioners will have a chance to
17 read the transcript that is made here today. They
18 do take that obligation seriously. They will read
19 it. So this is your opportunity then to transmit
20 your message to those commissioners.

21 As you can see, we have a court reporter
22 here who will be transcribing the testimony. I will
23 swear you in as witnesses. Ask you to raise your
24 right hand and swear to tell the truth, the whole
25 truth and nothing but the truth, just like you have

1 seen many times on television. We will begin by
2 taking opening statements from the attorneys
3 representing the parties. Then we will call
4 witnesses forward. You can come forward and
5 testify. I'll ask you your name and where you live
6 and then you go ahead and make your statement. I
7 will be reading off the list, of the witness signup
8 list. If somebody forgot to sign up on this or if
9 you hear testimony today that causes you to want to
10 testify as well, at the end of the list here I will
11 go ahead and ask for any other comments that might
12 be out there. The attorneys here will have an
13 opportunity to ask you follow-up questions. Not to
14 grill you or anything, but just a chance to ask any
15 follow-up questions that they might have to clarify
16 your testimony.

17 We are going to begin then by taking
18 entries of appearance from the attorneys, beginning
19 with the attorney for the company.

20 MR. PETERSON: If it would please the
21 Commission, Ed Peterson appearing on behalf of
22 Timber Creek Sewer Company, Inc.

23 COMMISSIONER WOODRUFF: For staff.

24 MR. SNODGRASS: Yes, good evening, Judge.
25 My name is Cliff Snodgrass. I am appearing here

1 today on behalf of the staff of the Missouri Public
2 Service Commission.

3 COMMISSIONER WOODRUFF: For the Office of
4 of Public Counsel?

5 MS. O'NEILL: Yes. Good evening. My
6 name is Ruth O'Neill and I am appearing on behalf of
7 the Office of Public Counsel.

8 COMMISSIONER WOODRUFF: Thank you very
9 much. To begin with, Representative Jason Brown is
10 in the audience tonight. And I am going to give him
11 an opportunity to make any statements that he would
12 like to make. If you would come forward,
13 Representative.

14 MR. PETERSON: Your Honor, while he is
15 approaching. I would like to raise a preliminary
16 matter that we make a finding that the notice that
17 was originally prepared by staff and reviewed by the
18 parties is proper and adequate.

19 COMMISSIONER WOODRUFF: Okay. I believe
20 that notice is part of the record. Representative,
21 would you like to be sworn to testify or would you
22 like to make a statement?

23 MR. BROWN: I would like to be sworn.

24 (The oath was administered.)

25 COMMISSIONER WOODRUFF: If you could

1 identify yourself and then go ahead and make your
2 statement.

3 MR. BROWN: I am State Representative
4 Jason Brown. I represent 30 district which includes
5 both several incorporated parts of Platte County and
6 a tremendous amounts of unincorporated parts of
7 Platte County, including the area in question that
8 Wooley Sherry Sewer Company now services. I want to
9 make sure that the commission is well aware of the
10 growth that has taken place in Platte County. And
11 the possibility this has to affect that growth in a
12 negative sense. And I hope that the commission
13 weighs everything that they are about to do. An
14 increase in fees as far as I am concerned is
15 something that a lot of folks end up paying over a
16 great deal of time. It is money that is not always
17 easy to come by. I want to make sure that the value
18 of these folks that live outside the city limits of
19 Platte City are not decreased by an increase in
20 sewer costs over several years. As well as the
21 growth that we are incurring is a positive growth,
22 as it is controlled here in Platte County
23 presently. I want to make sure that the connection
24 fees, which also when I looked at them the exact
25 number escapes me at this moment, but they have

1 increased substantially. And I have concerns about
2 the number of new homes would be built. We have a
3 lot of builders and developers here in Platte County
4 that watch these things very closely. So I want to
5 make sure the commission really understands what
6 they are about to take on here.

7 COMMISSIONER WOODRUFF: Thank you. Mr.
8 Peterson for the company, do you have any questions
9 for the representative?

10 MR. PETERSON: I have two questions.
11 Representative, is adequate sewer treatment
12 essential to the continued sustainable growth for
13 Platte County?

14 MR. BROWN: I would like to have
15 "adequate" explained to me before I would answer
16 that question. Is sewer necessary to sustain
17 growth? Yes.

18 MR. PETERSON: Thank you. That's an
19 adequate answer. Second question, the increase, is
20 it your position that the increase in the connection
21 charge is too much?

22 MR. BROWN: Well, I have not reviewed the
23 amount that they have invested in their company.
24 Just like I'm sure they have not reviewed what I
25 have invested in my company. I know that prices go

1 up over a great length of time. But we have to do
2 that in a comparative sense, because they do have a
3 monopoly on what they have. There is nothing wrong
4 with making money. I mean, this is America. It is
5 capitalism and everybody in this room wants to make
6 more money I would assume. When we are dealing with
7 monopoly, I think there is risk for abuse. But I
8 would not say that the company is trying to abuse
9 anybody, but there is that risk. That is the job of
10 the Commission is to review that very closely and
11 determine if it is appropriate or not.

12 MR. PETERSON: Would you agree that the
13 existing customers should not pay for the cost of
14 connecting new customers?

15 MR. BROWN: Should a present homeowner pay
16 for a new home to be built, is that what you are
17 asking me?

18 MR. PETERSON: Would you agree they should
19 not pay for the cost of connecting new homes?

20 MR. BROWN: Are you asking Homeowner A,
21 should they or should they not pay for Homeowner B's
22 connection fees when somebody comes in to build a
23 new house?

24 MR. PETERSON: Would you agree that an
25 existing customer should not pay for the cost of

1 connecting a new customer?

2 MR. BROWN: If that is what you are
3 asking me, yes.

4 MR. PETERSON: Thank you. No further
5 questions.

6 COMMISSIONER WOODRUFF: Thank you. Mr.
7 Snodgrass.

8 MR. SNODGRASS: I have no questions on
9 behalf of the staff for this witness.

10 COMMISSIONER WOODRUFF: Ms. O'Neill.

11 MS. O'NEILL: No questions, Your Honor.

12 COMMISSIONER WOODRUFF: Thank you,
13 Representative. You may step down then.

14 MR. BROWN: Thank you.

15 COMMISSIONER WOODRUFF: The next name on
16 the list then is Hortence Humphrey. Good evening.

17 MS. HUMPHREY: Good evening.

18 (The oath was administered.)

19 COMMISSIONER WOODRUFF: Tell us your
20 name.

21 MS. HUMPHREY: Hortence Humphrey.

22 COMMISSIONER WOODRUFF: You live?

23 MS. HUMPHREY: I live at Timber Creek.

24 COMMISSIONER WOODRUFF: What would you
25 like to tell us?

1 MS. HUMPHREY: Well, I was shocked when I
2 was informed that the increase was as much as it
3 was. I could hardly see how it would need to be
4 that much, although I haven't seen, you know,
5 figures. So I am still not quite sure that the
6 figures might pan out that that amount of increase
7 needs to be.

8 COMMISSIONER WOODRUFF: Okay.

9 MS. HUMPHREY: That's it.

10 COMMISSIONER WOODRUFF: Mr. Peterson, do
11 you have any questions?

12 MR. PETERSON: No questions.

13 COMMISSIONER WOODRUFF: Mr. Snodgrass?

14 MR. SNODGRASS: No, I have no questions.

15 COMMISSIONER WOODRUFF: Ms. O'Neill.

16 MS. O'NEILL: No questions, Your Honor.

17 COMMISSIONER WOODRUFF: Thank you. I know
18 we are getting a lot of feedback from the
19 microphones. I don't know if there is any way to
20 deal with that, Mr. Ocho.

21 MR. OCHO: I am working on it as an
22 individual basis.

23 COMMISSIONER WOODRUFF: I can speak pretty
24 loud. I don't know if the witnesses can or not. We
25 might want to try it without the microphones at all.

1 MR. OCHO: We will give it a shot.

2 COMMISSIONER WOODRUFF: I think that's
3 better. I see nods of agreement out in the
4 audience. The next name on the list then is Billie
5 B. Humphrey.

6 MR. HUMPHREY: I think at this time, sir,
7 I don't have anything to ask. I think my questions
8 have been answered.

9 COMMISSIONER WOODRUFF: All right. Thank
10 you, sir. Next name is Nancy Wakefield. If you
11 will please raise your right hand.

12 (The oath was administered.)

13 COMMISSIONER WOODRUFF: Tell us your name.

14 MS. WAKEFIELD: Nancy Wakefield. And I
15 live at 13385 Timber Park Drive in Timber Park
16 subdivision.

17 COMMISSIONER WOODRUFF: What would you
18 like to tell us?

19 MS. WAKEFIELD: First of all, I want to
20 make clear. I am the past president of the
21 homeowners association in Timber Park. And the
22 reason the plant really needed to move was odor
23 problems. I mean, there were a lot of concerns with
24 the neighbors. But the sewer plant was right next
25 to the back yards of three homes. And there were

1 considerable problems with odors. In 1998 the
2 Sherrys asked us to help them. They were looking to
3 expand their customer base and our homeowners
4 association went around our neighborhood and signed
5 a petition. And they promised us when we did this
6 that the only cost -- the only increase we would
7 have would be a cost of living increase to our sewer
8 rates.

9 COMMISSIONER WOODRUFF: Anything else you
10 would like to add?

11 MS. WAKEFIELD: No.

12 COMMISSIONER WOODRUFF: Mr. Peterson, do
13 you have any questions for the company?

14 MR. PETERSON: Just one question. When
15 was the promise made that you would only incur the
16 cost of, cost of living increases?

17 MS. WAKEFIELD: I think it was 1998.

18 MR. PETERSON: Thank you.

19 COMMISSIONER WOODRUFF: Mr. Snodgrass?

20 MR. SNODGRASS: I don't think that I have
21 any questions of this witness, Judge, thank you.

22 COMMISSIONER WOODRUFF: Ms. O'Neill?

23 MS. O'NEILL: Ma'am, since the plant has
24 moved, have the service issues about the location of
25 the plant, are there still problems with that?

1 MS. WAKEFIELD: Are you going to
2 testify?

3 UNIDENTIFIED SPEAKER: Yes.

4 MS. WAKEFIELD: Somebody else is going to
5 come up and testify. There is still odor problems
6 from time to time. But we are happy that the plant
7 is gone. Otherwise I don't know of any other
8 problems.

9 MS. O'NEILL: I'll wait and ask the next
10 person. Thank you.

11 COMMISSIONER WOODRUFF: Thank you, ma'am.
12 Next on the list is Peter Shinn. Would you please
13 raise your right hand.

14 (The oath was administered.)

15 COMMISSIONER WOODRUFF: Tell us your name.

16 MR. SHINN: My name is Peter Shinn.

17 COMMISSIONER WOODRUFF: You live in the
18 area served by the sewer company.

19 MR. SHINN: I do. I live at 15785 Meadow
20 Court in Timber Park Meadows Subdivision. I would
21 like to say at the outset that I have submitted
22 written comments that are part of the record. I
23 submitted them last year when initially notified
24 that there was a planned rate increase of roughly 60
25 to 70 percent. I would also like to say that my

1 testimony this time has been shaped by the answers
2 that I have heard during the informal question and
3 answer. I would say at the outset that as a
4 business person it seems unconscionable that there
5 has been no rate increase since 1995. That doesn't
6 make sense. On the other hand, based on what I
7 heard in the Q. and A. it costs a lot of money to
8 get a rate increase.

9 It seems to me that as a business person
10 it would make sense to build that cost in the cost
11 of doing business up front. I would also say that
12 it seems not very sensible as a business person to
13 build either a sewer plant in someone's back yard or
14 a subdivision around a sewer plant, either one. I
15 don't know exactly what happened there. I wasn't
16 around for that. But it does seem like part of the
17 capital expenses that we are now being asked to bear
18 in 2004 are the result of relatively poor business
19 decisions on the part of the company.

20 I would also add that from my perspective
21 a rate increase wasn't justified in the year 2000
22 and is justified now. That again seems to relate
23 back directly to their capital expenses. And it
24 seems that as in terms of planning they bet on the
25 come. In the sense that they bet if we put these

1 improvements in, the Public Service Commission will
2 come along and approve a rate increase to finance
3 this. And to make it profitable for us. I
4 appreciate their gusto in that regard and wish them
5 all the luck in the world. But again feel that it
6 is relatively unfair for us to make that bet come
7 true for them.

8 All of that having been said, I would
9 certainly be amenable, and I think most people in
10 this room would be amenable to what would be deemed
11 a reasonable rate increase. Now I don't know
12 anybody who pays a basic service who finds a flat
13 increase of 66 percent to be reasonable under any
14 circumstances for anything, near that I know.

15 As a business person, were I to raise my
16 rates to my customers by that one time, I would have
17 no customers. Obviously in my business I am not
18 regulated by the government. So it is not a
19 complete apples to oranges comparison. On the other
20 hand, I think a little planning, yes, the old saying
21 says failure to plan on your part does not
22 necessarily constitute a crisis on my part. Except
23 that in this case, we're ultimately, it appears that
24 if the Public Service Commission ultimately decides
25 to make this rate increase happen, it would appear

1 that I would have no relief other than to band
2 together with other homeowners, like-minded
3 homeowners and seek injunctive relief through the
4 courts. Which I don't think any of us can rule out
5 at this point. Certainly I hope it doesn't come to
6 that. I certainly hope that instead the Public
7 Service Commission approves a reasonable rate
8 increase which would not be two thirds. Thank you.

9 COMMISSIONER WOODRUFF: Mr. Peterson,
10 questions?

11 MR. PETERSON: No questions.

12 COMMISSIONER WOODRUFF: Mr. Snodgrass?

13 MR. SNODGRASS: No questions.

14 COMMISSIONER WOODRUFF: Ms. O'Neill.

15 MS. O'NEILL: I don't have any questions.

16 MR. SHINN: Thank you very much.

17 COMMISSIONER WOODRUFF: Next name on the
18 list is Steven Farmer. Good evening, sir. Please
19 raise your right hand.

20 (The oath was administered.)

21 COMMISSIONER WOODRUFF: You may be
22 seated. Tell us your name.

23 MR. FARMER: Steven Farmer.

24 COMMISSIONER WOODRUFF: You live in the
25 service area of this company?

1 MR. FARMER: Yes, I live in Timber Park
2 Meadows Subdivision.

3 COMMISSIONER WOODRUFF: What would you
4 like to tell us?

5 MR. FARMER: Well, Peter there sort of
6 stole some of my thunder, but that's okay, as long
7 as we get it on the record. My basis I guess is
8 going to go back to my past profession of being an
9 auditor and looking at the numbers here. We are
10 looking at basically a 60 percent increase on
11 connection fees and 66 to 75 percent increase for
12 the monthly sewer rate. And then we're also going
13 to add on a 10 percent late payment charge fees and
14 \$25 bad check fees. Then disconnection and
15 reconnection at actual cost in this agreement with
16 the staff and the commission. My assumption is that
17 the current rate charges, late charges, bad check
18 charges, disconnection fees, they are not
19 applicable. There weren't any currently in the
20 operating processes of the company apparently by
21 what, based on what little information we have been
22 provided.

23 Now in any business, I have worked as a
24 corporate auditor at a supervisor or a manager
25 level. Any business that I would review things on,

1 everybody, whether it would be retail operation or
2 manufacturing, whatever their customer base, they
3 usually have these kind of things already in place.
4 So I guess I am coming back to kind of where Peter
5 was, this doesn't look like a well thought out
6 process that we currently have in place now with the
7 old rate structure as far as helping manage their
8 costs and their business and in recovering certain
9 costs like bad check charges and those kind of
10 things, if they do incur those things. The other
11 thing that I was kind of stifled by was the
12 information provided by the staff actually or the
13 company, whoever it comes from, to us the customers
14 in the form of this one little page document. The
15 numbers are available on apparently the website of
16 the Public Service Commission I found out during the
17 Q. and A. informal process that I could go look at.
18 But they weren't provided to us up front. So we
19 have really a little limited basis for looking at
20 this as a knowledge standpoint in knowing where
21 everybody is coming from, both the commission staff
22 and the company.

23 The other thing that I guess I would like
24 to raise, it is more towards the commission staff as
25 I found out during the Q. and A. function, that

1 their numbers and their audits they perform on a
2 company are not verified by anybody. As an auditor,
3 I find that to be abhorrent. Somebody should always
4 be looking over somebody else's shoulder and making
5 sure the calculations and the assessments that come
6 forward are accurate and complete. That is mostly
7 my comments for the record.

8 COMMISSIONER WOODRUFF: Thank you.

9 Questions for Mr. Peterson.

10 MR. PETERSON: No questions.

11 COMMISSIONER WOODRUFF: Mr. Snodgrass.

12 MR. SNODGRASS: No questions.

13 COMMISSIONER WOODRUFF: Ms. O'Neill.

14 MS. O'NEILL: No questions.

15 COMMISSIONER WOODRUFF: Thank you, sir.

16 Next name on the list is Cecil Murray. Good
17 evening. Please raise your right hand.

18 (The oath was administered.)

19 COMMISSIONER WOODRUFF: Tell us your name.

20 MR. MURRAY: My name is Cecil Murray. I
21 live at 15765 North West 134th Street.

22 COMMISSIONER WOODRUFF: What would you
23 like to tell us.

24 MR. MURRAY: I will be kind of brief about
25 mine. Last year our gas, water, electricity all

1 went up. And unfortunately the government only -- I
2 am retired also -- gave me a \$43 raise. Out of that
3 \$43 they took back over \$20 to pay for my Medicare.
4 So my question is how long can I afford to keep
5 paying all these increases without getting something
6 in return for myself to live on. Second, is not --
7 I would like to ask the question, is not the
8 connection to the homes built into the sale when you
9 buy the house? So they are recovering their sewer
10 cost there as you buy your home.

11 And also, Nancy alluded to the fact that
12 we are having -- I am, personally, in my house
13 having a problem with the sewer smell. And Jeff has
14 worked with me on it, we are trying to find the
15 problem. And I can't fault him for not finding it.
16 It may not even be their problem, as I understand
17 it, there are some open sewers around. But we are
18 in the process of trying to eliminate this odor.
19 But I want that to be part of the record in case it
20 is their problem. That's all I have.

21 COMMISSIONER WOODRUFF: I have a question
22 for you. Actually a couple questions. First about
23 the sewer smell. Are you living in one of those
24 houses that was near the old plant?

25 MR. MURRAY: No.

1 COMMISSIONER WOODRUFF: Then you also
2 mentioned that you indicated that the connection fee
3 was part of the sale of the house.

4 MR. MURRAY: Yes.

5 COMMISSIONER WOODRUFF: I assume you are
6 not buying your house from the sewer company, are
7 you?

8 MR. MURRAY: No.

9 COMMISSIONER WOODRUFF: Can you explain
10 what you mean by that?

11 MR. MURRAY: When you purchase your house
12 in a district like that, is not the sewer cost added
13 to the house, price of the house when you buy it?
14 So that part has already been recovered, right?

15 COMMISSIONER WOODRUFF: Who are you buying
16 the house from?

17 MR. MURRAY: I already bought the house.
18 What I am saying is the cost of buying -- the retail
19 price of the house is not the connection of your
20 sewer, your water, your gas, all of that is already
21 figured into the price of the house when you buy
22 it. So where is the extra cost coming from there?

23 COMMISSIONER WOODRUFF: Questions then
24 from Mr. Peterson.

25 MR. PETERSON: With regard to the odors.

1 Have you reported that to representatives of Timber
2 Creek?

3 MR. MURRAY: Yes, I have.

4 MR. PETERSON: Have they responded to your
5 inquiry?

6 MR. MURRAY: Yes, they have.

7 MR. PETERSON: Have they conducted an
8 investigation of the area?

9 MR. MURRAY: Jeff came up this morning
10 when I called him, told him I had the smell in front
11 of my house. Unfortunately I have a house that, I
12 have an entryway that is recessed. And when the
13 smell comes it pockets right in my entryway. When I
14 step out that door, it is like walking out into a
15 sewer plant. Where that smell is coming from, I
16 have no idea. But Jeff has come up there, we have
17 talked about it this morning and I think he is
18 honest in his intent to try to find the problem.
19 But it is a problem. I am not the only one in that
20 area there has smelled it. I have smelled it in
21 several other locations because my wife and I, we do
22 a lot of walking.

23 MR. PETERSON: For the record, what is the
24 full name of the individual you have identified here
25 as Jeff?

1 MR. MURRAY: I don't know what his last
2 name is. Jeff Yocum is it, Jeff Yocum.

3 MR. PETERSON: He is an employee of
4 Timber Creek; is that correct?

5 MR. MURRAY: He is an employee of Timber
6 Creek Sewer.

7 MR. PETERSON: Has he given you any
8 indication of where the odors are originating?

9 MR. MURRAY: He told me he can't find it
10 in their system. But then he also told me there are
11 some houses south of us that do have open sewer,
12 septic tanks. So he was going over there and check
13 with them. He hadn't gotten back with me yet on
14 it. I don't know what the answer to that problem is
15 yet.

16 MR. PETERSON: Thank you. I have no
17 further questions.

18 COMMISSIONER WOODRUFF: Mr. Snodgrass.

19 MR. SNODGRASS: No questions.

20 COMMISSIONER WOODRUFF: Ms. O'Neill.

21 MS. O'NEILL: Mr. Murray, how long have
22 you been having this problem?

23 MR. MURRAY: It has been really bad for
24 about three weeks now. It's almost just about every
25 day. It comes and goes mostly with the south

1 breeze.

2 MS. O'NEILL: Is this the first time you
3 have noticed it, this last three weeks?

4 MR. MURRAY: I noticed some sewer smell
5 last year, but it wasn't that predominant and it
6 would just come and go. This year, like Jeff and I
7 talked about it, the warm weather may be bringing
8 the smell out. But it has been very consistent the
9 last three weeks.

10 MS. O'NEILL: Had you talked to the
11 company about it before or your conversations with
12 Jeff, is that your first contact?

13 MR. MURRAY: No, a week ago Friday is
14 when my first conversation with them.

15 MS. O'NEILL: How has the company been
16 treating you as far as this problem? Have they been
17 responsive to you?

18 MR. MURRAY: Yeah. I was a little
19 dubious because last Friday he said he pulled some
20 covers, but I have one in front of my yard that
21 wasn't pulled. But today he come and we pulled it
22 and I went with him to another one. So I would give
23 him a plus on the response. They have been
24 responsive every time I called them. Even Bill has
25 answered one day.

1 MS. O'NEILL: They treat you okay when
2 they answer the phone?

3 MR. MURRAY: Pardon?

4 MS. O'NEILL: Are they treating you okay
5 when you call them?

6 MR. MURRAY: Yes. I never have had a
7 problem with them. I sure would like to get rid of
8 that smell, though.

9 MS. O'NEILL: I don't blame you. I don't
10 have any other questions.

11 COMMISSIONER WOODRUFF: Thank you very
12 much. Bill Palmer. Good evening.

13 (The oath was administered.)

14 COMMISSIONER WOODRUFF: You may be seated.
15 Tell us your name.

16 MR. PALMER: My name is Bill Palmer. I
17 live in Timber Park Meadows. I have since 2000.

18 COMMISSIONER WOODRUFF: What would you
19 like to tell us?

20 MR. PALMER: My concern right now is when
21 we bought this home in 2000 we were led to believe
22 that Timber Park and Timber Park Meadows, Timber
23 Creek was the only participants with the company.
24 Today I learned that they are also participating
25 with Platte City. This is something that I was not

1 aware of. I am not retired, our community is spread
2 between young folks, baby boomers and retired
3 people. I bought this home with anticipation of
4 retiring in six years, my wife and I.

5 My main concern at this point is what I
6 heard today. And it is more than a concern, it is a
7 fear now. And I hope the commission listens to
8 this. I hear that if this does not go through, this
9 company will not be able to service our community.
10 This scares me. I feel at this point in time that I
11 am in a catch-22 situation, where this must pass or
12 we have no sewer. We have no -- there is no
13 competition that I am aware of out there. That's
14 all I have to say.

15 COMMISSIONER WOODRUFF: Wait. If you
16 could wait to see if there are any questions. Mr.
17 Peterson.

18 MR. PETERSON: No questions.

19 COMMISSIONER WOODRUFF: Mr. Snodgrass.

20 MR. SNODGRASS: No questions.

21 COMMISSIONER WOODRUFF: Ms. O'Neill.

22 MS. O'NEILL: No questions.

23 COMMISSIONER WOODRUFF: Next name is John
24 Catelli. Good evening. Please raise your right
25 hand.

1 (The oath was administered.)

2 COMMISSIONER WOODRUFF: You may be
3 seated. Tell us your name.

4 MR. CATELLI: John Catelli. My wife and
5 I live at 15664 Meadow Court.

6 COMMISSIONER WOODRUFF: What would you
7 like to tell us?

8 MR. CATELLI: I would like to express the
9 idea that there is no base rate on this increase.
10 In other words, it has absolutely nothing to do with
11 the amount of waste being generated from each home.
12 Everywhere else that I have lived it has been keyed
13 in to the water usage, just primarily because it
14 stands to reason. Now granted that a lot of water
15 goes out into the grass and things like that. But
16 it stands to reason that then you have something at
17 least to nail down on. Here we are just saying that
18 a person who has a home with like three baths,
19 possibly even four or with saunas and hot tubs and
20 things like that, which would naturally go ahead and
21 increase the waste generation, would have -- would
22 be paying the same amount as a dwelling that only
23 has one occupant in it or maybe a couple, two
24 occupants. I don't feel comfortable with this,
25 because I feel that I -- my wife and I, we try to

1 keep our costs down. So we try and keep our usages
2 down. And subsequently it is not benefiting us in
3 any way, shape or form. It makes no sense to go
4 ahead and have it set up this way.

5 I have to go ahead and say when Peter,
6 Peter just about said everything else that I wanted
7 to say on this. And I think that you can -- I mean,
8 I fully agree with everybody up to this point that
9 has gone ahead and declared any problems. I would
10 like to personally say that I really want to thank
11 everybody that has participated in this hearing.
12 Because it makes me feel good that at least we can
13 go ahead and express our concerns. And that we
14 feel, at least we feel that we are talking to
15 somebody who is willing to listen to us. Because up
16 to this point, as soon as I got that letter, I
17 thought that we didn't have a chance in hell,
18 excuse me. I feel a little more comfortable now
19 about this. That's about all I wanted to say.

20 COMMISSIONER WOODRUFF: Thank you, sir.
21 Mr. Peterson, any questions?

22 MR. PETERSON: Just a couple of
23 questions. I gather that you would favor a
24 volumetric rate, that is a rate that is based on how
25 much water is being put down in the sewer system.

1 MR. PALMER: I feel it is fairer. Right
2 now we are just saying this is it. Take it or leave
3 it. This is based on absolutely nothing. And you
4 are just going to have to pay X, Y, Z.

5 MR. PETERSON: Would you be in favor of
6 that if the cost of a meter was \$1,500 per
7 residence?

8 MR. PALMER: Well, that, we have to go
9 ahead and discuss that in a little more detail.
10 Right now I am not -- that type of money is not
11 available to me, my family.

12 MR. PETERSON: So if a meter were
13 expensive, whether it is 1500 or a lower or higher
14 number. If it is a significant number, you would
15 not necessarily favor volumetric rate?

16 MR. PALMER: I wouldn't be capable of
17 paying it.

18 MR. PETERSON: No further questions.

19 COMMISSIONER WOODRUFF: Mr. Snodgrass.

20 MR. SNODGRASS: I have nothing for this
21 witness.

22 COMMISSIONER WOODRUFF: Ms. O'Neill.

23 MS. O'NEILL: Mr. Catelli, you said that
24 you had agreed pretty much with what the other
25 people had said regarding the service?

1 MR. CATELLI: Yes.

2 MS. O'NEILL: Have you had any problems
3 with the service that you have gotten from the
4 company?

5 MR. CATELLI: Not that I know of, except
6 in the normal plunger, you know.

7 MS. O'NEILL: Have you had any problems
8 with the bad smells or anything over at your house?

9 MR. CATELLI: No, ma'am.

10 MS. O'NEILL: Thank you. I don't have
11 anything further.

12 COMMISSIONER WOODRUFF: Thank you, sir.
13 Don Scarpelli. Good evening, sir. Please raise
14 your right hand.

15 (The oath was administered.)

16 COMMISSIONER WOODRUFF: Tell us your name.

17 MR. SCARPELLI: Don Scarpelli. 15832
18 Meadow Court. The comment I only have is that I
19 work for a large company, sewer and drain company.
20 If I were to increase my customers 66 percent, I
21 know that I wouldn't have a customer base. I think
22 it is unheard of. It is -- every year I can
23 understand maybe a 10 percent increase, but to jump
24 up to a dramatic amount of money. Especially people
25 on fixed incomes. It is an unfair -- it is unfair

1 to them. It is unfair to families trying to feed
2 their families. So basically that's all I wanted to
3 say.

4 COMMISSIONER WOODRUFF: Questions from Mr.
5 Peterson?

6 MR. PETERSON: No questions.

7 COMMISSIONER WOODRUFF: Mr. Snodgrass?

8 MR. SNODGRASS: No questions.

9 COMMISSIONER WOODRUFF: Ms. O'Neill.

10 MS. O'NEILL: No questions.

11 COMMISSIONER WOODRUFF: You may step down,
12 sir. Jennifer Mefford. Please raise your right
13 hand.

14 (The oath was administered.)

15 MS. MEFFORD: My name is Jennifer
16 Mefford. I live at 13750 Green Meadow Court in the
17 Oak Creek Subdivision. I also sat on our home
18 association there and battled an annex procedure
19 which we went through with the City not that long
20 ago. We feel like once again when our sewer
21 district was just going to accept that annexation
22 and continue giving us the fee that they give us
23 now, but we still weren't going to get service from
24 the City, when that didn't pass I feel like now we
25 are getting it some other way to get more money to

1 service the sewer district.

2 I work for the county and I see inflation
3 does appear and occur and I understand that. I
4 think it does have to be an acceptable, substantial
5 rate in which the rest of us are feeling inflation
6 in other things, too. We don't see our paychecks
7 inflated any, I can assure you. And yet services
8 are keeping inflating.

9 I did some research. I work for like I
10 said our local county here, election board. Which I
11 always find puzzling to begin with, Timber Creek
12 Sewer District being owned by a developer who
13 services his own subdivision and these items are not
14 voted on. I am glad we have a commission. I did
15 not know we had such a thing that overlooked sewer
16 districts like this. I did, as I said, did some
17 figuring and called around and found out how many
18 homes approximately are sitting on the Timber Creek
19 Sewer District. Roughly 893 homes. At 16.50, you
20 are looking at a rate of about \$14,000 a month that
21 the sewer district is collecting. In over a year's
22 period a substantial amount of money. With the
23 increase it then goes to \$24,000 a month. In over a
24 year's time I am seeing \$120,000 surplus. I know
25 the paper says, our local newspaper, in which I read

1 the article, said that there was an \$80,000 surplus
2 going to be left. So I'm not for certain where
3 those figures are coming from. Just a thought that
4 I have when I was looking and investigating into
5 this procedure.

6 I also wonder, with the building and the
7 projected growth of Platte County, our rural area.
8 I also see that there is already platted and going
9 to happen another 2,000 plus homes added to the
10 sewer district. And so when I figure that on a
11 yearly basis, I am wondering if we had an asset
12 listing of what it costs for them to run the sewer.
13 What would take \$964,000 a year to run? When I
14 figure roughly 3,000 homes at that cost of 26.97, I
15 come in at nearly a million dollars to run a sewer
16 district for a year. I don't understand if there is
17 increased services to us. I don't want them to take
18 the service away that I have now, because I want to
19 get rid of what they are taking.

20 But I am just wondering, with new
21 development and new housing like that, shouldn't
22 that cost then be placed on to the new developers
23 who are going to add on to that sewer district.
24 There are connection fees and things like that that
25 you are also going to have, new fees from those new

1 homes that are going to start existing. So I am
2 wondering why such an increase when the sewer
3 district at this time knows that we have already
4 platted another 2,000 homes to be developed and that
5 they are, too, going to get money from this. So I
6 am baffled by the inflation rate in which they are
7 using when we know existing and new homes are going
8 to be coming in. How can you now ask for almost --
9 not quite double, but nearly double. And inflation,
10 when you are going to have such a large population
11 increase within I would imagine two to five years.

12 I know they are already working on some
13 of the subdivisions. One of the subdivisions the
14 board member of Timber Creek is developing himself.
15 So I am just baffled and confused about the rate of
16 the inflation. I understand cost of inflation and
17 everything is going up. Look at gas, \$2.00 a
18 gallon. My goodness, who would have thought. I
19 understand an increase. But to live in my home now
20 for two years, and then to have my sewer district
21 almost double the payment, it just seems outstanding
22 to me. And that's why I want to go on the record.
23 You know, I have investigated, I have looked at the
24 number of homes. I have figured the cost. I am
25 just wondering in the projection of two, three, five

1 years, what would cost a million dollars to run that
2 sewer district. It is questionable. I just -- I
3 can't understand it.

4 COMMISSIONER WOODRUFF: Thank you, ma'am.
5 Mr. Peterson, any questions.

6 MR. PETERSON: I just have a couple of
7 questions to try to clarify a couple of comments
8 that you made. First of all, I thought I understood
9 you to say that you had seen that there was an
10 80,000 surplus that would result from the increase?

11 MS. MEFFORD: Correct. Is that not what
12 our little green flyer says?

13 MR. PETERSON: Is it possible that what
14 that was referring to is that there would be an
15 \$80,000 increase as a result of the rates that are
16 proposed?

17 MS. MEFFORD: It could have been. But
18 that's not how it was worded in our local paper or
19 on the sheets. Okay, \$80,000 increase. But even
20 with the figures I got from our planning and zoning
21 board that is not comparable to what will take
22 effect. Right now there is over 893 homes right
23 there. If you multiply that by the increase, you
24 are looking at a \$10,000 increase over a 12-month
25 period is \$120,000 increase.

1 MR. PETERSON: The 800 homes that you just
2 referenced, do you know if that number includes the
3 number of residents that are served by the City of
4 Platte City?

5 MS. MEFFORD: No. None of those are
6 serviced by Platte City. I have the listing of the
7 subdivisions that are in there. One of those
8 subdivisions, which I don't even have the numbers
9 for, that's why I said there are actually more than
10 893. Devonshire Drive, which is a townhome unit, is
11 serviced by that sewer district. It is in the city
12 limits, but I didn't even have numbers for that. I
13 just picked the -- let me look here -- seven
14 subdivisions I know that are not in the city limits
15 of Platte City that are serviced by that sewer
16 district.

17 MR. PETERSON: Your Honor, I would like to
18 just note for the record that the company's filing
19 that has been reviewed by the staff indicates 637
20 actual residential customers of the sewer district.
21 And 12 monthly bills that is 7,644 bills proposed
22 increase is 80,000 and that translates to a \$10.40
23 increase per month.

24 COMMISSIONER WOODRUFF: Let me clarify
25 something. You both have been talking about a sewer

1 district. This is a sewer company, not a district.

2 MR. PETERSON: Good point. Thank you.

3 COMMISSIONER WOODRUFF: Just wanted to be
4 clear on that. Mr. Snodgrass, any questions.

5 MR. SNODGRASS: I have no questions,
6 Judge.

7 COMMISSIONER WOODRUFF: Ms. O'Neill.

8 MS. O'NEILL: Yes. On the 893 customers.
9 Is that, when you checked that out, was that places
10 where there were actually people living in the
11 houses or houses that are built?

12 MS. MEFFORD: It was actual, the
13 subdivisions and the homes that are already
14 existing. There are a few of those subdivisions
15 that are still having phases going up.

16 MS. O'NEILL: Do you know whether or not
17 those houses that are existing have been sold and
18 there are people living in those?

19 MS. MEFFORD: Actual living in those,
20 yes, ma'am.

21 MS. O'NEILL: Do you know when you got
22 those figures, how recent those are?

23 MS. MEFFORD: Within this last couple
24 weeks I got them from our planning and zoning
25 board. Here for the county that is, ma'am.

1 MS. O'NEILL: You did get it from Platte
2 County?

3 MS. MEFFORD: Platte County Planning and
4 Zoning.

5 MS. O'NEILL: Zoning board?

6 MS. MEFFORD: Yes, ma'am.

7 MS. O'NEILL: That's all that I have.

8 Thank you.

9 MS. MEFFORD: Thank you all very much.

10 COMMISSIONER WOODRUFF: Ms. Mefford is the
11 last person that signed up. Is there anyone else
12 that would like to testify that didn't get a chance
13 to sign the sheet? Come forward, sir. Please raise
14 your right hand.

15 (The oath was administered.)

16 COMMISSIONER WOODRUFF: You may be
17 seated. Can you tell me your name.

18 MR. SHARP: My name is Bill Sharp. I
19 live in Timber Park Meadows.

20 COMMISSIONER WOODRUFF: That is Bill
21 Sharp?

22 MR. SHARP: Yes, sir.

23 COMMISSIONER WOODRUFF: Since you didn't
24 sign the sheet I'll ask you for your address as
25 well.

1 MR. SHARP: 157568 Meadow Court, Timber
2 Park.

3 COMMISSIONER WOODRUFF: What would you
4 like to tell us, sir.

5 MR. SHARP: Well, I had my wife look up
6 our last four water bills that we have had. There
7 are two of us in our household. And in our
8 neighborhood there are several single family people
9 also. But the month of February our water bill was
10 \$17. In March it was 13.50. April it was 18.50.
11 And May it was 12.50. And I am presuming some of
12 that doesn't go down my sewer. With watering,
13 washing cars, drinking water. It just seems like it
14 is a tremendous amount to pay for it to go a way of
15 what we have. That's all I have.

16 COMMISSIONER WOODRUFF: Questions, Mr.
17 Peterson?

18 MR. PETERSON: No questions.

19 COMMISSIONER WOODRUFF: Ms. Snodgrass?

20 MR. SNODGRASS: No questions.

21 COMMISSIONER WOODRUFF: Ms. O'Neill?

22 MS. O'NEILL: No questions.

23 COMMISSIONER WOODRUFF: Anyone else like
24 to come forward and testify. Please come forward.
25 Good evening.

1 MR. JACKSON: Richard Jackson.

2 (The oath was administered.)

3 COMMISSIONER WOODRUFF: Mr. Jackson,
4 where do you live?

5 MR. JACKSON: 13530 Timber Park Drive,
6 Timber Park.

7 COMMISSIONER WOODRUFF: What would you
8 like to tell us?

9 MR. JACKSON: I have only been in this
10 area about four years, but I have lived in other
11 areas. And I must say that this is probably the
12 highest increase that I have seen in a rate for
13 sewage. Now I think we all want what is fair and
14 what is equitable. But I also wanted to comment
15 that in other areas that we have lived in, a meter
16 was not installed to identify the amount of sewage
17 that left property, but it was based on the amount
18 of water that was consumed in a household. A
19 formula was determined. So if your water bill was
20 \$25, then your sewer was double of that, or a fourth
21 of it, whatever the case may be. So I am not sure
22 that a meter would have to be installed, if that was
23 an option.

24 The other thing is, this is 2004. We have
25 a lot of technology available to us. I don't

1 understand why we cannot find out what the water
2 sources or the consumption of a property, even if we
3 are getting water from more than one source. I
4 think that is information that could be shared with
5 anybody who would want it. I am not for sure. I
6 haven't done any research on that. But I would
7 think with what we have available today with
8 technology that would be available. That's all I
9 have.

10 COMMISSIONER WOODRUFF: Thank you, sir.
11 Mr. Peterson, any questions?

12 MR. PETERSON: No questions.

13 COMMISSIONER WOODRUFF: Mr. Snodgrass?

14 MR. SNODGRASS: No questions.

15 COMMISSIONER WOODRUFF: Ms. O'Neill?

16 MS. O'NEILL: No questions.

17 COMMISSIONER WOODRUFF: Anyone else want
18 to come forward? I don't see anyone else. So I
19 will just take this opportunity then to thank you
20 all for coming. As I indicated, the commissioners
21 will have an opportunity to review the transcript.
22 Normally transcripts are done in I believe ten
23 business days. I am going to ask that the
24 transcript be expedited, and ask the court reporter
25 to make it available to the commission within three

1 days. All right, with that then we are adjourned.

2 Thank you all very much.

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