

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Local Public Hearing

February 22, 2010
Jefferson City, Missouri
Volume 6

In the Matter of the Application)
of Ozark Meadows, Aqua Development)
Company, d/b/a Aqua Missouri, Inc.,)Case No.
Request for Increase in Annual)SR-2010-0023
Sewer system Operating Revenues)
MPC Sewer Utility Small Company)
Rate Increase Procedures)

In the Matter of Aqua RU, Inc., d/b/a)
Aqua Missouri Request for Increase in)Case No.
Annual Water System Operating Revenues)WR-2010-0025
MPSC Water Utility Small Company Rate)
Increase)

In the Matter of Aqua Missouri, Inc.,)
(CU) Request for Increase in Annual)Case No.
Sewer system Operating revenue MPSC)SR-2010-0026
Sewer Utility Small Company Rate)
Increase Procedures)

In the Matter of Aqua Missouri, Inc.,)
(CU) Request for an Increase in the)Case No.
Annual Water System Operating Revenues)WR-2010-0027
MPSC Water Utility Small Company Rate)
Increase Procedures)

HAROLD STEARLEY, Presiding
SENIOR REGULATORY LAW JUDGE
TERRY M. JARRETT,
COMMISSIONER

REPORTED BY: Monnie S. Mealy, CCR, CSR, RPR
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1 A P P E A R A N C E S

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1 P R O C E E D I N G S

2 JUDGE STEARLEY: Mr. Ocho, I'm actually going to
3 extend that a step further and ask everyone who has a cell
4 phone or Blackberry to please turn it off completely as
5 those devices can interfere with our recording and
6 transmission.

7 AUDIENCE MEMBER: I can't hear you. I'm hard of
8 hearing.

9 AUDIENCE MEMBER: Yeah. Can you speak up?

10 JUDGE STEARLEY: Is that any better?

11 AUDIENCE MEMBER: No.

12 TECHNICIAN: Let me turn up the volume in the
13 back.

14 JUDGE STEARLEY: Our tech is going to adjust the
15 volume up here, and hopefully you'll be able to hear me.
16 I don't know if he's -- can you hear me better now? I
17 don't know if Dan's got that adjusted yet or not.

18 AUDIENCE MEMBER: No. It's not any better.

19 JUDGE STEARLEY: I can try another microphone,
20 too.

21 AUDIENCE MEMBER: That's better.

22 JUDGE STEARLEY: Is it still better on this one
23 than it was?

24 AUDIENCE MEMBER: If you'd talk a little louder,
25 it would help.

1 JUDGE STEARLEY: Okay. All right. Well, good
2 evening. It's Monday, February 22nd, 2010. The Missouri
3 Public Service Commission has set this time for a local
4 public hearing in four case files in which Aqua, Missouri,
5 Incorporated seeks to implement a general rate increase
6 for its water and sewer service in multiple rate districts
7 in Missouri.

8 The file numbers for those matters are
9 SR-2010-0023, WR-2010-0025, SR-2010-0026 and WR-2010-0027.
10 My name is Harold Stearley, and I'm the Regulatory Law
11 Judge presiding over tonight's hearing. Our court
12 reporter tonight is Monnie Mealy. And with me this
13 evening is Commissioner Jarrett.

14 And, Commissioner, before I continue with
15 explaining procedure for tonight, would you like to make
16 any opening remarks?

17 COMMISSIONER JARRETT: Thank you, Judge. I just
18 wanted to say good evening to everyone. Thanks for coming
19 out tonight. These local public hearings are very
20 important. And on behalf of all five Commissioners, I am
21 glad and I welcome you here tonight.

22 Please don't take the fact that there aren't any
23 other Commissioners here tonight as meaning that this
24 isn't important to all of us. We normally try to split up
25 the hearings so that at least one Commissioner can be at

1 every hearing.

2 And, obviously, we've had hearings in this case
3 pretty much all across the state. So since I'm one of
4 Commissioners that lives right here in Jefferson City, I'm
5 -- I'm here tonight.

6 But all of the Commissioners will read the
7 transcripts of all of the testimony that's taken here
8 tonight, so your comments and your statements will be --
9 will be considered.

10 My role as a Commissioner, and all the
11 Commissioners, we sit as the decision-makers in this case.
12 So we are like the Judges in a trial in court. So when I
13 make my decision or the Commission makes its decision, we
14 will consider the sworn testimony, and we will also
15 consider the evidence admitted in the evidentiary hearing
16 that will be held in a couple of weeks.

17 And so your sworn testimony tonight for those of
18 you who are testifying will be considered. So that's why
19 I'm here. I'm here to listen to your testimony and, you
20 know, welcome everybody that wants to speak to speak.

21 Again, it is very important. We want to hear
22 what you have to say. And I'll turn it back over to the
23 Judge. Thank you.

24 JUDGE STEARLEY: Thank you, Commissioner. And
25 in -- consistent with that, I'd like to point out that

1 because not all of the evidence has been admitted yet in
2 this matter, Commissioner Jarrett is unable to take
3 questions from you or discuss the case.

4 The question and answer session you just had
5 with Staff and the company was for that purpose. This
6 portion of this hearing is for the purpose of hearing from
7 you, your testimony and your comments.

8 The procedure we're going to follow is I have a
9 witness list where people have signed up. I'm going to
10 call each name on the witness list and ask that person to
11 step forward to our podium.

12 I will ask you to state and spell your name for
13 our court reporter. I may have a couple of introductory
14 questions for you. And then you may proceed and give your
15 comments.

16 When you're through with your comments, please
17 do not sit down. The attorneys who are present for the
18 parties tonight, Commissioner Jarrett or myself may have a
19 couple questions for you regarding the information you've
20 presented. So please wait until all the questions are
21 complete before leaving the podium.

22 Does anyone have any questions about the manner
23 in which we're going to proceed tonight? Well, seeing
24 none, I will begin by taking entries of appearance from
25 counsel for the parties starting with Aqua, Missouri,

1 Incorporated, or any of its affiliates.

2 MR. SCHWARZ: If it pleases the Commission, Tim
3 Schwarz with Blitz, Bardgett & Deutsch. I represent Aqua,
4 Missouri, and I have completed my entry form with the
5 reporter.

6 JUDGE STEARLEY: Thank you, Mr. Schwarz. Staff
7 of Missouri Public Service Commission?

8 MR. DEARMONT: Thank you, Judge. Eric Dearmont
9 on behalf of the Staff of the Missouri Public Service
10 Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

11 JUDGE STEARLEY: All right. Thank you,
12 Mr. Dearmont. And Office of the Public Counsel?

13 MS. BAKER: Thank you, your Honor. Christina
14 Baker, P.O. Box 2230, Jefferson City, Missouri 65102,
15 appearing on behalf of the Office of the Public Counsel
16 and the ratepayers.

17 JUDGE STEARLEY: Okay. Thank you, Ms. Baker.
18 And I would point out to the crowd that Ms. Baker is the
19 State-appointed consumer advocate, and she is representing
20 the public in the evidentiary hearing portion of these
21 cases.

22 All right. Very well. We'll begin by calling
23 the first witness. The first name I have is Ken
24 Lueckenotte. And I'm not sure if I've pronounced your
25 last name correctly, but you can --

1 Mr. LUECKENOTTE: It's close.

2 JUDGE STEARLEY: -- correct me on that.

3 MR. LUECKENOTTE: Thank you, Judge. My name is
4 Ken Lueckenotte, spelled K-e-n L-u-e-c-k-e-n-o-t-t-e.

5 THE COURT: All right. Mr. Lueckenotte, if
6 you'd please raise your right hand.

7 KEN LUECKENOTTE,
8 being first duly sworn to testify the truth, the whole
9 truth, and nothing but the truth, testified as follows:

10 TESTIMONY OF KEN LUECKENOTTE

11 JUDGE STEARLEY: All right. And I'm assuming
12 you are a customer of Aqua, Missouri?

13 MR. LUECKENOTTE: Yes, sir. I live at 2909 Fox
14 Dale Drive in Quail Valley. And I represent several of my
15 neighbors out there. And I would also like to turn over
16 some letters that -- that they have submitted in addition
17 to the -- the testimony that I'm about to give.

18 JUDGE STEARLEY: All right.

19 MR. LUECKENOTTE: In the early years of Quail
20 Valley Lake subdivision, development, money from the sale
21 of each lot was escrowed to help pay for the cost of the
22 treatment system and installation, with the bulk of the
23 cost being paid by the developer of the subdivision. I
24 understand he paid something like a quarter of a million
25 dollars for the development of that system.

1 In 1994, the system went online with
2 approximately 45 households hooked into the system. At
3 that time, the system was granted at no cost to cap the
4 utilities to operate and maintain.

5 According to Aqua Missouri's web site, Capitol
6 Utilities was sold to Aqua Source, Inc., in October 1998,
7 but payments were made to Capitol Utilities until May of
8 2000. Aqua America, Inc., acquired the system from Aqua
9 Source in 2003. And Quail Valley residents began making
10 being payments to Aqua Missouri in March of 2004.

11 Hopefully, in these sales and transfers of
12 ownership the acquiring company did not purchase the
13 system that the property owners had already paid for when
14 they bought their lots and are not now paying again in
15 monthly rates.

16 We trust that the PSC's analysis of the expenses
17 of Aqua Missouri and establishment of the rate structure
18 would recognize a double payment of the system. The
19 initial rate of \$22.53 a month remained from November of
20 1994 until November of 2006 when it was adjusted to 27.75
21 a month.

22 The rate was again increased in November 2008 to
23 44.79 a month, and the PSC staff and the company have
24 agreed on another increase to 53.22. In just over three
25 years, this would be a 136 percent increase while the

1 consumer price index shows approximately a 7 percent
2 increase.

3 If the sewer rates had increased since inception
4 at the CPI increase of 45 percent, the current rate based
5 off the original rate of 22.53 would be \$32.67. And since
6 the CPI has actually declined since the last rate increase
7 in November of 2008, how can any increase, not to mention
8 the agreed upon 19 percent increase, be granted?

9 And why was the 61 percent increase granted in
10 November of 2008 warranted when the CPI increase was just
11 over 7 percent? The 61 percent increase followed a 23
12 percent increase just two years earlier.

13 It's also interesting to note the varying rates
14 paid by Aqua Missouri customers. For example, in the
15 September 29th, 2006, PSC news release, the current rate
16 paid by Jefferson City was \$22.53, and the agreed upon
17 rate between PSC Staff and Aqua Missouri was 27.75.

18 By comparison, Maplewood's rates were 12.93 and
19 \$20.80 respectively. The January 14th, 2010, release has
20 Jefferson City's rate increasing from 44.79 to 53.22 while
21 Maplewood's rate increases from 15.67 to 18.05. Both of
22 those were -- are less than the agreed upon rate noted in
23 September of 2006.

24 We recognize also that Ozark Meadows' rate is
25 even higher than Jefferson City. This begs the question,

1 are these systems that much different that the variances
2 in rates are justified? How many subscribers are in the
3 Maplewood system versus Jefferson City, and what effect do
4 the tax rates in each of these communities have on the
5 rate structure of each area?

6 There was evidently a document filed with the
7 Public Service in 1992 with an effective date of May 27th,
8 1992, that provides a schedule of service charges stating,
9 and I quote, "A charge of \$65 per load will be assessed
10 each customer that the company is required to remove
11 solids from the customer's septic tank."

12 I was not aware that this was Aqua America's
13 responsibility until recently and that three years ago a
14 quail valley resident tried to get Aqua America to pump
15 their septic and were refused.

16 In the 17 years I have lived in my home, the
17 company has never offered nor have they ever pumped my
18 septic. I have had it pumped, but it cost more than \$65
19 that the company agreed to -- to charge back in 1992.

20 Is it true that the company, along with the rate
21 increase, is requesting that they be relieved of the
22 responsibility of removing solids from the customers'
23 tanks? If so, customers will be paying more than the \$65,
24 so this also is, in effect, a rate increase.

25 When the treatment plant was built at 5-feet

1 height, a woven wire fence was constructed around the
2 plant. Aqua America has since torn down that fence and
3 constructed another fence around the plant. This appears
4 to have been a waste of money as there was nothing wrong
5 with the original fence. This too raises the question,
6 What are the company's actual cost of doing business at
7 Quail Valley and what are the operating costs per
8 household?

9 Aqua America, Inc. reports strong sales and
10 profits 2007 to 2008 with a 3 percent profit increase.
11 In their annual report, they discuss how they controlled
12 operations and maintenance expenses despite the high fuel
13 cost in 2008.

14 Aqua America has gradually increased dividends
15 from 2006 through 2009 from 44 cents per share to 55 cents
16 per share, and they declared a first quarter dividend for
17 2010 of 14 and a half cents per share, which is an
18 annualized rate of 58 per share.

19 In these difficult economic times, when the CPI
20 is unchanged and people on Social Security do not receive
21 an increase in benefits from 2009 to 2010, yet Aqua's
22 sales, profits and dividends are on the rise, how can the
23 increase in sewer rates be justified?

24 On behalf of my neighbors, Judge, Commissioner,
25 thank you for giving me this opportunity to comment.

1 JUDGE STEARLEY: All right. Let me inquire of
2 the attorneys present? Ms. Baker, do you have any
3 questions for the witness?

4 MS. BAKER: Have you had any service issues?

5 MR. LUECKENOTTE: No, I have not.

6 MS. BAKER: Have you had a chance to contact the
7 customer service for Aqua?

8 MR. LUECKENOTTE: No, I have not.

9 MS. BAKER: Have you had any billing issues?

10 MR. LUECKENOTTE: No, I have not.

11 MS. BAKER: That's all the questions I have.
12 Thank you.

13 MR. LUECKENOTTE: Thank you.

14 JUDGE STEARLEY: All right. Mr. Dearmont?

15 MR. DEARMONT: I have no questions. Thank you.

16 JUDGE STEARLEY: Okay. Mr. Schwarz?

17 MR. SCHWARZ: No questions.

18 JUDGE STEARLEY: Commissioner Jarrett?

19 COMMISSIONER JARRETT: Yeah. Good evening,
20 Mr. Lueckenotte. Thanks for your testimony. I just had a
21 question. How long have you lived at Quail Valley Lake?

22 MR. LUECKENOTTE: Seventeen years.

23 COMMISSIONER JARRETT: Okay. And so were you
24 there when Capitol Utilities was there?

25 MR. LUECKENOTTE: I was there for just over a

1 year before they installed the -- installed the lines and
2 the system. And -- and as far as I know, each homeowner
3 at the time paid about \$100 for the 20-foot length that
4 they had to run the pipe to the -- to the pipe running
5 through your property.

6 COMMISSIONER JARRETT: All right.

7 MR. LUECKENOTTE: And they didn't -- they did
8 not repair the yard that they had torn up, either.

9 COMMISSIONER JARRETT: Okay. So you -- did you
10 have some issues with Capitol Utilities?

11 MR. LUECKENOTTE: Yes.

12 COMMISSIONER JARRETT: Okay. And then how about
13 Aqua Source? You were there when they were there. Did
14 you ever have any issues with Aqua Source?

15 MR. LUECKENOTTE: I've had no issues with Aqua
16 Source.

17 COMMISSIONER JARRETT: And you've indicated had
18 you none with Aqua Missouri?

19 MR. LUECKENOTTE: Correct.

20 COMMISSIONER JARRETT: And water quality's good?

21 MR. LUECKENOTTE: Well, we're on district water.

22 COMMISSIONER JARRETT: Okay.

23 MR. LUECKENOTTE: And we were talking about
24 water usage earlier. And I did inquire last fall of our
25 water district. And the average homeowner use in the

1 first -- I think it was January through March of 2009 was
2 5,300 gallons per household.

3 COMMISSIONER JARRETT: All right. Okay. And I
4 apologize. This is -- this is sewer, right? Because
5 you're on -- you guys are on district water. I'm sorry?

6 MR. LUECKENOTTE: Yeah. It's great water.

7 COMMISSIONER JARRETT: No other -- no other
8 problems with Aqua as far as service?

9 MR. LUECKENOTTE: No, sir.

10 COMMISSIONER JARRETT: Okay. Thank you.

11 JUDGE STEARLEY: Mr. Lueckenotte, you said you
12 had some documents you wanted to present to the
13 Commission?

14 MR. LUECKENOTTE: Yes.

15 JUDGE STEARLEY: Have counsel had an opportunity
16 to look at those? If not, I'd like you to show them to
17 the attorneys representing the parties in the case.

18 MR. LUECKENOTTE: Okay.

19 JUDGE STEARLEY: Okay. Thank you very much for
20 your testimony.

21 MR. LUECKENOTTE: Thank you.

22 MS. BAKER: They're fine.

23 JUDGE STEARLEY: Any objection to --

24 MR. SCHWARZ: No. We'll stipulate that they can
25 be admitted into the record.

1 JUDGE STEARLEY: All right. Very well. We will
2 mark these -- well, I will mark them collectively as
3 Exhibit 1, Mr. Lueckenotte.

4 (Exhibit No. 1 was offered and admitted into
5 evidence.)

6 JUDGE STEARLEY: And moving on down our list, we
7 have Mr. Edward Cannon. Mr. Cannon, if you'd please state
8 and spell your name for our reporter?

9 MR. CANNON: My name is Edward Cannon,
10 E-d-w-a-r-d C-a-n-n-o-n.

11 JUDGE STEARLEY: All right. If you'd please
12 raise your right hand.

13 EDWARD CANNON,
14 being first duly sworn to testify the truth, the whole
15 truth, and nothing but the truth, testified as follows:

16 TESTIMONY OF EDWARD CANNON

17 JUDGE STEARLEY: All right. And I'm assuming
18 you, too, also are a customer of Aqua?

19 MR. CANNON: Yes, I am. Just a sewer only.

20 JUDGE STEARLEY: Sewer only. And what rate
21 district are you in now?

22 MR. CANNON: The Jefferson City.

23 JUDGE STEARLEY: Jefferson City?

24 MR. CANNON: Cole County, Callaway County.

25 JUDGE STEARLEY: All right. You may proceed

1 with your comments.

2 MR. CANNON: I just -- I'm not as prepared as
3 the last guy, but I was just wanting to state that
4 although the -- obviously, things do go up and -- an rate
5 increases are inevitable that over the past three years,
6 they've been wanting to hit the 50, \$60 mark. And I was
7 just voicing my -- that I was disapproving of that. I'm
8 -- I'm done.

9 JUDGE STEARLEY: All right. Very well. Any
10 questions from Counsel?

11 MS. BAKER: Have you had any billing issues?

12 MR. CANNON: No, ma'am.

13 MS. BAKER: Have you had any service issues?

14 MR. CANNON: The only thing that I know of as
15 far as service is they had a DNR issue. They put rock
16 around the lagoon. And it took them some time to do that,
17 like six months to meet those qualifications.

18 And then they put -- they put rock down but
19 didn't spread it for -- for several -- several months.
20 And, actually, one of the home owners actually went out
21 and spread it for them. But that was the only service --
22 as far as -- as far as service of the sewer, we haven't
23 had any.

24 MS. BAKER: Okay. Have you had an opportunity
25 to talk with their customer service?

1 MR. CANNON: Briefly today. But they were very
2 helpful.

3 MS. BAKER: Okay. That's the comments -- the
4 questions I have. Thank you.

5 JUDGE STEARLEY: All right. Mr. Dearmont?

6 MR. DEARMONT: I have no questions. Thanks.
7 Mr. Schwarz?

8 MR. SCHWARZ: No questions.

9 JUDGE STEARLEY: Commissioner Jarrett?

10 COMMISSIONER JARRETT: I don't have any
11 questions either, Mr. Cannon. But I thank you for your
12 testimony tonight.

13 MR. CANNON: Thank you. Have a good night.

14 JUDGE STEARLEY: All right. Thank you. Our
15 next person is Mr. Ken Oidtman. If you'd please state and
16 spell your name for our court reporter first, and we'll --

17 MR. OIDTMAN: Ken Oidtman, O-i-d-t-m-a-n .

18 JUDGE STEARLEY: All right.

19 KEN OIDTMAN,
20 being first duly sworn to testify the truth, the whole
21 truth, and nothing but the truth, testified as follows:

22 TESTIMONY OF KEN OIDTMAN

23 JUDGE STEARLEY: Thank you.

24 MR. OIDTMAN: First off, I'd like to say that
25 you gentlemen missed a real opportunity during the

1 question and answer period. You probably should have been
2 here. But that's -- that's your business. I understand.

3 We received a letter in 2008 with regard to a
4 rate increase. Now, we're talking about the Aqua Missouri
5 on Wardsville Road, the Dahlmeyer plat, Dahlmeyer area.

6 We were informed -- when we bought our lot, I
7 was informed by Mr. Dahlmeyer that he was going to build a
8 wastewater treatment plant to serve the 43 or 40-plus
9 houses that was in the subdivision.

10 And he told us at that time what he thought our
11 cost may be, which there's not a whole lot you can do
12 about it. I mean, it's got to go somewhere. We finally
13 started paying 27.75 in 2008.

14 And then we received a notification in September
15 of 2008 of a rate increase that was going to be put forth
16 by Aqua Missouri. And what was approved by the Commission
17 was a 61.4 percent increase, which they've raised our bill
18 to 44.79 per month.

19 In 11 months, we received another letter dated
20 August the 11th, 2009, where Aqua Missouri was going to
21 again ask for a rate increase. At that time, I was a
22 little bit, well, perturbed.

23 And as such, I sought counsel with Christina
24 Baker, your counsel for the -- the Senior Public Counsel
25 up here. And I informed her of what I had come up with on

1 2008 and 2009 and stated that for all intents and purposes
2 that they had just received a 61.1 -- 61.4 percent
3 increase. And if these figures are right, and we can
4 thank Ms. Baker. If they're wrong, it's my fault.

5 There was another rate increase that was asked
6 for in the amount of 29.2 percent, so that put the rate in
7 11 months over 91 percent.

8 Now, we heard during the question and answer
9 period with regard to increased cost, operations and
10 things of that nature -- like the first gentleman,
11 Mr. Edward -- or Edward, when he was up here -- I'm sorry
12 I don't have the figures and facts the way that Ken
13 Lueckenotte has. Sounds good, though, I'll tell you for
14 sure.

15 But the question I have is, you know, what --
16 what's been done since the last rate hike? I mean, where
17 would anybody go to find out what type of money has been
18 expended on what wastewater facilities? And we're talking
19 just wastewater.

20 Is there a Freedom of Information Act that we
21 can go to that we can see where the money was spent?
22 They're talking about millions of dollars or a million
23 dollars or whatever it was.

24 What out of the 61 percent increase that we paid
25 went to the stockholders and what went to the repair of

1 the plants? Somebody made the comment during the question
2 and answer period that operation costs are going to go up
3 depending on what you want to do. I mean, if you've got a
4 halfway decent truck and you want a new truck, there's
5 your operational costs. So, obviously, we're paying for
6 that as well, which I guess to some degree it's -- it's
7 logical.

8 But other lady in here asked, you know, when
9 does it stop? And the gentleman right here said, you
10 know, well, you know, they can put a moratorium on it.
11 And, boy, for a whole 36 months, there might be another
12 rate increase. I don't think that satisfies a whole bunch
13 of us, judge.

14 You know, we've got people out there at the
15 subdivision that have a two-member household, empty
16 nesters, so to speak. And when you figure the amount of
17 money we pay and what it costs for one flush, that's
18 pretty exorbitant. So I guess you just get extra or
19 something like that.

20 But I would just really appreciate you and the
21 Commissioners and your Staff giving this a hard, good look
22 and maybe doing what the gentleman on your staff said, put
23 a moratorium on this thing for a while, even if it's --
24 you know, 36 months is better than nothing. But 72 sounds
25 a hell of a lot better.

1 And I guess that's all I have to say. And no to
2 all three of your questions. So you know, I -- I don't
3 know. I don't know what they've done at our plant. I
4 don't know what they have done at any plant. The only
5 thing can I go by is what I receive from the Public
6 Service Commission.

7 I, as a matter of fact, tried to get a hold of
8 Rick Helms, who was the previous operator of our plant.
9 And I have been unable to do so. And I'm darn sorry about
10 that because I would have asked him to come to this
11 meeting as well.

12 So that's kind of it. I guess we're just kind
13 of falling on our knees and saying, Give us a break.
14 Thank you, Judge, Commissioner.

15 JUDGE STEARLEY: With regard to your specific
16 questions, when this hearing is over because myself and
17 Commissioner Jarrett cannot address those, I would
18 encourage you to take advantage of the opportunity of us
19 having Staff members and company representatives, and you
20 can ask them directly those questions and see if they
21 can't get some answers for you.

22 MR. OIDTMAN: Oh, we -- we did, sir, ask your
23 staff. We -- we did.

24 JUDGE STEARLEY: All right.

25 Mr. OIDTMAN: And some of the questions were

1 repetitive. And if you didn't get an answer, I would -- I
2 would really suggest that they do exactly that as -- as
3 you suggest. And that's all I have, sir.

4 JUDGE STEARLEY: And sometimes this is a good
5 opportunity because we have company representatives here
6 that you can ask specifically. And if you'll hold on just
7 a moment, let me inquire of counsel. Do you have any
8 questions for this witness?

9 MS. BAKER: No. He got all three of mine, I
10 think, so I'm good. Thank you.

11 JUDGE STEARLEY: All right. Mr. Dearmont?

12 MR. DEARMONT: No questions. Thank you.

13 JUDGE STEARLEY: Mr. Schwarz?

14 MR. SCHWARZ: No, Judge.

15 JUDGE STEARLEY: Commissioner Jarrett?

16 COMMISSIONER JARRETT: Sir, I appreciate your
17 time and coming out tonight, and I appreciate your
18 questions.

19 MR. OIDTMAN: You look awful familiar. I know
20 you.

21 COMMISSIONER JARRETT: Well, I do live here,
22 so --

23 JUDGE STEARLEY: Mr. Larry Platt.

24 MR. FLATT: Good evening. Larry, L-a-r-r-y,
25 Flatt, F-l-a-t-t.

1 JUDGE STEARLEY: All right. If you'll please
2 raise your right hand.

3 LARRY FLATT,
4 being first duly sworn to testify the truth, the whole
5 truth, and nothing but the truth, testified as follows:

6 TESTIMONY OF LARRY FLATT

7 JUDGE STEARLEY: All right. You may proceed.

8 MR. FLATT: Okay. My first kind of issue that
9 I'd like to bring up is in regards to the -- I'm fairly
10 new to the area, fairly new to the concept. I moved into
11 our home in on Maybert Place in 2003.

12 And in 2007, December, I got a notice telling me
13 that my rates were going to significantly increase for my
14 sewer. So I did like I had always learned to do. I wrote
15 a letter to the Public Service Commission, listed out a
16 number of questions that I had, listed out some of my
17 concerns about the costs and the amount that it was
18 increasing and how that compared to what my water costs
19 were and how much water I used.

20 I didn't hear from anyone about that. I also
21 wrote a letter to Lewis Mills, who I think at that time in
22 January of 2008 was the person who was supposed to be my
23 ombudsman, the Office of Public Counsel. Never heard
24 from him either.

25 Then I got a form letter from Mr. Russo who

1 basically didn't read my letter apparently because his
2 question -- his whole thrust of his letter was that, Be
3 assured that no rate increase will take place until the
4 Commission had acted. Well, I knew that. And my
5 questions were sophisticated enough that he should have
6 been able to figure out that I knew that.

7 I noticed -- took notice of when the public
8 hearing was and everything, had plans to come up and whine
9 to you about all this, but was called out of town on
10 business and didn't get to make it. Was glad to see that
11 they didn't get the entire increase that they were talking
12 about.

13 But then here in August, I got another letter.
14 So this time, I did the same thing. I wrote to the Office
15 of Public Counsel. I wrote to the Public Service
16 Commission again with the same -- some of the same
17 questions, different light, little more experience now
18 with what's happened with my water usage and everything.

19 I got almost the same form letter back from
20 Mr. Russo. And I've been mad ever since. But I kind of
21 got over it. I -- I just sent all of you all a letter. I
22 think I sent everybody on the letterhead a letter. And I
23 noticed that that at least generated a -- a letter from
24 finally a letter from Jim Bush.

25 And I got a phone call or I called and got a

1 hold of Christine Baker to talk about how to get the
2 answers to my questions. Now, nobody ever gave me any of
3 those answers. Basically, they gave me the web site where
4 I had to go on and search through all the legalese and
5 everything that is on -- in that stuff.

6 I'm -- I'm accustomed to asking questions of
7 government officials and agencies about policies and
8 procedure and them being able to answer those questions
9 and let me know instead of having to do all that research
10 myself. But nevertheless, I've done the research now.

11 And that's why I'm here tonight. I'm glad I
12 didn't get called out of town this time. What you need to
13 know is that in December 2007, the -- the rates were
14 \$27.75. That worked out for my water usage. I use 3800
15 gallons a month on average. I did in the last -- the last
16 year. I didn't water very much because it rained a little
17 bit. But that's -- for 12 months, that's the average.

18 I was paying for my existing sewer about twice
19 what I was paying for water. I don't know whether that
20 means anything or not. Just kind of seemed to me kind of
21 -- water might be more valuable than sewage, but I guess
22 sewage is a little harder to take care of. So I can -- I
23 can buy that.

24 The proposed rate increase that I got -- the
25 notice I got was a -- they said 128 percent. To me, it

1 was going to be more than double. Now, that's -- that
2 sounds worse than 128 percent, although that's a pretty
3 good percent increase.

4 And it was going to take my water costs to --
5 pardon -- as compared to my water use, it was going to be
6 about almost five times what my water was. Then they
7 actually approved only a 61 percent increase. You
8 actually approved only a 61 percent increase that was
9 about three and a third times my water rate.

10 Then in August of 2009, I got a letter telling
11 me that we were going to raise it only 29.2 percent to
12 \$57.87, which was four times what I paid for my water.
13 And now it's being proposed in the agreement at an 18.8
14 percent increase or 53.22.

15 And in -- and in my case, I just think this --
16 this rate is expanding too fast. And there had to be a
17 reason. I wasn't sure what it was because I really didn't
18 get answers to all my questions. I did get answers to
19 some of them tonight. I did find out that -- that there
20 shouldn't be any capital costs or new construction costs.
21 I call that capital cost. New construction costs in my
22 bill. And they assured me that was the case and that when
23 -- when they take over an existing facility, it's supposed
24 to be bought up to a minimum standard by the person that's
25 giving it to them or they won't take it or they'll charge

1 him and fix it, I suppose.

2 Anyway, so that shouldn't be any of my cost. So
3 my costs really are just maintenance and operation. And I
4 understand there has to be some capitalization in there to
5 replace worn out pumps, equipment and things like that.
6 And I understand that.

7 But I'm -- I'm seeing these kind of percentage
8 rates, which is basically, you know, doubled in, what, 18
9 -- three years, doubled in three years. I can't imagine
10 that continuing on.

11 I was encouraged, though, by the audit because
12 the audit kind of made -- brought out something in the
13 agreement in page 2, Section 8, the A through E section.
14 Apparently, there is some question on the part of your
15 auditors that -- that the costs for these different things
16 that are not being separated out and accounted for as well
17 as maybe they could be and -- and therein, that kind of is
18 the red flag that I had three years ago that this might
19 very well be a possibility.

20 So, hopefully, they've got some strong words in
21 there. I hope they're the right ones and that we make
22 sure that the right costs are going into the calculation
23 of -- of what my sewer fees are going to be in the future.
24 I appreciate your time. I'll let somebody else get up
25 here and take the space.

1 JUDGE STEARLEY: All right. Hold on just a
2 moment, Mr. Platt. Does counsel have any questions for
3 Mr. Platt?

4 MS. BAKER: You know my three.

5 MR. FLATT: My answer is no to all of them.

6 MS. BAKER: That's all the questions I have.
7 Thank you.

8 MR. DEARMONT: I have no additional questions.
9 Thank you.

10 JUDGE STEARLEY: Mr. Schwarz?

11 MR. SCHWARZ: No questions, Judge.

12 JUDGE STEARLEY: Commissioner Jarrett?

13 COMMISSIONER JARRETT: Mr. Platt, I have no
14 questions. I thank you for your testimony. It was very
15 detailed, and it will be very helpful. Thank you.

16 MR. FLATT: Yes, sir.

17 JUDGE STEARLEY: Thank you very much.

18 MR. FLATT: Thank you.

19 JUDGE STEARLEY: Keith Kempker. Please state
20 and spell your name for our court reporter.

21 MR. KEMPKER: My name is Keith Kempker. Last
22 name is K-e-m-p-k-e-r. I'd like first --

23 JUDGE STEARLEY: Mr. Kempker, before you start,
24 let me swear you in.

25 MR. KEMPKER: Yes. I'm sorry.

1 KEITH KEMPKER,

2 being first duly sworn to testify the truth, the whole
3 truth, and nothing but the truth, testified as follows:

4 TESTIMONY OF KEITH KEMPKER

5 JUDGE STEARLEY: Okay. You may proceed.

6 MR. KEMPKER: I'd like to first start out just
7 by stating that I'm frustrated. Again, we're here because
8 there's another rate increase.

9 I'd also like to state that the first bullet in
10 the PSC's mission statement states, and I quote, "Ensure
11 that Missourians receive safe and reliable utility
12 services at just, reasonable and affordable rates." The
13 Office of Public Counsel, their web site states on their
14 web site, "Fighting for fair utility rates."

15 As I'll get into, I don't think these are fair.
16 And I think a lot of people here tonight agree. I had an
17 opportunity to speak with several employees with the PSC,
18 the Office of Public Counsel. I spoke with Jim Bush here
19 today as well as last week, Jerry Shively a little bit.

20 Aqua Missouri took over in February of 2004. We
21 received on May 14th, 2005, their first rate increase that
22 year or shortly thereafter. They received a 23.17 percent
23 increase. The rates went from \$22.53 to \$27.75.

24 Yet again on December 7th, 2007, they asked for
25 another increase. That one was a big one. While I don't

1 have what they asked for, they did receive a 61.4 percent
2 increase. Rates went from \$27.75 to \$44.79. Is that
3 fair? No.

4 This time, they're asking for a 29.2. Now, I've
5 got a couple different numbers. What we received tonight,
6 which I really don't quite understand as well, is that I
7 guess the agreed on rate is \$53.22. I don't understand
8 the agreed amount because the PSC has not heard everyone
9 testify yet, so I don't understand why there is an agreed
10 rate.

11 Whenever we got the letter, it said that they
12 were going to raise our rates from \$44.79 to \$57.87.
13 Again, that's not fair. When is it going to stop? The
14 bleeding has to stop sometime.

15 Again, as I stated, I'm upset. I'm angry, as
16 well as a lot of people here tonight. At this rate,
17 assume four more rate increase at 15 percent that the PSC
18 will approve. We'll be paying over \$90 a month in sewer.

19 Just some other comments at the hearing tonight
20 on the -- during the question and answer, I'm not really
21 for sure why Aqua Missouri does not have a reserve for
22 improvements, while they will pay for them and then ask
23 for reimbursement.

24 Do you know what happens whenever we have to do
25 improvements to our home? We save. Is Aqua Missouri

1 saving? Honestly, I don't know. But it sounds like
2 they're not because they're asking for reimbursement. I
3 don't understand why they have to ask for reimbursement.
4 They should have money in the bank to pay for these
5 improvements.

6 Please put yourselves in our shoes. Would you
7 want your sewer bill going up this much? I myself have a
8 wife and two children to take care of. This rate increase
9 is ridiculous.

10 As stated in the -- in the question and answer,
11 last year, I specifically remember that Aqua Missouri had
12 billing problems. A lot of people weren't getting bills.
13 I hope that's taken care of, and I hope that you all look
14 back and make sure that those problems have been taken
15 care of.

16 Why is Aqua Missouri seeing a decrease in
17 revenue? They've been given rate increase ever since
18 2005. In my opinion, they should have money.

19 I live right by the subdivision treatment plant.
20 I live in Holt Summit, Hidden Valley subdivision. I
21 actually spoke with Ms. Hale here a few weeks ago because
22 there was a situation. At approximately 9:45 that
23 morning, I was home with a sick daughter. I happened to
24 notice that the white Aqua Missouri truck came down our
25 drive to go to the treatment plant. I never did see him

1 leave.

2 So approximately, oh, 20 minutes later, I just
3 -- you know, just out of curiosity, you know, just seen
4 what they might be doing down in our area or even if he
5 was still there. He was still there. He was backed into
6 the treatment plant.

7 And to give you a little background of where our
8 treatment plant sits and where my house sits, it sits off
9 the road. You can't see our house from the road very
10 well, and you cannot see the treatment facility from the
11 road. The only -- the only way I can see it is if I
12 actually walk towards the treatment facility because it
13 sits down below a hill kind of behind of a bank.

14 The Aqua Missouri employee was sitting in his
15 truck. And you want to know what time he left? 12:30.
16 Did he get out of the truck? No. You want to know why I
17 know he didn't get out of the truck? Because there's snow
18 on the ground.

19 This makes me mad, very mad because they are
20 wasting my money, my time, everyone's time, everyone's
21 money. I was so mad, I didn't know what to do. I didn't
22 know if I should just wait for this hearing talk about it
23 here or not.

24 So I called Ms. Hale and talked to her. I
25 wanted to know who was in charge of their field people.

1 She said that she was the high -- the highest that they
2 could go because she was the Regional Manager. And I told
3 her what was going on. And she asked me, So you're saying
4 if I drive down there right now, I won't see any tracks,
5 any footprints?

6 I said no. And she asked me, Well, how come? I
7 I'm like, Well, because there's snow on the ground. I
8 have pictures, dates and times on the pictures, which I
9 have copies for everyone here. I want you all to look at
10 them, see if you all agree.

11 The only footprints you will see are in pictures
12 that were taken at approximately 3:57. These footprints
13 that you see was of someone that actually came down --
14 whether or not it was Ms. Hale or not, I don't know.

15 But I was seated at my kitchen table working
16 with my children on their homework. And I happened to see
17 a brown, rust-colored vehicle leave. That's when I walked
18 down there to see if they -- if anyone had got out.
19 Someone did. But it wasn't the employee that was down
20 there for almost three hours.

21 That was not the first time I caught someone
22 down there doing absolutely nothing. Approximately June
23 -- on -- in June 2007, my wife and I, we were trying to
24 sell our house at the time, and I was waiting to hear back
25 from a call from Mr. -- from Aaron.

1 And I saw an Aqua Missouri truck go down. And
2 since I was waiting on a phone call, I didn't know if it
3 was him that had went down or not. So I walked down
4 there. It wasn't him. But it was another Aqua Missouri
5 employee napping. 8:30 in the morning. Around 8:30 in
6 the morning because -- excuse me. Because I -- since it
7 was so long ago, I really don't remember what time. But
8 it was early in the morning. It was before 9 a.m.

9 How many other times have they been down there
10 goofing off, wasting time, my money, everyone else's
11 money? I don't know. Because I don't sit around looking
12 to see when they come and when they go. Sometimes I just
13 notice when they come or go.

14 Again, put yourselves in our shoes. Do you want
15 our rates to increase? Again, the bleeding needs to stop,
16 and the time is now. Thank you.

17 JUDGE STEARLEY: Mr. Kempker, just one remark,
18 and I'll turn this over for questioning. With regard to
19 what you've seen as a quote, unquote, agreed-to rate, the
20 Commission staff and the company have filed what is called
21 a disposition agreement.

22 MR. KEMPKER: Correct. And that was kind of
23 explained earlier.

24 JUDGE STEARLEY: Which is like a recommendation.

25 MR. KEMPKER: Uh-huh.

1 JUDGE STEARLEY: Office of Public Counsel has
2 not signed that agreement. The Commission has not made
3 any decision yet in this case. So I just wanted to assure
4 you that the Commission has not -- and the Commissioners
5 have not agreed to any rate increase at this point in
6 time. They're wanting to hear all the evidence.

7 MR. KEMPKER: All right.

8 JUDGE STEARLEY: Questions from Counsel?

9 MS. BAKER: I think you've probably hit on mine.
10 Billing issues?

11 MR. KEMPKER: No.

12 MS. BAKER: Customer service?

13 MR. KEMPKER: They couldn't -- you know, with
14 the customer service and service, the only thing is, you
15 know, them wasting time, money. You know, I've testified
16 years past. This is not the first time I've been here.

17 I have seen Aqua Missouri do, quote, unquote,
18 maintenance to our plant. But the maintenance was done to
19 the side of our treatment facility that's not even
20 functioning. It's not even being used, but yet they came
21 out and put in a new liner, new rock in it. It's not even
22 being used, still not being used. It's just frustrating,
23 very frustrating.

24 MS. BAKER: I think that's all the questions I
25 have. Thank you.

1 JUDGE STEARLEY: Mr. Dearmont?

2 MR. DEARMONT: I have just one. The first

3 incident, the one with the lack of footprints --

4 MR. KEMPKER: Yes.

5 MR. DEARMONT: -- in the snow, can you tell us

6 approximately when that was?

7 MR. KEMPKER: The date?

8 MR. DEARMONT: Just approximately.

9 MR. KEMPKER: It was on February 8th, 2010.

10 MR. DEARMONT: This year?

11 MR. KEMPKER: This year. Yes.

12 MR. DEARMONT: Thank you.

13 MR. KEMPKER: And, again, I -- I do have

14 pictures for the Commission and the counsel. And even if

15 Ms. Hale would like a copy, I'll give her a copy.

16 JUDGE STEARLEY: All right. Mr. Schwarz, any

17 questions?

18 MR. SCHWARZ: No.

19 JUDGE STEARLEY: Commissioner Jarrett?

20 COMMISSIONER JARRETT: Mr. Kempker, I don't have

21 any questions, but I do appreciate your testimony and

22 coming out tonight.

23 MR. KEMPKER: Thank you.

24 JUDGE STEARLEY: All right. And, Mr. Kempker,

25 the pictures you have, do you have copies you can leave

1 with the Commission?

2 MR. KEMPKER: I do. I have four copies. Like I
3 said, I can give those to whoever wants them.

4 JUDGE STEARLEY: If you'll please first show
5 them to counsel.

6 MR. KEMPKER: I can give -- one copy can be for
7 the counsel, one copy for the Office of Public Counsel.

8 MS. BAKER: Okay.

9 JUDGE STEARLEY: If there are no objections, I'm
10 going to mark these as Exhibit 2 for Mr. Kempker, and it
11 will be received into the record.

12 (Exhibit No. 2 was offered and admitted into
13 evidence.)

14 MR. KEMPKER: Thank you.

15 JUDGE STEARLEY: Thank you, Mr. Kempker.
16 Richard Allen.

17 MR. ALLEN: It's Richard A-l-l-e-n.

18 JUDGE STEARLEY: Mr. Allen.

19 RICHARD ALLEN,
20 being first duly sworn to testify the truth, the whole
21 truth, and nothing but the truth, testified as follows:

22 TESTIMONY OF RICHARD ALLEN

23 JUDGE STEARLEY: All right. You may proceed.

24 MR. ALLEN: And I am a customer on the Sleepy
25 Hollow sewage system. And I have haven't noticed any

1 improvement in our system either, but I don't live way
2 down by the treatment plant, so -- I have heard a lot of
3 frustration and anger here tonight.

4 And I have prepared a letter, which I -- is to
5 the Public Service Commission. It's very brief. I'm just
6 going to read that and make a couple comments.

7 JUDGE STEARLEY: All right.

8 MR. ALLEN: So Aqua was granted a significant
9 rate increase, 61.4 percent, a little over a year ago. It
10 is way too soon for another rate increase, especially in
11 this economy.

12 It seems that since they didn't get all they
13 wanted the last time, they have the gall to try and get
14 the rest now. They claim that their revenue has declined.
15 How is this possible with everyone paying more? My salary
16 has not gone up in the last two years. In fact, with
17 increased deductions, my take-home pay is actually less.

18 When I bought my house in 1997, it was not
19 hooked up to their sewer system. And I realize it was
20 Capitol Utilities back then. But anyway, instead, it had
21 -- the house had a septic tank and failing drain field,
22 typical Jeff City situation.

23 I could have installed a new drain field. But I
24 decided that hooking up to a sewer system was better for
25 the environment. I knew that hooking up would result in a

1 new monthly charge that I wouldn't have to pay if I
2 installed the drain field, but I was willing to live with
3 it since it was reasonable at the time. That was the \$22
4 and some odd cents a month.

5 However, the proposed -- the proposed rate of
6 53.22 is not reasonable. And that hooking up to that
7 sewer system was a considerable expense. I had to run a
8 line down to where their existing line was in their
9 subdivision, had to put in a new septic tank because the
10 old one wasn't up to standards.

11 The system our neighborhood is on has small
12 diameter sewer pipes, which means that every house still
13 has to have and maintain a septic tank. The only benefit
14 we receive is that we don't need drain fields since the
15 partially treated sewage offloads to a central treatment
16 plant.

17 I do not believe that it costs anywhere near
18 \$53.22 per household per month to run the treatment plant
19 and maintain the sewers. Please do not grant this
20 increase.

21 And I'd like to make an additional comment. I
22 live by myself now in my house. My kids are gone. My
23 wife's gone. Just me. My water bill averages between
24 five and \$6 a month. So with this proposed \$53-some-odd
25 cents a month, that's ten times what I would be paying in

1 sewage as what I pay for water. Somehow, that just
2 doesn't seem right.

3 And I guess in the -- you know, in hindsight,
4 back in 2003 when the PSC -- and I don't mean the Public
5 Service Commission. I mean the Philadelphia Suburban
6 Corporation, which became Aqua America. When they offered
7 the -- their rate -- offered the people -- I guess it was
8 probably not limited to the people on their sewage plants,
9 but they said, Become a shareholder. All it takes is so
10 much. Maybe I should have taken advantage of that because
11 with this increase, they should be making lots of money.
12 I would have been better off if I'd have invested in the
13 company, I guess. Thank you.

14 JUDGE STEARLEY: Thank you. Questions?

15 MS. BAKER: Have you had any billing issues?

16 MR. ALLEN: Yes, I have. But that was resolved.
17 And I brought that up the last time we had a hearing. And
18 -- and no billing issues since this.

19 MS. BAKER: Since then. Okay.

20 MR. ALLEN: They've done a good job since then.

21 MS. BAKER: How about customer service issues?

22 MR. ALLEN: No. I talked with customer service
23 people once, and that was in relation to that billing
24 issue. It wasn't resolved. I sent a letter to the Public
25 Service Commission. It was resolved instantly.

1 MS. BAKER: All right. Quality of service
2 issues?
3 MR. ALLEN: It's okay.
4 MS. BAKER: That's my questions. Thank you for
5 coming.
6 MR. ALLEN: Okay. Thank you.
7 JUDGE STEARLEY: Mr. Dearmont?
8 MR. DEARMONT: You have a septic tank; is that
9 correct?
10 MR. ALLEN: I have a septic tank. Yes.
11 MR. DEARMONT: And have you pumped that tank
12 lately?
13 MR. ALLEN: No, I have not. I'm waiting for
14 them to volunteer to do it.
15 MR. DEARMONT: I have no further questions.
16 Thanks.
17 JUDGE STEARLEY: Mr. Schwarz?
18 MR. SCHWARZ: No questions, Judge.
19 JUDGE STEARLEY: Commissioner Jarrett?
20 COMMISSIONER JARRETT: Mr. Allen, thank you for
21 your testimony. I don't have any questions. Thanks for
22 coming out tonight.
23 MR. ALLEN: Okay. Thank you.
24 JUDGE STEARLEY: Thank you very much. Richard
25 Fisher? Would you please state and spell your name for

1 our court reporter?

2 MR. FISHER: Richard Fisher, R-i-c-h-a-r-d
3 F-i-s-h-e-r.

4 RICHARD FISHER,
5 being first duly sworn to testify the truth, the whole
6 truth, and nothing but the truth, testified as follows:

7 TESTIMONY OF RICHARD FISHER

8 JUDGE STEARLEY: You may proceed.

9 MR. FISHER: First off, I want to thank the
10 Commission for letting us come up here and air our dirty
11 laundry.

12 Mr. Lueckenotte and Mr. Kempker pretty well hit
13 it on the head for all of us. We're frustrated, and we
14 think this rate increase is outrageous. The last
15 gentleman had a comment about he should have joined up
16 with the PSC, Philadelphia, last year.

17 Aqua America's net income, 97 million dollars.
18 They're not struggling. I live in the Vandelicht Lake
19 subdivision. And I'm not going to go over some of the
20 points that some of the other folks have made. But with
21 the proposed rate increase before the recommendations, we
22 crunched some numbers, and currently, we have 56 occupied
23 homes in the subdivision.

24 At the \$53 and some odd -- or \$57 that they
25 wanted, that would come to about \$39,000 a year. We don't

1 -- we have septic tanks, so the treatment process is
2 pretty minimal. Not too labor intensive. The developer
3 wants to expand for a total of 93 lots out there.

4 If that ever does come to fruition for him, that
5 will be \$64,600 a year that Aqua America -- or Aqua
6 Missouri will make off that. That's a lot of money.

7 We haven't seen any improvements in our septic
8 system -- or our system out in the subdivision. The
9 developer put a new cell in last summer. And he told me
10 that he had to pay the bill to have that system installed.
11 So if he's footing the bill, Aqua Missouri's making a lot
12 of money off of him and us. And that's all I have. Thank
13 you.

14 JUDGE STEARLEY: All right. Questions from
15 counsel?

16 MS. BAKER: Have you -- you know the three.

17 MR. FISHER: I have no -- I have no problems
18 with the service, if you want to call it service. They
19 don't do anything.

20 We did have one lady in the subdivision that
21 told me this evening that she's had -- still having
22 billing issues as they can't get it straight. It's
23 supposed to be 44.79 a month, but they still can't get it
24 straight. Other than that --

25 MS. BAKER: All right. And I would recommend

1 that you pass the name along to -- to Staff and all of
2 that. And then we can see if we can get that taken care
3 of. I appreciate your comments tonight.

4 MR. FISHER: Thank you.

5 JUDGE STEARLEY: Mr. Dearmont?

6 MR. DEARMONT: I have no questions.

7 JUDGE STEARLEY: Mr. Schwarz?

8 MR. SCHWARZ: No questions, Judge.

9 JUDGE STEARLEY: Commissioner Jarrett?

10 COMMISSIONER JARRETT: Mr. Fisher, thanks for
11 your testimony. I appreciate it. Thanks for coming out
12 tonight.

13 MR. FISHER: Thank you.

14 JUDGE STEARLEY: Next, I have Paul Bernskoetter.

15 Did I get your name right?

16 MR. BERNSKOETTER: Yes. My name is Paul,

17 P-a-u-l, Bernskoetter, B-e-r-n-s-k-o-e-t-t-e-r.

18 JUDGE STEARLEY: All right.

19 Mr. BERNSKOETTER: I reside --

20 JUDGE STEARLEY: Please raise your right hand.

21 PAUL BERNSKOETTER,

22 being first duly sworn to testify the truth, the whole
23 truth, and nothing but the truth, testified as follows:

24 TESTIMONY OF PAUL BERNSKOETTER

25 JUDGE STEARLEY: You may proceed.

1 MR. BERNSKOETTER: I reside at 5216 Tanner
2 Bridge Road, Jefferson City, Missouri. I'm part of the
3 Grand Holland Estates.

4 The first notice I got from Aqua Missouri was
5 they wanted a 338,600 -- \$338,600,000 rate increase, \$600.
6 And now I understand that the last one I got, the
7 Commission has kind of agreed to settle on 50 -- 50-some
8 dollars. I think it's \$53 or whatever it is a month,
9 roughly.

10 And I didn't know they could agree to anything
11 until actually the -- there was a hearing. But anyway, I
12 guess the thing is the letter I received earlier from Aqua
13 Missouri stated that they need to spend in excess of
14 \$200,000 for improvements.

15 What I see as in the past increase that was in
16 the last increase that they need repairs on companies that
17 they have purchased in the past. Grand Holland Estates
18 has a pressurized sewer treatment that turns all the
19 sewage into liquids.

20 When I built my home, we had to purchase the
21 concrete tanks with pumps in the tank along with an alarm
22 system with a price of approximately \$3,500. My sewer
23 liquid empties into a 2-inch line. That's all. Just a
24 2-inch. It's liquid.

25 My eight years that I have not seen any repairs

1 made in the Grand Holland Estates sewer lines. I -- I do
2 face Tanner Bridge Road, but I do drive back in Grand
3 Holland Estates occasionally, and I have never seen
4 anything dug up or repairing any kind of lines of any
5 kind.

6 I strongly feel that we should not pay for
7 problems in the older systems that they have purchased.
8 My water bill in November through March is an average of
9 \$13.30 to \$13.70 per month. I strongly feel we should
10 have a decrease in rates rather than an increase in rates
11 according to what -- what water usage I use.

12 It's just me and my wife. My wife and I did not
13 receive any increase in Social Security. Our health
14 insurance increased the first of the year. And, of
15 course, the sales tax have increased several times within
16 the last year. And if this keeps up, we will just have to
17 sell our home.

18 And it's not fair. I just think this is an
19 unfair rate increase, and I really strongly believe that.
20 And I also feel like your sewer charge should be on the
21 amount of water you use like other -- the other companies
22 do. I think if that would happen, then everybody would be
23 a little more happier with what's going on. That's about
24 all the comments that I have.

25 JUDGE STEARLEY: Okay. Ms. Baker, any

1 questions?

2 MS. BAKER: Have you had any billing issues?

3 MR. BERNSKOETTER: No.

4 MS. BAKER: Service issues?

5 MR. BERNSKOETTER: No.

6 MS. BAKER: Have you contacted the customer

7 service?

8 MR. BERNSKOETTER: No.

9 MS. BAKER: Okay.

10 MR. BERNSKOETTER: I did call the Commission,

11 both of them, so --

12 MS. BAKER: Okay. All right. That's all the

13 questions I have. Thank you for coming tonight.

14 JUDGE STEARLEY: Okay. Mr. Dearmont?

15 MR. DEARMONT: I have none.

16 MR. BERNSKOETTER: Thank you.

17 JUDGE STEARLEY: Mr. Schwarz?

18 MR. SCHWARZ: I have one, actually. Who

19 provides your water?

20 MR. BERNSKOETTER: Public Water District No. 2.

21 MR. SCHWARZ: No. 2?

22 MR. BERNSKOETTER: Uh-huh.

23 MR. SCHWARZ: Thanks. That's all.

24 JUDGE STEARLEY: Commissioner Jarrett?

25 COMMISSIONER JARRETT: Yes. Mr. Bernskoetter, I

1 just had a couple of questions. You say had you contacted
2 the Staff of the Public Service Commission?

3 MR. BERNSKOETTER: Uh-huh.

4 COMMISSIONER JARRETT: When was that?

5 MR. BERNSKOETTER: I -- I called about, oh, a
6 week and a half to two weeks ago, and I called the Public
7 Counsel this morning.

8 COMMISSIONER JARRETT: Okay. Now, just talking
9 about Staff, did they address your concerns or answer your
10 questions?

11 MR. BERNSKOETTER: They -- they would -- they
12 said he should -- they would record what I had to say, and
13 that's all they said. They were very kind. I didn't have
14 any problem with that.

15 COMMISSIONER JARRETT: Okay. They were
16 courteous and professional to you?

17 MR. BERNSKOETTER: Yes.

18 COMMISSIONER JARRETT: Okay. Appreciate that.
19 Thank you. Appreciate it.

20 JUDGE STEARLEY: Thank you very much for your
21 testimony.

22 MR. BERNSKOETTER: thank you.

23 JUDGE STEARLEY: Robert Kraus? Will you please
24 state and spell your name for our court reporter?

25 MR. KRAUS: My name is Robert Kraus, R-o-b-e-r-t

1 K-r-a-u-s.

2 JUDGE STEARLEY: Please raise your right hand.

3 ROBERT KRAUS,

4 being first duly sworn to testify the truth, the whole
5 truth, and nothing but the truth, testified as follows:

6 TESTIMONY OF ROBERT KRAUS

7 JUDGE STEARLEY: You may proceed.

8 MR. KRAUS: Thank you. My name is Robert Kraus.

9 I live at 417 Highland Way in Grand Highland Estates. And
10 I'm here in opposition to the proposed rate increase as
11 are many of my neighbors. Some have written letters as
12 well to the Commission with regard to this matter.

13 I guess I could just say that, for the most
14 part, my comments have been reflected over -- I'd just
15 reflect the comments that we've heard earlier by the other
16 people who spoke prior to me.

17 I've been out in that subdivision since 2000.
18 And, of course, we're faced with the rate increases as
19 everyone else has spoke about already this evening up from
20 27 to 44 now proposed to 53, which, much like everyone
21 else has said as well, it doesn't seem -- as we look at
22 economy and as we look at the cost of living and so forth
23 actually getting a little bit less with the consumer price
24 index that we be faced with another increase after this
25 short amount of time.

1 And it just seems ridiculous again to the fact
2 that, again, my wife and I are the only two people -- much
3 like Paul Bernskoetter and other folks that live out
4 there, we only have a \$14 a month water bill for this, and
5 we're looking at a \$53 a month -- bill increase with our
6 sewer. It just seems a little out of hand.

7 Actually, I -- I just wanted to have the
8 Commission seriously look at this and to see if there are
9 real issues as far as their costs is concerned. I know
10 that everyone in this audience has had, you know, some
11 increase in cost in the economy the way it is, too, and
12 it's been tough on a lot of people. With that said, I
13 have no other comments. Thank you.

14 JUDGE STEARLEY: Questions, Ms. Baker?

15 MS. BAKER: Any billing issues?

16 MR. KRAUS: I haven't.

17 MS. BAKER: Service issues?

18 MR. KRAUS: Not myself. We have issues -- my
19 daughter lives there and son-in-law down the street on
20 Edenberg Way, and they've had to call a couple of times
21 with odor nearby.

22 MS. BAKER: All right. How about --

23 MR. KRAUS: And I witnessed that myself. Yes.

24 MS. BAKER: Okay. Have you contacted the
25 customer service line for Aqua?

1 MR. KRAUS: They did.

2 MS. BAKER: Okay. Do you know if they had a
3 good experience or --

4 MR. KRAUS: Apparently, they didn't have to call
5 back. But I think it only occurred twice last summer --

6 MS. BAKER: Okay.

7 MR. KRAUS: -- when they were outdoors.

8 MS. BAKER: All right. Thank you very much.

9 JUDGE STEARLEY: Mr. Dearmont, any questions?

10 MR. DEARMONT: I have no questions. Thank you.

11 JUDGE STEARLEY: Mr. Schwarz?

12 MR. SCHWARZ: No questions, Judge.

13 JUDGE STEARLEY: Commissioner Jarrett?

14 COMMISSIONER JARRETT: Mr. Kraus, I have no
15 questions. But thank you for coming out tonight.
16 Appreciate your testimony.

17 MR. KRAUS: Thank you.

18 JUDGE STEARLEY: Thank you. Tom Boyer?

19 Thank you. We've all seen the drill here. Please --

20 MR. BOYER: Hi. My name is Tom Boyer. I live
21 at 2818 Foxdale Drive. Mr. Lueckenotte, who spoke first,
22 is a neighbor of mine down the way. I agree with a
23 hundred percent --

24 JUDGE STEARLEY: Before you continue, let me
25 please swear you in.

1 MR. BOYER: Oh, okay.

2 TOM BOYER,

3 being first duly sworn to testify the truth, the whole
4 truth, and nothing but the truth, testified as follows:

5 TESTIMONY OF TOM BOYER

6 JUDGE STEARLEY: All right. Please continue.

7 MR. BOYER: Mr. Lueckenotte lives down the
8 street from me. I -- we had a subdivision meeting in the
9 summer about these rate increases. And I agree 100
10 percent of what -- what he said is pretty accurate.

11 I have a -- I wrote a letter to the Public
12 Service Commission on September 9th about this and called
13 after that and amended it, added some other things. I
14 have a couple of things that -- prepared here.

15 But listening to Mr. Lueckenotte speak, I moved
16 into -- into that subdivision right early in the year in
17 2001. And I've been living in the city for most of my
18 life. My parents had a septic tank, had a cabin in
19 Michigan when I was a kid. First thing I did was went out
20 and had someone pump the septic tank or the -- the holding
21 tank and, of course, wanted to make sure I got my money's
22 worth and looked in the tank. I got my head down in there
23 and looked.

24 When the guy went to take -- before he took --
25 when he took the top off, he -- it was a cement tank. He

1 took and he goes, Man, this is an old -- you know, a
2 20-year-old house. He goes, It's never been opened.

3 So he takes off the little bit of lead and it's
4 stuffed with wool. And we open it up, and he washes it
5 out. He goes, Man, Mr. Boyer, that didn't even need to be
6 cleaned. So the 20 years before I moved in, 2001, nobody
7 had cleaned it.

8 And then a short time later than that, although
9 this company was not in there, August 13th that month I
10 get a letter from the -- from Roger Wheeler who is the
11 operator, lead operator at the time, and it went to
12 everyone in the subdivision. And they said, Tank needs to
13 be pumped. I just had it pumped a few months earlier.
14 They didn't care. They were going to pump it.

15 Well, I was mumbling about it. But they took
16 Association money. Mr. Story got someone to pump
17 everybody's tank in the neighborhood. I didn't pay
18 directly for it, but, you know, Association fees go up
19 just a little bit every once in while, so, indirectly, I
20 did pay for that.

21 His statements on the tanks being pumped is no
22 one's ever offered to -- and when we were having the
23 meeting, there was talk that it was time to pump the tanks
24 again. Well, I have no problem pumping septic tanks if
25 they need it. And I have no problem no matter who pays

1 for it, myself or the Association paying for it
2 indirectly, if there's something in the law that says --
3 or in the agreements that they should be paying a portion
4 of it.

5 I've lived out there since 2001. And it looked
6 like they -- from about 2006, somewhere these owners took
7 place, we've had almost a hundred percent increase in our
8 -- in our fees. And, of course, what I wrote to the
9 Service Commission mentioned 20 -- 29 percent increase,
10 but it's only a 19 percent increase.

11 I don't have any service problems. The toilets
12 flush. They don't back up into the house. I do see a
13 truck once in a while drive down and check the pumping
14 stations.

15 I have no experience -- nothing I see wrong
16 around my house. My wife and I have been walking several
17 miles for the last six years. We walk around the lake and
18 -- all but these last two months a couple times every day.

19 On the other side of the lake, there's a couple
20 places where I believe there are some smells. But they're
21 a long ways from my house, and I didn't figure it was my
22 place to say anything about it.

23 I do believe that I have worked in -- I brought
24 something up here beforehand, and I was told there were
25 studies. And in my letter, one of the items said that

1 there's the same -- I noticed a charge -- all I have is
2 sewer. But I noticed that the charge is different for a
3 household, for an apartment and this and that.

4 I spent my entire career working for State
5 Government. Half of it was a Database Administrator. I
6 was involved in the 2000 census, preparing for it and
7 stuff.

8 I don't -- and I was quoted by the Staff, and
9 I'm sure there's a study that says that big houses use
10 more sewage than apartments and this and that. And I did
11 some research this summer. I couldn't find it, the pages
12 I -- because I've retired, I don't have the bookmarks I
13 kept at work.

14 But I -- I would ask someone to look again to
15 see if the demographics and stuff -- I walked that --
16 everybody out there knows me. Half of them think our
17 names are Walker, not Boyer, because we walk all the time.
18 But I don't think there's more than two people -- and the
19 average out there is two people.

20 I knows there a lot of houses with just one
21 person in them. And I feel that this idea that -- and we
22 hear on the news that school districts are going to be
23 losing students and stuff. I don't remember any dealings
24 with census information that households in this country
25 are about two or three people.

1 And I don't believe that those are correctly
2 adjusted. And I know there are studies. I would ask that
3 someone look again for another study, a study done by a
4 public entity other than -- another organization -- an
5 official study because I don't believe those tiers reflect
6 what's going on today from my gut. I have a pretty good
7 gut feeling for data when I look at it.

8 I think these -- these increases are just -- go
9 up, up, up a hundred percent. One of my calculations --
10 Mr. Lueckenotte, I think, mentioned something about 136
11 percent. I've worked with a lot of contractors, a lot of
12 businesses and stuff in State Government, and I can make
13 -- any contract, I can use up -- I can -- if I was a
14 project manager and I was coming in under budget, I could
15 make any project go over budget and go into change orders
16 and be more expensive. That's a fact.

17 What I'm wondering here about the man sleeping,
18 everyone has personnel problems in their individuals that
19 do things that are wrong. But I would -- every family
20 right now knows someone, a brother, a brother-in-law or
21 somebody who has been laid off and has reduced work.

22 And we've all had people complaining you didn't
23 fill the positions behind me and I'm doing twice as much
24 work. I just wonder since they're in this regulatory
25 thing that we spend the money, we've incurred the

1 expenses, now you have to pay us back for it. It's kind
2 of like the government cost plus program.

3 If they're really doing -- if they're really
4 trying to do what everyone else has been doing for the
5 last few years, and that's cutting back, working harder
6 thinking about doing a better job. Because I think these
7 increases -- I don't know. Maybe -- maybe we shouldn't
8 live in this state anymore.

9 I mean, and I really think maybe realtors when
10 you buy a house, it should be disclosed -- the realtors
11 should disclose to the people in the disclosure that you
12 can expect in five years a 130 percent, 136 percent sewer
13 increase because, if not, that's not proper disclosure.

14 And nobody that I know has got a raise this year
15 other than a few exceptional people. Retirees haven't.
16 They -- employees haven't. About the only people I know
17 got one were federal employees. And so I think these --
18 these costs are way out of line with what's going on in
19 this economy.

20 We hear of people all over taking pay cuts,
21 decreases, doing more for less. And I would just hope
22 that these people aren't doing that, not taking advantage
23 of this situation and will spend it -- we'll have in
24 making 19 -- I believe -- the first calculation was 29.2.
25 It's 19 percent interest.

1 I read an article the other day on one of the
2 top performing banks in the country. Through the
3 recession, the most they made, it was in the Jeff City
4 paper, was 10 percent. And they were the most -- one of
5 the top eight banks in the whole country.

6 Making 19 percent in this economy is wrong.
7 It's just flat out wrong because most people are lucky
8 they have a job. They're hoping the company breaks even
9 until they can get out of the recession. This is wrong.
10 It's just not worth going on. 19 percent. 19 percent
11 increase.

12 I don't -- I -- this is -- this is just scary.
13 And especially these people who are on fixed incomes and
14 stuff. There's -- there's something wrong with these kind
15 of increases. Somebody needs to look at cost containment,
16 shuffling their employees and thinking outside the box,
17 all this stuff I heard for 30 years in state government.

18 Somebody -- this kind of regulatory thing is
19 ripe for someone to -- well, we'll spend the money, we'll
20 go on trips. We'll get -- we'll buy supplies from Uncle
21 George and -- I don't know. There's all kinds of things
22 that can go on in this world. But I think there's
23 something wrong here with these kind of increases in such
24 a short time.

25 Nobody else in this country is doing that. Not

1 even health care. All the debate for the last three
2 months, not even that -- not even the health care costs in
3 this country -- the whole country is in a roundabout isn't
4 going -- raising as high as these sewer prices are going
5 up. That's an interesting thing to think about. That's
6 it.

7 JUDGE STEARLEY: All right.

8 MR. BOYER: That's my feeling.

9 JUDGE STEARLEY: Questions for Mr. Boyer?

10 MS. BAKER: I have none. Thank you.

11 MR. BOYER: Okay.

12 JUDGE STEARLEY: On. Hang on. Mr. Boyer, don't
13 run away yet.

14 MR. BOYER: Oh, okay. Yes.

15 JUDGE STEARLEY: Let me just doublecheck with
16 Mr. Dearmont and Mr. Schwarz. Any questions?

17 MR. DEARMONT: I have none, Judge.

18 JUDGE STEARLEY: Okay. Commissioner Jarrett?

19 COMMISSIONER JARRETT: Yes. Mr. Boyer, I just
20 had a couple of questions for you. In your testimony, you
21 indicated you had written a letter to the Public Service
22 Commission?

23 MR. BOYER: On the 9th?

24 COMMISSIONER JARRETT: September?

25 MR. BOYER: September 9th. I have it here.

1 COMMISSIONER JARRETT: Is that a comment letter,
2 or did you have some specific questions you wanted Staff
3 to answer?

4 MR. BOYER: I had the reference number to the
5 case and To Whom It May Concern. I sent one to the Public
6 Counsel and to the PSC. I think there were two addresses
7 there.

8 And it says -- it starts out, My wife and I are
9 concerned about this, and I listed seven reasons. And
10 shortly after I wrote the letter, I thought of two other
11 things about the demographics and that. And I called the
12 Public Service Commission and talked to a woman, and she
13 was very polite. Of course, she's on the bottom end of
14 the totem pole, not on the top. So -- but she was very
15 polite to me and had very good manner over the phone. So
16 I don't know --

17 COMMISSIONER JARRETT: All right. And so then
18 you -- did you send those comments in in writing again
19 or --

20 MR. BOYER: Yes. The additional comments, I put
21 over the phone. She said I would not need to put them in.
22 They would append them to the letter.

23 COMMISSIONER JARRETT: Thank you. I just wanted
24 to make sure of that. Thanks.

25 JUDGE STEARLEY: All right. Blaine Preston.

1 MR. PRESTON: Blaine Preston, B-l-a-i-n-e
2 P-r-e-s-t-o-n.

3 JUDGE STEARLEY: All right. Mr. Preston, if
4 you'd raise your right hand.

5 BLAINE PRESTON,
6 being first duly sworn to testify the truth, the whole
7 truth, and nothing but the truth, testified as follows:

8 TESTIMONY OF BLAINE PRESTON

9 JUDGE STEARLEY: Okay. You may proceed.

10 MR. PRESTON: Okay. I appreciate you for having
11 me here this evening, Judge and Commissioners. And I've
12 actually learned a lot about water and sewer tonight, to
13 be honest with you, more than I care to ever know. But a
14 lot of interesting things here that I've -- that I've
15 learned tonight.

16 And -- and I actually had a neighbor prepare a
17 document outlining the rate increases that we were going
18 to be seeing or the rate increases that we have seen and
19 the rate increases that were going to be proposed. And it
20 was a real eye opener for me.

21 And what I've learned tonight is that not only
22 is -- you know, me and my subdivision, which has sewer,
23 you know, the people that utilize Aqua Missouri for water
24 were all impacted.

25 And you take a step back and you look at, you

1 know, the economy. And I'd ask you, Judge, or I'd ask
2 you, Commissioner, and if I told you in two years now your
3 -- your bread, your milk, your stuff you buy every day are
4 going to be a hundred percent plus in two years from now,
5 what are you going to tell me? You're going to say,
6 That's crazy, and I'm not going to buy it.

7 And I'm kind of stuck here as a customer of Aqua
8 Missouri in that I really have nowhere else to go. Sewer
9 goes downhill. My sewer goes one place. To see this rate
10 increase be put in front of me is -- is -- for me, as a
11 customer, is astronomical. It's unacceptable.

12 I don't know how a company can come to us one
13 year and ask for a rate increase just to follow it up by
14 another rate increase.

15 Now, we've heard a lot of statistics. I know
16 specifically from my subdivision in Grand Holland Estates,
17 we're looking at -- I think it's right around a hundred
18 percent rate increase since I've been in there.

19 Now, I moved into the subdivision in -- let's
20 see here. August 2008. And I want to say the rate
21 increase changed September of 2008. So I was really lucky
22 to get one month in there at \$24 before it increased to
23 what we're paying now of \$24.

24 And now I get another thing in the mail saying,
25 Hey, guess what? It's going to go up. So a hundred

1 percent. Wow. How can we get to this point with this
2 company?

3 You've got to start looking at the basic
4 building blocks of this company. Who is spending this
5 money? Who is making the decision to go out and buy new
6 trucks? You know, just like in state government or local
7 government, you have to trim the fat when times are tough.

8 And I can speak for everybody sitting in this
9 room, the economy is not good. So how can we see
10 something from a company that says, Hey, we need more
11 money, when they're posting profits? Okay?

12 We get that. We're -- we're a paying customer.
13 How can you keep coming back -- or going back to the well
14 -- and for those of you that are -- get water from Aqua
15 Missouri, you know, the well's going to go dry, you know.
16 It's unacceptable. And I don't even get water from Aqua
17 Missouri. Mine's strictly sewer.

18 So it is a great concern of mine. I'd ask you,
19 Judge and Commissioners, you guys hear out these comments
20 that you've heard tonight. Think about if this was your
21 bill that was coming to you, how -- you know, are you
22 going to accept this? And -- and it's simple to me to --
23 to -- to do the math.

24 The math is there. It's easy. You cannot
25 expect customers to want to pay a hundred percent rate

1 increase every two years. It's just unacceptable.

2 So I don't want to stand up here and keep
3 repeating myself. But I appreciate you taking our
4 comments this evening. And I ask that you listen to the
5 people that are speaking tonight and look at it from their
6 side of the fence and take that into consideration when
7 you guys are making your decision. Thank you.

8 JUDGE STEARLEY: Any questions for Mr. Preston?
9 Ms. Baker?

10 MS. BAKER: You said you'd been in since 2008;
11 is that correct?

12 MR. PRESTON: That is correct.

13 MS. BAKER: Have you had any billing issues?

14 MR. PRESTON: I'm not trying to be smart here,
15 but can you define billing issues?

16 MS. BAKER: Have you gotten bills?

17 MR. PRESTON: I have gotten bills every month.

18 MS. BAKER: Have you gotten bills whenever you
19 were supposed to get them?

20 MR. PRESTON: Yes. The company has never had
21 any problem with sending me bills.

22 MS. BAKER: Have you had multiple bills in one
23 month?

24 MR. PRESTON: No, ma'am.

25 MS. BAKER: All right. And that's the kind of

1 -- of question that I meant.

2 MR. PRESTON: Okay.

3 MS. BAKER: Any service issues? Have you
4 contacted the customer service line?

5 MR. PRESTON: No. No service issues.

6 MS. BAKER: All right. Thank you.

7 MR. PRESTON: Thank you.

8 JUDGE STEARLEY: Mr. Dearmont?

9 MR. DEARMONT: I have no questions. Thank you.

10 JUDGE STEARLEY: Mr. Schwarz?

11 MR. SCHWARZ: No questions, Judge.

12 JUDGE STEARLEY: Commissioner Jarrett?

13 COMMISSIONER JARRETT: Mr. Preston, thank you
14 for coming out tonight and giving your testimony. I don't
15 have any questions. But I can assure you that certainly I
16 will consider all of the comments very seriously. So
17 thank you.

18 MR. PRESTON: Thank you.

19 JUDGE STEARLEY: I need a little help with this
20 next name. I don't know. It's scribbles. Charles -- is
21 it Truben? Trubler?

22 MR. LUBERT: That's probably me. But I till you
23 what, my names is Charles Lubert. But I just -- I talked
24 before, and I -- there's been people here said what I
25 wanted to say. But I just wonder why the company changed

1 hands so many times. And it seemed like every time it
2 changed hands, we get an increase. That's all.

3 JUDGE STEARLEY: All right, sir. Thank you very
4 much. The last name I have on my list is Ann Colter.

5 MS. COLTER: My name is Ann Colter, A-n-n
6 C-o-l-t-e-r.

7 JUDGE STEARLEY: Okay. Ms. Colter, if you'd
8 please raise your right hand.

9 ANN COLTER,
10 being first duly sworn to testify the truth, the whole
11 truth, and nothing but the truth, testified as follows:

12 TESTIMONY OF ANN COLTER

13 JUDGE STEARLEY: You may proceed.

14 MS. COLTER: Mostly what I wanted to say was --
15 has already been said this evening. The rate increases,
16 we went from 27.75 to 44.79. That was a \$17.04 increase.
17 And now just a little over a year later, they want another
18 increase of \$8.43. That's a total of 25.47. That's about
19 what -- what the bill was to start with a little over a
20 year ago.

21 My husband and I are retired. We draw Social
22 Security. Our water bill runs between 14 and \$15 a month.
23 So there again, it's about three to four times the amount
24 of what our water bill is. We've been in our house for 39
25 years in Crossroads subdivision out on 54 South.

1 We did not always have a sewer system. We had a
2 septic tank. We've been pleased with the services with
3 Aqua. However, there is very little maintenance done. I
4 think if they mow one time during the summer, that's about
5 all that it ever gets. And there has been some trees down
6 since the ice storm two years ago.

7 I just think that we need to look at these
8 charges and say there has to be a limit. We can't just
9 keep going up and going up. \$53.22 is just too much for
10 sewer. That's all I have.

11 JUDGE STEARLEY: Okay. Questions for Ms.
12 Colter? Ms. Baker?

13 MS. BAKER: Have you had any billing issues?

14 MS. COLTER: Not since this last increase. We
15 did prior to that.

16 MS. BAKER: How about customer service issues?

17 MS. COLTER: No.

18 MS. BAKER: How about quality of service?

19 MS. COLTER: It's fine.

20 MS. BAKER: All right. Thank you very much.

21 JUDGE STEARLEY: Mr. Dearmont?

22 MR. DEARMONT: I have no questions. Thank you.

23 JUDGE STEARLEY: Mr. Schwarz?

24 MR. SCHWARZ: No questions, Judge.

25 JUDGE STEARLEY: Commissioner Jarrett?

1 COMMISSIONER JARRETT: Mrs. Colter, thanks for
2 coming out tonight. I don't have any questions, but I
3 appreciate your testimony.

4 JUDGE STEARLEY: Okay. That is the last name I
5 have on my witness list. But I want to give anyone else
6 here an opportunity who would like to speak. First hand
7 here, come forward, sir. And if you'd please state --

8 MR. HOWARD: I'm James Howard. James Howard,
9 J-a-m-e-s H-o-w-a-r-d. I live at --

10 JUDGE STEARLEY: Mr. Howard, if you'd please
11 raise your right hand.

12 JAMES HOWARD,
13 being first duly sworn to testify the truth, the whole
14 truth, and nothing but the truth, testified as follows:

15 TESTIMONY OF JAMES HOWARD

16 JUDGE STEARLEY: Please proceed.

17 MR. HOWARD: I live at 2838 Foxdale Drive in
18 Quail Valley. And I don't want to be redundant from what
19 Mr. Lueckenotte said. But I did have -- and this may be a
20 question more than -- than a statement concerning or
21 septic system in our subdivision.

22 It is also a gray water treatment facility where
23 we still have our septic tanks in place, as many of the
24 others in the room do as well. And about four years ago,
25 the Department of Natural Resources told us that we

1 needed, all of us, to have our septic tanks pumped and
2 they should be pumped approximately every three to four
3 years.

4 And as has already been mentioned, I personally
5 contacted Aqua Source to pump our tanks. Aqua Source said
6 they didn't have to pump our tanks and they wouldn't pump
7 our tanks. And so our Association contracted out the
8 pumping of our tanks, and all of the tanks in the
9 Association were pumped at cost to us through our
10 Association dues.

11 Then I discovered through the Public Service --
12 and I'm -- my question -- this is more of a question than
13 actually a statement. And I have -- have a notice from
14 the Public Service Commission -- or it's actually a filing
15 of Aqua Source.

16 And it states that the company will inspect the
17 system for excess solids, retention at no additional
18 expense to the customer. The removal of the retained
19 solids may be arranged for and provided by the company at
20 a cost to the customer as provided in the schedule of
21 service.

22 I think that's probably under filing of their
23 tariff filing. And that's a question, not a statement.
24 And that charge, if -- if what I have as far as public
25 service document is correct, if it's still in effect is

1 \$65. I also have been told that the Aqua Source is trying
2 to get that taken out of the tariff.

3 If that is true, if this statement that I have
4 here is correct and if it is true, then that is also
5 another hidden rate increase that we, the consumer, will
6 actually eat up.

7 So I decided in October -- because it had been
8 approximately three years since we had our septic tank
9 pumped, three to four years, I decided to find out about
10 this pumping.

11 So I called on October the 8th and asked to have
12 our septic tank pumped, and they said, Well -- this was
13 Aqua Missouri, Aqua Source. I called them and spoke with
14 a Tina. And they said, Well, I'll have to refer that to
15 the manager. And they said, Well, yes, that tariff is
16 still active, and it will be sometime, though, before we
17 will pump your tank. You'll have to go on a waiting list.

18 And so I said, Well, that's fine. I'll go on
19 the waiting list, and please let me know because I want to
20 be here when you pump it because I want to witness the
21 pumping to make sure that the solids are taken out and not
22 just the liquids.

23 So a few weeks passed. And they contacted me,
24 and they said, We're ready to come out and pump your tank.
25 I said, Fine, I'll meet you there. And I did. And two

1 gentlemen came out. I don't know their names, but they
2 came out in a tandem axle truck with about a 3,000 gallon
3 tank on it, and they pumped my tank.

4 And I said, Oh, by the way, I said, I think Rita
5 Story, who kind of more or less takes care of our
6 subdivision, is planning on you all pumping all of the
7 tanks. And so Rita did contact them. And I -- this is
8 secondhand information.

9 They weren't -- she was told yes, they would
10 pump the tanks. While they were there, I said, Well, if
11 you're going to pump all the tanks -- and the two
12 gentlemen that were there -- and I'm sorry I didn't write
13 down their names. I said, You might as well -- if you're
14 going to pump all the tanks in the neighborhood, you might
15 as well pump the neighbor's tank also since you have
16 enough hose that you can reach from where you're parked
17 and you've got a 3,000-gallon or 4,000-gallon tank. And
18 my septic tank only holds a thousand. You could also pump
19 the neighbors at the same time.

20 And they did. They went over, and they pumped
21 my neighbor's that lives to the south of me. And I
22 assumed that they were going to proceed in pumping the
23 rest of the tanks. Well, they hadn't.

24 I talked last week with Rita to see if any other
25 pumps -- any other tanks in the neighborhood of

1 approximately 70 homes had been pumped other than mine and
2 my neighbor's. And they said no. Rita said no.

3 So I guess really my question, is this -- is
4 this a double barrel rate increase? Are we really
5 removing this filing, if it is a current filing, on the
6 tariff plus a rate increase? Or what is really -- what is
7 really correct here? And I'm not sure I'm correct. Thank
8 you.

9 JUDGE STEARLEY: All right. Thank you. Ms.
10 Baker, any questions for Mr. Howard?

11 MS. BAKER: Have you had any billing issues?

12 MR. HOWARD: I have had no billing issues. And
13 I've had no service issues. The only thing that I can say
14 that I have seen transpire in our subdivision -- and I'm
15 -- like the gentleman that was up here earlier, I walk a
16 lot as well.

17 And we've got an ideal neighborhood to walk in.
18 Our subdivision is a great subdivision. But we have lift
19 stations. And the lift station on the north end of the
20 lake, I have seen overflow. And when that occurs, the --
21 the water that is in the lifting pump goes right into our
22 lake.

23 MS. BAKER: And when was the last time that you
24 saw that?

25 MR. HOWARD: Back in the spring. So it would be

1 nine or ten months ago.

2 MS. BAKER: And how many times do you think
3 you've seen that?

4 MR. HOWARD: Once or twice.

5 MS. BAKER: All right. I have no other
6 questions.

7 MR. HOWARD: And it has -- that lift station, by
8 the way -- and I assume all of them do -- has a -- an
9 alarm on it. And the alarm was just ringing and a binging
10 and carry on. But it was still running over. The alarm,
11 when no one's there to -- to shut it off still rings.

12 Whether or not that automatically goes into
13 dispatch for Aqua Source to get a service tech out there,
14 I don't know. But I don't know how the alarm works other
15 than it rings.

16 MS. BAKER: Do you know how long it -- it rang?

17 MR. HOWARD: I do not know because I live
18 approximately a quarter mile from it.

19 MS. BAKER: Okay. That's all the questions I
20 have. Thank you.

21 JUDGE STEARLEY: Mr. Dearmont?

22 MR. DEARMONT: When the company pumped your
23 tank, were you personally billed for that service?

24 MR. HOWARD: You mean the -- the two months?

25 MR. HOWARD: Yes.

1 MR. DEARMONT: Yes?

2 MR. HOWARD: Supposedly, Rita has been billed.
3 Rita Story, as I mentioned, is the one that had contacted
4 Aqua Source about pumping all of the tanks. And she told
5 me that they had given -- given her some type of statement
6 that they had pumped them.

7 MR. DEARMONT: Okay. Thank you.

8 JUDGE STEARLEY: Mr. Schwarz?

9 MR. SCHWARZ: No questions.

10 MR. HOWARD: I have not personally been billed.

11 JUDGE STEARLEY: Commissioner Jarrett?

12 COMMISSIONER JARRETT: Yes, Mr. Howard. I just
13 had a quick follow-up question. You indicated the -- the
14 lift station had overflowed. Did you notice, did the
15 company come out and fix anything?

16 MR. HOWARD: I did not see them come out and fix
17 anything myself. When I was walking -- of course, I walk
18 early in the morning. And so I'm assuming they fixed it
19 or else the -- possibly a back-up pump kicked in or
20 something.

21 I'm not sure how those lift stations are set up.
22 I have one in the lot next to mine, and I've talked to the
23 gentlemen that have serviced it in the past, and they said
24 in that particular station, there was two pumps. So I'm
25 not sure whether it was simply more affluent than the one

1 pump could handle and maybe one pump was broke or whether
2 the affluent slowed down after people went to work. I
3 don't know.

4 COMMISSIONER JARRETT: Okay. Thank you.
5 Appreciate your testimony. Thanks for coming out tonight,
6 sir.

7 JUDGE STEARLEY: Mr. Howard, a couple quick
8 follow-up.

9 MR. HOWARD: Sure.

10 JUDGE STEARLEY: Did you report that incident to
11 the company?

12 MR. HOWARD: The overflow?

13 JUDGE STEARLEY: The overflow.

14 MR. HOWARD: No, I didn't. Because that
15 afternoon when I came home, the bell wasn't ringing
16 anymore. So I just assumed they had fixed it.

17 JUDGE STEARLEY: Do you know if anyone has ever
18 reported such instances to the company, to the Public
19 Service Commission or to DNR?

20 MR. HOWARD: Oh, I think it has been reported by
21 Mr. Story more than once. And I think possibly that he
22 has at one time either filed litigation or threatened
23 litigation against Aqua Source.

24 JUDGE STEARLEY: Okay. And that was reported by
25 -- who was that?

1 MR. HOWARD: Ed Story. Ed Story was the
2 developer -- is the developer.

3 JUDGE STEARLEY: Okay. Thank you very much.

4 MR. HOWARD: Thank you.

5 JUDGE STEARLEY: I believe we had a couple other
6 hands go up. The gentleman in the far back, I saw yours
7 first. Please come forward. And if you'd please state
8 and spell your name for the court reporter.

9 MR. MAY: Steve May, S-t-e-v-e M-a-y.

10 JUDGE STEARLEY: Mr. May, if you'd please raise
11 your right hand.

12 STEVE MAY,
13 being first duly sworn to testify the truth, the whole
14 truth, and nothing but the truth, testified as follows:

15 TESTIMONY OF STEVE MAY

16 JUDGE STEARLEY: Please proceed.

17 MR. MAY: I just want to reiterate that -- the
18 same feelings a lot of these folks have. I'm in the Ryans
19 Lake subdivision out by New Bloomfield. My billing
20 problems were resolved last year.

21 I have not had any service problems. My
22 neighbor has. He couldn't be here tonight. A couple
23 years ago, it backed up. He called. They came out and
24 fixed it.

25 And I guess in January of this year, he had a

1 similar situation where it backed up into his basement.
2 He called the number. Or his wife called the number. And
3 the woman who answered the phone was rude and vulgar. So,
4 you know, he -- when he got home, he called the number
5 back and talked to the woman, and she was again un --
6 unpleasant.

7 He found another number to call. They came out
8 and fixed it and took care of it. But -- and I just
9 wanted to -- to get that in there since that is one of
10 your questions about service problems.

11 JUDGE STEARLEY: All right. Any questions for
12 Mr. May?

13 MS. BAKER: I have no further questions. Thank
14 you.

15 MR. DEARMONT: I have none. Thank you.

16 JUDGE STEARLEY: Mr. Schwarz?

17 MR. SCHWARZ: No questions, Judge.

18 JUDGE STEARLEY: Commissioner Jarrett?

19 COMMISSIONER JARRETT: No questions, Mr. May.
20 But thanks for coming out. Appreciate your testimony.

21 JUDGE STEARLEY: Thank you very much.

22 MR. MAY: Thank you.

23 JUDGE STEARLEY: I saw another hand back here.
24 Please come forward, sir. And if you would, please state
25 and spell your name for our court reporter.

1 MR. ROCKWOOD: Sure. It's Ron, R-o-n, Rockwood,
2 R-o-c-k-w-o-o-d.

3 JUDGE STEARLEY: And, Mr. Rockwood, if you'd
4 please raise your right hand.

5 RON ROCKWOOD,
6 being first duly sworn to testify the truth, the whole
7 truth, and nothing but the truth, testified as follows:

8 TESTIMONY OF RON ROCKWOOD

9 JUDGE STEARLEY: Please proceed.

10 MR. ROCKWOOD: I live at 5911 Sterling Ridge
11 Road, which is in the Lake Vandelicht subdivision, same
12 subdivision as Mr. Fisher who was up here this evening.
13 Unfortunately, for the remaining customers here, I don't
14 have a whole lot of information to offer, but I do think
15 it's important that you hear from the customers who are
16 very frustrated and aggravated by the continual rate
17 increases.

18 And I really have three main points that I want
19 to bring up and just reiterate. The concern about being
20 charged on the amount of use, being that everyone gets a
21 flat fee rate, I think is completely unfair. If you look
22 at any other utilities that you use, whether it's
23 electric, natural gas, water, you are charged on a per
24 rate basis by how much you consume, what your family uses.

25 You know, certainly, with some of those, you

1 don't have a choice to go anywhere you want. You have
2 electric companies -- for instance, we're on Three Rivers.
3 I can't go to Ameren, so I am certainly with them.

4 But I appreciate the fact that I don't get
5 charged for how much electricity my neighbor uses. I only
6 get charged for what I -- what I use.

7 On the other hand, your other items in terms of
8 cell phones, TV, trash, pickup, all the other utilities, I
9 have other choices. And if I find the rates from those
10 companies to be deemed too excessive or the service poor
11 and unprofessional, I will do my business elsewhere.

12 Aqua Missouri is the only company I don't have
13 that choice with. I'm stuck with them. I have nowhere to
14 go. I'm here based solely on the issue of the sewer
15 increase. I obtain my water from the Taos District, so I
16 don't have any concerns there. But that is the first
17 point is I think they really need to find a way, not
18 necessarily Aqua, but maybe PSC. As a gentleman mentioned
19 earlier, they really don't have any way of controlling it,
20 so like it's some sort of free entity there where they can
21 just kind of not disclose information or they can disclose
22 information as they want. It's -- I think that needs to
23 be looked into, however that can be corrected.

24 The second issue is basically, again, the cost
25 of treatment on fairness of treating solids for somebody

1 who does not have a septic tank versus somebody like us
2 who we do maintain our own septic tank and, therefore,
3 like many of the other customers, are responsible for the
4 cost of pumping and maintaining that septic tank.

5 You surely can't tell me that it costs the same
6 to treat gray water versus gray water and solids. I think
7 there has been to some kind of allocation where there's
8 going to be a difference of cost, and, again, to be
9 charged across the board charge the same as everybody else
10 I feel is completely unfair.

11 The third point would be documentation. This is
12 more really of a question than -- than anything else is
13 that, you know, Aqua Missouri keeps saying, We're spending
14 millions of dollars to improve things in your, quote,
15 community.

16 Well, you know, I guess the Jefferson City
17 community is pretty big because I haven't seen the
18 improvements in our treatment plant. And from the sound
19 of it, neither have a lot other customers here in the
20 area.

21 So I'd like to know exactly where I can go to
22 view these, quote, improvements to see exactly how much
23 money has been spent, what it's been spent on, when it was
24 spent and see the details.

25 I think, as a consumer, I have a right to that

1 information, especially if you're asking me for a --
2 another, you know, 29 percent increase when they just got
3 a 61 percent increase less than a year ago.

4 I think the increase is ludicrous. I think the
5 61 percent increase was, in fact, ludicrous. And I do
6 feel the same sentiments as other people in here that they
7 didn't get all the money the first time around, so they
8 want to take off small bites.

9 And I completely have expectations they'll be
10 back in two years when the moratorium is up and they're
11 going to ask for more money. Again, one of my questions
12 in the main Q&A session is where does it end? That's all
13 I have. Thank you.

14 JUDGE STEARLEY: All right. Questions for
15 Mr. Rockwood? Ms. Baker?

16 MS. BAKER: Have you had any billing issue?

17 MR. ROCKWOOD: No. They've got everything right
18 since the rate increase last year. They have no problem
19 billing me for that.

20 MS. BAKER: Quality of service issues? Issues
21 with the customer service line?

22 MR. ROCKWOOD: When we initially started up with
23 the service on the increase, we did have some issue with
24 getting bills in a timely manner. We were told they'd be
25 mailed out within the next week or so.

1 We literally would receive them a month, month
2 and a half later. By then, we were getting disconnection
3 notices with the actual bill, which made no sense to us.
4 How can you disconnect somebody's service when they
5 haven't received the bill?

6 We did contact customer service, treated several
7 times in a very unprofessional manner by several different
8 people through Aqua Missouri.

9 MS. BAKER: And when did that occur?

10 MR. ROCKWOOD: That was in September of 2008,
11 right when the rate increase took effect. As far as
12 problems, we do notice a significant odor throughout the
13 subdivision. So I can't -- I'm pretty -- I'm pretty sure
14 it's not our septic tank. And it's not our neighbor's
15 septic tank because as me and my wife walk throughout the
16 subdivision, it is quite noticeable throughout the entire
17 subdivision. So I'm fairly sure it's coming from the
18 treatment facility, not from somebody's unmaintained
19 septic system.

20 MS. BAKER: Okay. Those are all the questions I
21 have.

22 JUDGE STEARLEY: Mr. Dearmont?

23 MR. DEARMONT: I have no questions. Thank you.

24 JUDGE STEARLEY: Mr. Schwarz?

25 MR. SCHWARZ: No questions.

1 JUDGE STEARLEY: Commissioner Jarrett?

2 COMMISSIONER JARRETT: Mr. Rockwood, no
3 questions. But thanks for your time. Appreciate you
4 coming up.

5 MR. ROCKWOOD: Thanks for letting me speak.

6 JUDGE STEARLEY: Thank you. I believe I saw
7 another hand. Sir, if you'd please come forward.

8 MR. GARRISON: I just had a comment. It was in
9 reference to James Howard's comment about the -- the
10 septic and the overflow.

11 COMMISSIONER JARRETT: Sir, you need to come up
12 if you want to testify and be sworn.

13 MR. GARRISON: Sure.

14 JUDGE STEARLEY: Had you previously testified or
15 not?

16 MR. GARRISON: No.

17 JUDGE STEARLEY: Okay. Let me have you state
18 and spell your name for our court reporter.

19 MR. GARRISON: Name is Rollan, R-o-l-l-a-n,
20 Garrison, G-a-r-r-i-s-o-n.

21 JUDGE STEARLEY: Mr. Garrison, if you'd please
22 raise your right hand.

23 ROLLAN GARRISON,
24 being first duly sworn to testify the truth, the whole
25 truth, and nothing but the truth, testified as follows:

1 TESTIMONY OF ROLLAN GARRISON

2 JUDGE STEARLEY: Please -- please continue.

3 MR. GARRISON: When -- when Mr. Howard was
4 talking about the -- the lift station or the -- the
5 station on the north end of Quail Valley that he had seen
6 it overflow, the times that it overflows, some of the
7 times I've called in because it's right next to me.

8 I can hear it from my -- actually, from inside
9 my house because it is loud. And, yes, I have called
10 about it. Did they come out? Sure. They have come out.
11 As far as how long it takes them, I don't know. The red
12 light goes on, and the buzzer goes off.

13 Now, when they -- when the letters came out
14 initially about all of our properties had to be pumped --
15 and that's -- that's fine. We've lived there since '96.
16 We had not had ours pumped, but they did come out and pump
17 it.

18 But in the process because, one, I didn't know
19 anything about it, they said that we had to have them
20 pumped, and I said, Well, you know, you need to contact me
21 about my property. I called them and told them that I
22 wanted to know exactly when they were going to pump mine.
23 I wanted to be there. If I want to pay -- if I have to
24 pay for something, I want to be there. I want to know
25 this.

1 And they couldn't give me a time, and I said,
2 Well, I don't want you on my property if you can't give me
3 a time. I said, That's called trespassing. And they
4 weren't -- and like I said, now, this is several years
5 back. They weren't overly pleasant. And -- and that's
6 fine.

7 And finally, what I said to them was, you know,
8 if you don't want to do this, you come on my property,
9 we're in deep trouble. Or somebody's in deep trouble.
10 More important is I live right next to your station. I
11 report some of your station's problems. And if you're not
12 going to cooperate with me, I will let your station burn
13 the motors up. It makes me no difference. You're going
14 to have to replace them. It's not going to be me.

15 From that point on, I had no problems with them
16 as far as -- if I called, they accepted the call, and that
17 was it. But I haven't done this in -- and it's been a
18 while. I don't know when the last time it was that it --
19 that the stations went off. But I hear it very plain when
20 they do.

21 And I've seen tracks where they've come in and
22 worked on it. But I just wanted to add that because I
23 knew -- when Jim was talking about the north end, that's
24 where I live. But that's all I have to say.

25 JUDGE STEARLEY: Okay. Questions for

1 Mr. Garrison?

2 MS. BAKER: I have no questions. Thank you.

3 JUDGE STEARLEY: Mr. Dearmont?

4 MR. DEARMONT: I have none. Thanks.

5 JUDGE STEARLEY: Mr. Schwarz?

6 MR. SCHWARZ: No questions, Judge.

7 JUDGE STEARLEY: Commissioner Jarrett?

8 COMMISSIONER JARRETT: Mr. Garrison, thanks for

9 filling out the story on that.

10 MR. GARRISON: Sure.

11 JUDGE STEARLEY: I have one quick question.

12 MR. GARRISON: Sure.

13 JUDGE STEARLEY: Do you have any recollection of

14 how many times you may have called in a problem with the

15 lift station?

16 MR. GARRISON: No. I didn't even think about it

17 being important at the time or I would have probably

18 documented it. But I've -- I've heard them go off several

19 different times.

20 JUDGE STEARLEY: Okay.

21 MR. GARRISON: So -- and I don't know what

22 they've done as far as if they've replaced anything. I

23 have seen an overflow on them there before. But I can't

24 tell you when it was.

25 JUDGE STEARLEY: All right.

1 MR. GARRISON: Okay.

2 JUDGE STEARLEY: Thank you very much.

3 MR. GARRISON: Sure.

4 JUDGE STEARLEY: I still had a couple of hands
5 up. Sir, if you'd please come forward. And if you'd
6 please state and spell your name for our court reporter?

7 MR. DUKE: My name is Bill Duke, B-i-l-l, last
8 D-u-k-e.

9 JUDGE STEARLEY: All right. Mr. Duke?

10 BILL DUKE,
11 being first duly sworn to testify the truth, the whole
12 truth, and nothing but the truth, testified as follows:

13 TESTIMONY OF BILL DUKE

14 JUDGE STEARLEY: Please proceed.

15 MR. DUKE: My wife and I moved into Lake
16 Vandelicht subdivision in approximately 2006. In the
17 beginning, we did have some billing issues with getting
18 bills on time and things of that nature. And we kind of
19 related that back to we just moved into the area. They're
20 probably trying to get things settled.

21 But once we were able to get that settled and
22 direct pay it, we haven't had any billing issues since
23 then, since those have been your basic questions. But I
24 can tell you that when we did deal with them for billing
25 issue, they were very rude.

1 And the first person you would call would say,
2 well, you have to contact the corporate number or you then
3 have to contact another number. So it turned into
4 something that really should take you about ten minutes
5 ended up talking a great deal of time during that.

6 I think some of the other issues that my family
7 would have are similar to what many of the others have
8 had. A, where is the ceiling on this rate increase? When
9 does it stop? When do you stop paying for what your
10 neighbors are doing and how much they're using?

11 I know my water bill -- even with four children
12 at home and my wife and I, our water bill is about \$20 a
13 month. We don't even get water from Aqua Missouri. We
14 also go through Taos. So we're handling just waste
15 liquids here. I mean, that's all we're handling.

16 And to continually increase above and beyond
17 almost three-fold what we pay for water seems a bit absurd
18 to me. When you also look at it, the odor is a
19 significant problem. There are many times when my wife
20 and I can't go outside with our children at night during
21 the spring and summertime because the odor is so bad.

22 When your 4-year-old or 7-year-old is saying,
23 Mom, I don't want to stay out here, it smells too bad and
24 they want to go inside and play instead of being out on a
25 sunny day, that's a problem.

1 And when you call up to ask about it, which
2 we've done many times, and they said, Oh, well, I think
3 there are some cows around you. It's the cows. You
4 should call the farmers. Now, we've all lived probably in
5 this area for a long time now knowing that cows are not
6 this type of odor that would cause an entire subdivision
7 to not want to come outside and be outside.

8 We've called several times and asked what are we
9 paying \$44 a month for if the person who developed the
10 subdivision had to pay for all of the equipment to be put
11 in? Never can we get an answer.

12 And, in fact, most of the time we call and we --
13 we will get a comment that says, Well, you're paying for
14 water. And we have to tell them, no, we don't pay you for
15 water. We use a different service. We're only paying you
16 to take care of our liquid waste.

17 And then they -- people would tell us on the
18 phone, No, we're taking care of your solids, too. No,
19 ma'am, we have a septic tank that we maintain. So the
20 lack of education and information at their company is just
21 -- it's astounding. You couldn't get away with that in
22 any normal business place.

23 There's no reason why the increase should
24 continue. There's absolutely none. People have pointed
25 it out on many different levels. In fact, it should

1 probably be decreased back to what it was several years
2 ago.

3 If there's no -- no way to show us the
4 improvements that have been made, then why should we
5 continue to pay for these?

6 I actually filed the complaint online when we
7 were told that we could. I filed the complaint, and I
8 received a call from an accountant who was studying the
9 books for Aqua Missouri. And I asked him what his
10 credentials were. He told me he was an accountant.

11 I said, Why are you calling me about my
12 complaint against -- for a water company? And he said,
13 Well, I'm just letting you know that we look at these. We
14 have so long to review them. And after a certain period
15 of time, we will make our findings public, and they'll be
16 available online. But for me looking at them, I can tell
17 you that I think, based on the improvements they've made,
18 that their rate hike is justified.

19 I said, Well, that's nice that you have
20 information that we don't have. But, again, why is an
21 accountant looking at the books calling me? Shouldn't
22 Aqua Missouri be able to tell me what these are? And why
23 do we keep going through rate increases?

24 Mr. Rockwood said it perfectly. We have no
25 other voice. You can't go to anybody else. It's

1 essentially a monopoly in that area.

2 Case in point. I originally had Three Rivers to
3 get my propane. They got too high. I called Locks Mill.
4 I got my propane cheaper. They came out, filled up my
5 tank, no problem. Three Rivers asked, Why are you not
6 using us anymore? You're too high. The company down the
7 street is cheaper. Okay. We'll meet their price or beat
8 it to you.

9 That's -- that's the way this society has worked
10 for a long time. But, unfortunately, Aqua Missouri
11 doesn't follow those practices because they do have a
12 monopoly over the area.

13 Again, the rate increase is -- is not right.
14 It's ridiculous. There's a point in which you are taking
15 advantage of people, and they're taking advantage of
16 everybody who uses their service. That's it.

17 JUDGE STEARLEY: Questions for Mr. Duke? Ms.
18 Baker?

19 MS. BAKER: No. He's answered mine. Thank you
20 very much for coming.

21 JUDGE STEARLEY: Mr. Dearmont?

22 MR. DEARMONT: I just wanted to clarify if you
23 filed a complaint or a comment? Did you file it in the
24 rate case?

25 MR. DUKE: Uh-huh. I -- I put on the I.D.

1 number and everything online and typed up my --

2 MR. DEARMONT: Online. Okay. Thanks.

3 JUDGE STEARLEY: Mr. Schwarz?

4 MR. SCHWARZ: No questions, Judge.

5 JUDGE STEARLEY: Commissioner Jarrett?

6 COMMISSIONER JARRETT: Mr. Duke, I have no
7 questions, but thanks for your testimony. I appreciate
8 it.

9 JUDGE STEARLEY: Thank you very much. Is there
10 anyone else who would like to offer testimony? Please
11 come forward, ma'am.

12 MS. RULE: My name Annette Rule, A-n-n-e-t-t-e
13 R-u-l-e.

14 JUDGE STEARLEY: Mrs. Rule, if you'd please
15 raise your right hand.

16 ANNETTE RULE,
17 being first duly sworn to testify the truth, the whole
18 truth, and nothing but the truth, testified as follows:

19 TESTIMONY OF ANNETTE RULE

20 JUDGE STEARLEY: Please proceed.

21 MS. RULE: We moved into our new home in two --
22 actually, June of 2008. The rate was like 27 something.
23 And then two months later, it was 44.79. And then we get
24 this other one.

25 And ours -- we've had a brand new septic tank

1 put in. It was at least \$5,000. And the pump and
2 everything it goes to get that down to their station and
3 down to the plant for gray water only, you know, I just
4 feel like -- and our plant is small.

5 There's only two families that are using that
6 plant. And both of us, it's just a husband and wife. We
7 are retired. I mean, everything's been stated. It's just
8 -- the economy is so bad and to have these kind of raises,
9 and I -- I just can't tolerate that.

10 The other thing is we -- as public funding
11 people, we need to have a list. An audit doesn't mean
12 anything to us. We need to know, okay, there's a
13 subdivision. This pump that's going to take care of this
14 subdivision costs so much. Or our small unit, this pump
15 cost so much. Or if you have to replace any walls or
16 whatever, what that cost is for each size of a unit.

17 I mean, then maybe we can make some sense of
18 this. But to me, it -- I know what we paid for our pump
19 for the -- for the septic tank. It wasn't that much. But
20 even our well pump, we paid 3,000 for that, and it was a
21 big pump to pump our water up.

22 So there's no water -- I mean, we don't have a
23 water bill. It's just -- we have the well. And there's
24 no water with this. And so it's just -- gray water to go
25 to 53.22 a month, I just totally object. And I just wish

1 to thank you for hearing my testimony.

2 JUDGE STEARLEY: Any questions for Ms. Rule?

3 MS. BAKER: You've heard my three questions.

4 Billing issues?

5 MS. RULE: No. They're very good about taking

6 your money.

7 MS. BAKER: All right.

8 MS. RULE: No problem.

9 MS. BAKER: Any customer service experiences?

10 MS. RULE: No. They're -- we never see anybody.

11 And the family that lives on the other street that looks

12 right down at it, she says they haven't ever seen anybody

13 come stop and check it out.

14 MS. BAKER: Okay. Any quality of service

15 issues? Any odors in the area, anything like that?

16 MS. RULE: No. No. It's too small. It's a

17 small --

18 MS. BAKER: Okay. Thank you for coming. That's

19 -- no further questions.

20 JUDGE STEARLEY: Mr. Dearmont?

21 MR. DEARMONT: I have none. Thank you.

22 JUDGE STEARLEY: Mr. Schwarz?

23 MR. SCHWARZ: No questions.

24 Mr. STEARLEY: Commissioner Jarrett?

25 COMMISSIONER JARRETT: Yes. Ms. Rule, what area

1 or subdivision do you live in?

2 MS. RULE: Autumn Woods Estates.

3 COMMISSIONER JARRETT: Thank you. I have no
4 further questions. Thanks for your testimony.

5 MS. RULE: Thank you.

6 JUDGE STEARLEY: Thank you. I believe there was
7 another hand. Sir, if you'd come up.

8 MR. ZEMAN: Bill Zeman, Z-e-m-a-n.

9 JUDGE STEARLEY: All right. Mr. Zeman, if you'd
10 raise your right hand.

11 BILL ZEMAN,
12 being first duly sworn to testify the truth, the whole
13 truth, and nothing but the truth, testified as follows:

14 TESTIMONY OF BILL ZEMAN

15 JUDGE STEARLEY: Please proceed.

16 MR. ZEMAN: Thank you. I am actually going to
17 offer some fresh, new testimony that you haven't heard
18 this evening. I am very privileged and grateful to be
19 able to take advantage of the formal complaint system that
20 the Public Service Commission offers, and I hope to work
21 with the Public Service Commission to work through our
22 formal issues that we have against Aqua Missouri.

23 Also, I'm the President of the Golden Pond
24 Homeowners Association. It's in Holt Summit, Missouri.
25 Just this Saturday, we did hold a -- an annual meeting of

1 the homeowners. And I just asked a dumb bill question,
2 said, does anybody know -- or does everybody know who Aqua
3 Missouri is?

4 And I had one individual that's moved in for
5 five months now that has no idea who Aqua Missouri is.
6 It's kind of disheartening to me, your Honor, because it
7 was -- and I may have these years wrong, so please forgive
8 me for that.

9 But a couple of years ago, before this last
10 increase, I did write in to the Public Service Commission,
11 and I wrote a great big old three-page handwritten letter.
12 And I don't know if you all keep them on file. But you
13 can go to that file if you still do.

14 And what I wrote in there on that -- one of
15 those three pages was the fact that not all the
16 individuals are being charged that are utilizing the
17 Golden Pond Homeowners Association sewer.

18 Okay. So -- well, I didn't -- I did not attend
19 that public hearing. But this most recent one, I believe
20 it was about a year and a half ago, I also wrote in
21 another letter and said, P.S., I don't believe that
22 everybody is -- is paying for the use of this service.

23 And I got up here and testified before the
24 Commission and even handed the Commission a list of names,
25 and I don't know what more I need to do. I handed them a

1 list of names of everybody who needed to be charged for
2 the use of Golden Pond Homeowners Association. And what's
3 truly disheartening is this last meeting that I just held
4 on Saturday, and I had another member say, I don't know
5 who Aqua Missouri is. Who are they, Bill? Well, they
6 happen to be your sewer system that you should be paying
7 44-whatever dollars it is a month.

8 So that's what I really have to offer to this
9 Commission, that I hope that we can seriously work through
10 these issues. I'm not out to say -- I will tell -- I will
11 -- if I have to, I will give names. And it's real easy.
12 You can just go right down the county road and up Mallard
13 and Teal Lane and up the road a little further and go down
14 Old Barn Lane, and you can see everybody who should be
15 paying sewer bills.

16 Golden Pond Homeowners Association is a gravity
17 flow system. We have no benefits of these pump stations
18 that other people are having. It all -- it -- the price
19 of gravity hasn't increased since Sir Isaac Newton.

20 And I'm just frustrated that, one, not
21 everybody's getting charged for service. And I -- and I
22 believe that there's other people in this room who can
23 testify, not about Golden Ponds, about maybe their own
24 sewer system of people who are not getting charged. I am
25 willing to answer questions at this moment.

1 JUDGE STEARLEY: Okay. Ms. Baker?

2 MS. BAKER: Other than -- than this particular
3 billing issue, have you, through the Homeowners
4 Association, heard of any other billing issues that your
5 members have faced?

6 MR. ZEMAN: Wow. I'll mention a few. I know
7 for the fact that when one of my homeowners did, in fact,
8 call in to Aqua and they said, Hey, I'm -- you know,
9 they're good people and wanted to come forthright and
10 upfront.

11 Aqua told them that they were going to shut off
12 their water. We are served by Callaway County Water
13 District No. 1. Aqua Missouri has no -- absolutely no
14 control over our water that's coming in to the housing.

15 Another one was that, in fact, they tried to
16 back bill -- this is beautiful. This is my -- my
17 next-door neighbor, okay, right next -- houses couldn't
18 have been built more than six months apart at the very,
19 very most.

20 My next door neighbor said, Bill, I don't know
21 who Aqua Missouri is. Who -- what are you telling me?
22 Aqua Missouri? And here I am -- here, I've been paying a
23 bill for ten years, and my next-door neighbor hasn't been
24 paying one?

25 I said, well -- I gave him the phone number.

1 Being good, Christian folks that they are, they call in.
2 And they wanted to bill -- Aqua Missouri -- and we'll
3 probably bring this out in the formal complaint and any
4 testimony that you want to hear at that as well.
5 But they were wanting to back charge for the previous
6 person that owned the house. And I found that -- I don't
7 -- I didn't like it, personally.

8 MS. BAKER: All right. That's all the questions
9 I have. Thank you.

10 JUDGE STEARLEY: Mr. Dearmont?

11 MR. DEARMONT: I have just a few questions for
12 you. What's your personal affiliation with the Homeowners
13 Association?

14 MR. ZEMAN: I'm President of Golden Pond
15 Homeowners Association. I started out as a Board member.
16 I have lived there -- and I want to say it was 2000 or
17 2001. I don't remember the exact year that I moved in,
18 but it was one or the other.

19 MR. DEARMONT: You have a formal complaint
20 pending against Aqua Missouri, correct?

21 MR. ZEMAN: Yes, sir, I do.

22 MR. DEARMONT: And you have retained independent
23 counsel in that complaint?

24 MR. ZEMAN: You're required to, as a
25 subdivision, to have independent counsel.

1 MR. DEARMONT: No further questions.

2 MR. SCHWARZ: No questions, Judge.

3 JUDGE STEARLEY: Okay. Commissioner Jarrett?

4 COMMISSIONER JARRETT: Mr. Zeman, I don't have
5 any questions. But I appreciate your testimony. Thank
6 you very much.

7 MR. ZEMAN: You're welcome.

8 JUDGE STEARLEY: Thank you, sir.

9 Mr. ZEMAN: You're welcome.

10 JUDGE STEARLEY: And I believe I have a couple
11 more hands. But before I call those people forward, just
12 let me check, my poor court reporter, we've been working
13 her for a little over two hours. Do you need a, break,
14 Monnie, or do you --

15 THE COURT REPORTER: I'm fine.

16 JUDGE STEARLEY: All right. Showing of hands,
17 please. Please come forward, sir.

18 MR. MUENKS: My name is Shawn Muenks, S-h-a-w-n
19 M-u-e-n-k-s.

20 JUDGE STEARLEY: And if you'd please raise your
21 right hand, sir.

22 SHAWN MUENKS,
23 being first duly sworn to testify the truth, the whole
24 truth, and nothing but the truth, testified as follows:

25 JUDGE STEARLEY: Please proceed.

1 MR. MUENKS: Thank you. I have a formal comment
2 letter that I'd like to present to the Commission and
3 counsel. Pretty much all my comments have been spoken
4 already, so I'll be brief.

5 I have one recommendation. I wonder if Aqua
6 Missouri has looked at trying to get federal stimulus
7 money before coming to customers for -- to get
8 reimbursement for their -- their costs.

9 And I'd also like to state that I do support the
10 water-based -- water usage based fees because I think
11 that, you know, if I'm going to pay that much money for
12 sewer, I'm probably going to flush a toilet as much as I
13 can.

14 So if -- you know, if it was based on water, I
15 think I would conserve water use a little bit more that
16 way just like you would turning off your lights for saving
17 electricity. So that's about all I have to say.

18 JUDGE STEARLEY: All right. Questions,
19 Mrs. Baker?

20 MS. BAKER: Have you had any billing issues?

21 MR. MUENKS: I do have a customer service issue.

22 MS. BAKER: Okay.

23 MR. MUENKS: I have a main line that runs
24 through my property. And, one, the manhole covers didn't
25 fight quite right, so I called them last summer to come

1 out and change it and didn't hear anything for about a
2 month.

3 I called them back, and they said they did come
4 out and look at it and take a new manhole cover to fix it.
5 It took another couple weeks, and I finally saw another
6 manhole cover on it. But it was an old one that still
7 doesn't fit quite right. And I just have concerns because
8 it was wobbly, and small children or animals could fall
9 into it. So --

10 MS. BAKER: Okay. So when was this again?

11 MS. MUENKS: This was last summer.

12 MS. BAKER: All right. And is still -- there is
13 not a -- a properly fitting --

14 MR. MUENKS: No. No, there is not.

15 MS. BAKER: All right. That's all the questions
16 I have. Thank you.

17 JUDGE STEARLEY: Mr. Dearmont?

18 MR. DEARMONT: I have none. Thanks.

19 JUDGE STEARLEY: Mr. Schwarz?

20 MR. SCHWARZ: No questions.

21 JUDGE STEARLEY: Commissioner Jarrett?

22 COMMISSIONER JARRETT: Sir, just one question.
23 What subdivision or area do you live in?

24 MR. MUENKS: Bradford Court.

25 COMMISSIONER JARRETT: And there are some

1 company people here tonight. I would urge you to talk to
2 them after the hearing about that.

3 MR. MUENKS: Okay. Thank you.

4 JUDGE STEARLEY: The letters you have, have you
5 already filed that with the Commission or --

6 MR. MUENKS: No, I have not.

7 JUDGE STEARLEY: Okay. If you want to bring a
8 copy forward. And if you have another copy, can you --

9 MR. MUENKS: Yes, I do.

10 JUDGE STEARLEY: I'll have you give it to our
11 Staff.

12 MR. DEARMONT: We'll take it.

13 JUDGE STEARLEY: And we can see that it gets
14 filed in the Comments section for this case. All right.
15 Are there any other persons who wish to testify this
16 evening? Mr. Kempker, did you want to say something?

17 MR. KEMPKER: I still -- I already testified,
18 but, you know, hearing others talk, I've got some other
19 comments I'd like to make if I can.

20 JUDGE STEARLEY: That's fine. Please come
21 forward. I'll remind you that I hadn't excused you as a
22 witness so you're still under oath.

23 MR. KEMPKER: Sure. Do I need to -- state my
24 name again?

25 JUDGE STEARLEY: No. You don't have to

1 Mr. Kempker.

2 FURTHER TESTIMONY OF KEITH KEMPKER

3 MR. KEMPKER: Hearing Mr. Howard testify earlier
4 on Quail Valley about the pump station overflowing, that's
5 a DNR violation. And if that has not been reported, Aqua
6 Missouri should be fined or whatever -- whatever the
7 penalty is for failing to report raw sewage spills.

8 Hearing Bill Zema -- Zeman testify earlier on
9 the Golden Pond's subdivision, I specifically remember the
10 last hearing Commissioner Davies -- Daves, Davies --

11 JUDGE STEARLEY: Davis.

12 MR. KEMPKER: Saying that the billing problems
13 would be looked into. I specifically remember him saying
14 that. It sounds like there's still problems.

15 And it sounds like the Public Service Commission
16 hasn't done their job. I would urge the Public Service
17 Commission look into it and make sure those problems are
18 fixed because, again, if they're having problems with
19 their billing, they're not receiving all the revenue they
20 should be getting. So, therefore, is this rate increase
21 really justified? That's all I have to say. Thank you.

22 JUDGE STEARLEY: All right. Any additional
23 questions for Mr. Kempker?

24 MS. BAKER: No, your Honor.

25 MR. DEARMONT: I have nothing none. Thanks.

1 MR. SCHWARZ: No.

2 JUDGE STEARLEY: Commissioner Jarrett?

3 COMMISSIONER JARRETT: None for me. Thanks.

4 JUDGE STEARLEY: All right. Is there anyone

5 else who would like to offer testimony at this time?

6 Well, seeing none, I would like to remind those people who

7 are either with us in our gallery or watching us on the

8 web that we do have multiple avenues for people to make

9 comments.

10 And they can still make comments in this case

11 either by calling the Commission, mailing us, e-mailing,

12 posting comments on our web page, contacting the Office of

13 Public Counsel.

14 Commissioner Jarrett, did you have any closing

15 remarks you'd like to make?

16 COMMISSIONER JARRETT: Yes. Thank you, Judge.

17 It's been kind of a long night, but I think it's been a

18 good night. Lots of good testimony, good information that

19 we've heard tonight that, again, will be transcribed and

20 will be in the record.

21 So we appreciate everyone coming out tonight,

22 appreciate everyone's courtesy and professionalism while

23 they were testifying. Everyone spoke very well, very

24 clear and succinctly about their issues, and that's very

25 helpful to us. And so I appreciate it, and thanks again.

1 JUDGE STEARLEY: All right. Well, since we have
2 no further witnesses, this local public hearing is
3 adjourned. And thank you all very much for coming.

4 (The proceedings were concluded at 9:00 p.m. on
5 February 22, 2010.)

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1 REPORTER'S CERTIFICATE

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3 STATE OF MISSOURI)
)ss.
4 COUNTY OF OSAGE)

5

6 I, Monnie S. Mealy, Certified Shorthand Reporter,
7 Certified Court Reporter #0538, and Registered
8 Professional Reporter, and Notary Public, within and for
9 the State of Missouri, do hereby certify that I was
10 personally present at the proceedings as set forth in the
11 caption sheet hereof; that I then and there took down in
12 stenotype the proceedings had at said time and was
13 thereafter transcribed by me, and is fully and accurately
14 set forth in the preceding pages.

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21 Monnie S. Mealy, CSR, CCR #0539
22 Registered Professional Reporter

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Service Commission.)