

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 STATE OF MISSOURI

2 PUBLIC SERVICE COMMISSION

3 TRANSCRIPT OF PROCEEDINGS,

4 Public Hearing

5 May 31, 2000  
Warrensburg, Missouri

6 Volume 7

7 In the Matter of Missouri-American )  
Water Company's Tariff Sheets )  
8 Designed to Implement General ) Case No. WR-2000-281  
Rate Increases for Water and )  
9 Sewer Service Provided to Customers )  
in the Missouri Service Area of the )  
10 Company )

11

12 KEVIN A. THOMPSON, Presiding,  
DEPUTY CHIEF REGULATORY LAW JUDGE  
13 CONNIE MURRAY,  
ROBERT G. SCHEMENAUER

14

COMMISSIONERS

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REPORTED BY: MARGARET P. MIZE

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1                   A P P E A R A N C E S

2

3           FOR OFFICE OF THE PUBLIC COUNSEL & THE PUBLIC

4           MS. SHANNON E. COOK

5           PO Box 7800

6           Jefferson City, Missouri 65102-7800

7

8           FOR THE CITY OF WARRENSBURG, CITIES OF ST.

9           PETERS, WALDON SPRING, O'FALLON, CMSU, HAWKER

10          ENERGY, STAHL MANUFACTURING, SWISHER MOWER AND

11          MACHINE COMPANY AND ST. CHARLES COUNTY

12          MR. LILAND B. CURTIS

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15          St. Louis, Missouri 63105

16

17          FOR THE STAFF OF THE MISSOURI PUBLIC SERVICE

18          COMMISSION

19          MR. KEITH R. KRUEGER

20          PO Box 360 Jefferson City, Missouri 65102

21

22          FOR MISSOURI-AMERICAN WATER COMPANY

23          MR. W.R. ENGLAND, III

24          PO Box 456

25          Jefferson City, Missouri 65102

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

2

3 (Hearing commenced at 12:24 p.m.)

4

5 THE COURT: Good afternoon ladies  
6 and gentlemen. I apologize that we're  
7 starting a little bit after the scheduled  
8 time. We'll go ahead and open this local  
9 public hearing at this time.

10 We are here in the matter of  
11 Missouri-American Water Company tariff sheets  
12 designed to implement general rate increases  
13 for water and sewer service provided to  
14 customers in the Missouri Service area of the  
15 company, Case Number WR-2000-281.

16 My name is Kevin Thompson and I am a  
17 Regulatory Law Judge employed by the Missouri  
18 Public Service Commission. I will be  
19 presiding over the hearing this afternoon.

20 There are five commissioners on the  
21 commission, two of whom are here with me  
22 today; Commission Connie Murray and  
23 Commissioner Robert Schemenauer.

24 All of the commissioners will read the  
25 transcript of all the testimony and remarks

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1       which are made today. So the fact that some  
2       of the commissioners are not here does not  
3       mean that they will not read and consider the  
4       testimony that you give.

5             The purpose of this hearing this  
6       afternoon is not for the commission to answer  
7       your questions, it is not for the company to  
8       answer your questions, it is instead for us to  
9       take your testimony. You will be sworn in and  
10      you will testify just like a witness in a  
11      court proceeding.

12            There will however be no cross  
13      examination, counsel are permitted to ask  
14      clarifying questions only. Two hours have  
15      been allotted for this hearing. In order that  
16      everyone that would like to speak has an  
17      opportunity, I urge you strongly to keep your  
18      remarks brief.

19            If another witness has already made the  
20      same point that you would like to make, you  
21      may simply be sworn in, identify yourself and  
22      state that you agree with what that witness  
23      has already said. In that way we are able to  
24      take testimony from a large number of people  
25      very quickly.

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1           The ground rules are simple; I will call  
2           each witness, you will come forward to the  
3           microphone, I will swear you in, your  
4           testimony must be given under oath, I will ask  
5           a couple of identification questions, your  
6           name, whether or not you're a customer of the  
7           company, you will then be permitted to give  
8           your testimony in a form of a statement,  
9           whatever statement you would like to make.

10           The court reporter will make a verbatim  
11           transcript of all of the testimony that is  
12           given. That transcript will be reduced to  
13           writing and will be made part of the permanent  
14           record of this case.

15           At this time I will call the first  
16           witness, Jim Landon.

17           Mr. Landon, before you start, could we  
18           have counsel make oral entries of appearance  
19           please, starting with you, Ms. Cook.

20

21                       MS. COOK: Thank you, your Honor.  
22           Shannon Cook, PO Box 7800, Jefferson City,  
23           Missouri, 65102-7800 appearing on behalf of  
24           the Office of the public counsel and the  
25           public.

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1 THE COURT: Thank you.

2 MR. ENGLAND: Thank you, Judge.

3 Let the record reflect the appearance of W. R.  
4 England appearing on behalf of  
5 Missouri-American Water Company. Our mailing  
6 address is Post Office Box 456, Jefferson  
7 City, Missouri, 65102.

8 THE COURT: Thank you. Mr.  
9 Krueger.

10 MR. KRUEGER: My name is Keith R.  
11 Krueger appearing for the staff of the  
12 Missouri Public Service Commission. My  
13 address is PO Box 360, Jefferson City,  
14 Missouri, 65102.

15 THE COURT: Thank you.

16 MR. CURTIS: My name is Leland B.  
17 Curtis of the law firm of Curtis, Oetting,  
18 Heinz, Garrett & Soule, 130 South Bemiston,  
19 Suite 200, St. Louis, Missouri, 63105. I  
20 represent the City of Warrensburg, CMSU,  
21 Hawker, Harmon, Stahl Manufacturing, Swisher  
22 Mower, Cities of St. Peters, Waldon Spring and  
23 O'Fallon and St. Charles County.

24 THE COURT: Thank you, sir. Any  
25 other counsel?

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1           Mr. Landon, after you have had a chance  
2           to give your remarks, please do not leave the  
3           podium until you are excused, there may be  
4           some questions from the bench or questions  
5           from counsel. Thank you, sir.

6

7

JIM LANDON

8           called as a witness herein, being first duly  
9           sworn by the Court, testified on his oath as  
10          follows:

11

12

THE COURT: Please state your

13

name.

14

MR. LANDON: Jim Landon.

15

THE COURT: Mr. Landon, are you

16

presently a customer of Missouri-American

17

Water Company?

18

MR. LANDON: Yes, I am.

19

THE COURT: Please proceed.

20

MR. LANDON: First of all, I'm

21

here in my official capacity as City Manager

22

of Warrensburg. We would like to welcome the

23

commissioners, the Public Service Commission

24

staff and also the staff of public counsel.

25

We do appreciate you coming to

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1       Warrensburg. It's very important and I know  
2       that is very time consuming, but it is greatly  
3       appreciated.

4               I would also take this opportunity to  
5       introduce our local elected officials so that  
6       you can get to know them. We have our mayor,  
7       Mayor Mike Rich, who will make comments here  
8       in a little bit, our Mayor Pro-temp, Mike  
9       Bodenhammer, two counsel members, John Kulp  
10      and Mary Coker.

11             I'm going to start off with a little  
12      background and history. I've been here about  
13      five years in Warrensburg and we've been in  
14      Warrensburg dealing with this issue that is  
15      before us today for longer than that. It's  
16      one of the issues that came up almost my first  
17      week on the job. I will tell you that at that  
18      time we were very frustrated. We had a  
19      similar hearing three years ago in this same  
20      room and since then we've been very pleased.

21             The commission has listened, responded  
22      and been very supportive and we would like to  
23      thank you for that in the past. We have seen  
24      significant changes as a result of some of the  
25      actions you have taken.

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1           Also we would like to indicate that part  
2           of the process has been very positive with the  
3           water company. One of the things that  
4           happened three years ago is that the Public  
5           Service Commission actually started a formal  
6           docket about our water quality here,  
7           specifically odor, taste and hardness.

8           As a result of that, we got together with  
9           water company representatives and we believe  
10          went through a very healthy, positive process  
11          to address those issues that were brought  
12          forth. We had public meetings here from City  
13          Council, we actually had some of the other  
14          industries in town that you're going to hear  
15          from later and had their engineers take a look  
16          at some of the options that were presented.  
17          It was very, very positive and one that we had  
18          a lot of ownership.

19          As a result of that there was a nice  
20          ground breaking for the new treatment facility  
21          that the water company recently concluded and  
22          I think it was well received as a result of  
23          some real involvement of ownership here  
24          locally. And once again, the commission's  
25          actions had a lot to do with that.

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1 I also will tell you that our  
2 relationship with the water company in my  
3 opinion is very positive. Mike Woods, the  
4 local plant manager, is great to work with.  
5 They are extending water mains for fire  
6 protection, fire hydrants, etcetera.

7 We do have still one disagreement and  
8 that is the rate structure, and I know that's  
9 a major issue. The rate structure is a major  
10 disagreement between us and the water  
11 company. It is really designed towards the  
12 idea on our side that we are willing to pay  
13 for benefits we receive and the cost of  
14 providing water to Warrensburg residents, but  
15 we are not interested in paying for costs in  
16 other districts.

17 Why? Well, one of the reasons is as you  
18 know water is a very unique utility. In fact,  
19 they're not even connected, they're very  
20 specific districts. Unlike the other  
21 utilities, you don't have central plants and a  
22 distribution system goes throughout. And we  
23 feel that does not justify the same type of  
24 rate structure you would have with other  
25 utilities.

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1           The other part of the reason why we  
2           disagree is just the whole process. As we  
3           talked about, we feel like we have a good  
4           process here in which we dealt with our own  
5           local issues. There is obviously a major  
6           expenditure, capital expenditure, in St. Joe  
7           that is well known throughout the state at  
8           this point that we do not want to pay for.

9           We do not receive any benefit and do not  
10          really want to be involved in it. One of the  
11          things that happens is as city communities, we  
12          try to get along, work together.

13          Right now I have news reporters coming  
14          from St. Joe, TV cameras, wanting to interview  
15          me here in Warrensburg as to why are you  
16          opposed to our plan in St. Joe, why don't you  
17          want to pay.

18          It causes that conflict between  
19          communities and that conflict is not healthy.  
20          We don't want to talk about their plans and  
21          we'd appreciate it that they not get directly  
22          involved in ours because we believe that  
23          should be something that happens here locally  
24          with our rate payers and that process.

25          And once again we demonstrated it works

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1 and encourage you to stay away from the  
2 uniform rates for single tariff pricing so  
3 that we don't have to pin each other against  
4 one another.

5 Another factor associated with that is  
6 the fact that in my opinion we're probably not  
7 going to see any major capital improvements  
8 here in Warrensburg for awhile, but if we have  
9 capital improvements made by this water  
10 company in other communities, we're going to  
11 have an interest in it again because we're  
12 going to have to pay for it if you go with  
13 single tariff pricing and you're going to have  
14 this battle every time. And to tell you the  
15 truth, we'd like to start getting along and  
16 working with the water company and not have a  
17 constant battle over every rate case because  
18 we think it's unfair.

19 And we believe that if you would have  
20 district specific rate structure, then we  
21 won't have these kinds of battles where we  
22 have to hire attorneys and go through the  
23 lengthy process like this. I think you would  
24 have a lot better of support in all  
25 communities if they knew that they were

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1 getting benefit from the cost of that service.

2 Another important issue for us, and I do  
3 have one handout to demonstrate this, this  
4 actually came from the rate case -- excuse me,  
5 not the rate case, but the docket you  
6 established for water quality. I have  
7 highlighted a couple of numbers and what those  
8 numbers are are the engineer's estimates for  
9 the cost of the different options to deal with  
10 our taste and odor.

11 The two numbers I've highlighted there  
12 are the actual option that was implemented and  
13 has recently been completed and that's the  
14 ozonization treatment process.

15 As you can see, with stand alone rates  
16 for your average residential customers,  
17 they're projecting at that time a \$4.69 bill  
18 increase, so we knew that going into it. But  
19 you also see that they put in a figure with  
20 single tariff pricing or uniform rates and in  
21 that they indicate that the average  
22 residential customer is only going to have to  
23 pay 29 cents a month.

24 What a great deal. And they're going to  
25 every community with those kind of great

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1 deals, but when the actual case comes forth,  
2 we're not talking about just our improvements,  
3 we're talking about improvements in other  
4 communities and in particular this time, the  
5 new plant in St. Joe.

6 But that is not realistic accounting for  
7 making decisions in the community. And I  
8 think uniform rates are misleading to decision  
9 makers, to the community, and I think this is  
10 a good demonstration that we're not talking  
11 about today a 29 cent increase, we're talking  
12 about something in the range rate to an 8 to  
13 \$9 increase for this proposal presented to you  
14 by the water company because it has more to do  
15 with just our treatment plant.

16 So that is our demonstration of how the  
17 accounting process or the accountability of  
18 the cost is really skewed before we ever get  
19 into the construction phase of it and we think  
20 that is detrimental to the process.

21 With that, I will close. We do have a  
22 large team of companies, private and public.  
23 Some of our industrial development interests  
24 are here today that would like to speak and  
25 I'll let you go from there.

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1 Thank you, Judge.

2 (A Document was marked Exhibit Number  
3 1 for identification by the Court.)  
4

5 THE COURT: Okay. I've received a  
6 single sheet which I've marked as Exhibit  
7 Number 1 and made part of the record of this  
8 matter.

9 Questions from the bench? Commissioner  
10 Murray?

11 MR. MURRAY: I'd just like to  
12 thank you for your very cogent presentation  
13 and also for pointing out that there are many  
14 positive things between the water company and  
15 the residents and that you're working through  
16 these things. Thank you for your comments.

17 MR. LANDON: You're welcome.

18 THE COURT: Commissioner  
19 Schemenauer?

20 MR. SCHEMENAUER: Thank you, your  
21 Honor. I can maybe speak without the mike. I  
22 appreciate your comments. And in the handouts  
23 you gave us, you indicated it's the cost of  
24 the water treatment plant here to increase the  
25 quality of water, the company indicated it

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1 would be about 4.69 a month per customer?

2 MR. LANDON: Correct. That's the  
3 estimate they provided prior to construction.

4 MR. SCHEMENAUER: So if they asked  
5 for that in this rate increase for  
6 Warrensburg, you would not object to that?

7 MR. LANDON: We are very much  
8 aware of the fact that the water rates in  
9 Warrensburg are going to go up. We would not  
10 be consistent to say that we don't want rates  
11 to go up after we've asked and received  
12 improvements. And we've stated all along that  
13 we believe we should pay for those  
14 improvements and other communities should not  
15 have to pay for improvements they don't  
16 receive any benefit on.

17 So, yes, we're aware of the fact the  
18 rates are going to up. You will hear that no  
19 one wants any of their utility rates to go up,  
20 me included, obviously none of us like that,  
21 but we understand realistically that they have  
22 to in order to pay for the capital  
23 improvements and the benefits.

24 So what we're asking for is that those  
25 rates be fair based on the actual cost

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1 providing water.

2 MR. SCHEMENAUER: Okay. Thank  
3 you. That's all I have.

4 THE COURT: Questions from  
5 counsel?

6 Hearing none you're excused, Mr. Landon.

7 MR. LANDON: Thank you.

8 THE COURT: Mike Rich.

9

10 MIKE RICH

11 called as a witness herein, being first duly  
12 sworn by the Court, testified on his oath as  
13 follows:

14

15 THE COURT: State your name,  
16 please.

17 MR. RICH: Mike Rich.

18 THE COURT: Mr. Rich, are you  
19 presently a customer of Missouri-American  
20 Water Company?

21 MR. RICH: Yes, I am.

22 THE COURT: Please proceed.

23 MR. RICH: As Mayor and  
24 representative of the city counsel, I am hear  
25 today to first welcome the Public Service

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1 Commission to our fair city. It's our  
2 pleasure to host this important public forum  
3 and second to discuss a possible rate increase  
4 along with single tariff pricing that is  
5 proposed from the Missouri-American Water  
6 Company.

7 Our partnership with Missouri-American  
8 Water Company has been long-standing in a  
9 responsive relationship as shown by their  
10 plant improvement project with an investment  
11 that totals six million dollars.

12 I believe that investment is what  
13 Warrensburg residents should be responsible  
14 for. In my business if I would need a new  
15 truck or my office was too small so I  
16 remodeled, and these improvements in capital  
17 increased by 50 percent, do I automatically go  
18 to my customers and raise my fees 50 percent?

19 The answer is no. If I did, I wouldn't  
20 be in business today. I would investigate  
21 ways to increase my customer base, cut  
22 expenses or be more productive. That  
23 ultimately would offset those capital  
24 improvements. This is the suggestion I give  
25 to the Missouri-American Water Company.

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1 I do believe we should pay for our  
2 improvements in Warrensburg which is about 5  
3 percent of the 90 million spent by  
4 Missouri-American Water or resulting in an  
5 average bill of about \$18.

6 If St. Joe had to pay for the additional  
7 84 million, that would increase an average  
8 customer's rate per month from 17 to about 33  
9 or about 50 cents a day. This amount is less  
10 than the cost of a cup of coffee, can of soda  
11 or bottled water.

12 I urge the Public Commission not to allow  
13 the uniform rates. It is not good public  
14 policy and it will create numerous financial  
15 burden. It is not the right thing to do.  
16 Thank you.

17 THE COURT: Thank you, Mr. Rich.  
18 Questions from the bench; Commissioner  
19 Murray?

20 MS. MURRAY: I have no questions  
21 but thank you for your comments.

22 THE COURT: Commissioner  
23 Schemenauer?

24 MR. SCHEMENAUER: I have no  
25 questions, your Honor.

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1 THE COURT: Questions from  
2 counsel? Hearing none you're excused.  
3 Senator Caskey.  
4 Raise your right hand.  
5

6 HAROLD CASKEY  
7 called as a witness herein, being first duly  
8 sworn by the Court, testified on his oath as  
9 follows:  
10

11 THE COURT: State your name, sir.

12 MR. CASKEY: Harold Caskey.

13 THE COURT: Are you presently a  
14 customer of Missouri-American Water Company?

15 MR. CASKEY: I am not.

16 THE COURT: You are not. Are you  
17 in some other way aware that this proposed  
18 rate increase will effect you?

19 MR. CASKEY: I am the State  
20 Senator for this district and when it effects  
21 my constituents, then it effects me  
22 personally.

23 THE COURT: Please proceed, sir.

24 MR. CASKEY: A few months ago  
25 several of my constituents came to me as their

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1 state legislator and ask that I examine and  
2 look at the issue of Missouri Water Company's  
3 unit pricing system. At that time it was my  
4 understanding that this rate case or the  
5 application for rate increase was being  
6 considered by the Public Service Commission.

7 What we do and when constituents come to  
8 me and I look to see if there is a solution  
9 other than a legislative solution, and at the  
10 time we concluded that perhaps a legislative  
11 conclusion might be the answer to the  
12 question. I introduced a bill that dealt with  
13 the issue of unit pricing as far as the  
14 capital improvements are concerned.

15 Legislation was passed in the Senate on  
16 the 30 to 0 and it then proceeded to the House  
17 and because of this particular session, this  
18 bill was not voted on in the House Committee.

19 We believe that for the justice and for  
20 fairness for the constituents of mine that  
21 live here in Warrensburg, that the single  
22 tariff pricing system is not only unjust, but  
23 unconscionable.

24 We believe that the legislative approach  
25 that we took was one that was an honorable

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1 solution in the testimony that was given both  
2 before the House and Senate Committees. The  
3 effort was put forth or the idea was put forth  
4 that perhaps there was no one watching what  
5 was actually occurring in St. Joe and that  
6 perhaps the plant was overbilled and where  
7 that the Company was asking that the  
8 constituents of other senators and  
9 representatives be asked to share in the  
10 reimbursement for the system that was perhaps  
11 overbilled for St. Joe.

12 This was also set forth by witnesses that  
13 actually came from the St. Joe committee  
14 representing the businesses that are customers  
15 of that system.

16 We believe that the single tariff pricing  
17 is unconscionable and we would hope that the  
18 Public Service Commission would in fact deal  
19 with the issue so that we don't have to deal  
20 with it legislatively next year.

21 THE COURT: Thank you, sir.  
22 Questions from the bench; Commissioner  
23 Murray?

24 MS. MURRAY: Thank you. Senator  
25 Caskey, when the hearing was held on your bill

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1 in the Senate, were there people there that  
2 testified in opposition to the bill?

3 MR. CASKEY: Yes, the Company was  
4 the only one that testified in opposition.

5 MR. MURRAY: Thank you.

6 THE COURT: Commissioner  
7 Schemenauer?

8 Mr. Schemenauer: I have no  
9 questions but I just thank the Senator for  
10 coming, it's always a pleasure to see Senator  
11 Caskey.

12 MR. CASKEY: It was an honor  
13 Commissioner Schemenauer to appear before you  
14 and even a compliment that you put a  
15 politician under oath. Thank you very much.

16 THE COURT: Questions from  
17 counsel? Hearing none you're excused. Thank  
18 you, Senator.

19 Deleta Williams.

20

21 DELETA WILLIAMS

22 called as a witness herein, being first duly  
23 sworn by the Court, testified on her oath as  
24 follows:

25

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1

2

THE COURT: Please state your

3

name.

4

MS. WILLIAMS: Deleta Williams.

5

THE COURT: Are you presently a

6

customer of Missouri-American Water Company?

7

MS. WILLIAMS: Yes, I am.

8

THE COURT: Please proceed.

9

MS. WILLIAMS: Thank you. First

10

of all I would like to say to you Commissioner

11

Schemenauer, Commissioner Murray and to you,

12

Judge, and to all the other folks who have

13

traveled here today, welcome to the 121st

14

Legislative District of which I serve as the

15

state representative.

16

I'm very pleased at your willing to come

17

here and have this hearing and give our

18

citizens an opportunity to participate without

19

any undue burden on their part.

20

However, of course, not all of our people

21

can be here today because of other obligations

22

and so I feel that it is imperative that I

23

speak on their behalf.

24

I've been the state representative here

25

for eight years; I was the Johnson County Tax

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1 Collector for 18 years and I think I know the  
2 people in this area and I think I know what  
3 they would want me to convey to you today and  
4 so I will just briefly do that.

5 I think it's imperative that I say that  
6 the people of this community or as City  
7 Manager Landon said, good people who are  
8 willing to pay for the benefits they receive,  
9 and I think that has been evident in the fact  
10 that there has been no opposition to paying  
11 for actual costs.

12 But I also think they would want me to  
13 express their concern about paying for  
14 benefits -- for paying for benefits they will  
15 not receive.

16 I also would say that industry here and  
17 business makes a wonderful contribution to the  
18 quality of life for our citizens here and  
19 certainly would not want to see something that  
20 is going to impede them from continuing in  
21 this area that they are involved.

22 I have two groups of people here in our  
23 area that are not by the true definition of a  
24 constituent, but they are people that are in  
25 our community and I think it's my

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1 responsibility to represent those people as  
2 well.

3 One of those groups being some 12,000  
4 students that come here each year to go to  
5 school and many of them are struggling with  
6 the challenge of higher costs of education  
7 today. And certainly an increase to the  
8 degree that we're talking about here in water  
9 rates would have an impact on these students  
10 going to school.

11 Also, we have an air base nearby and we  
12 have a number of military people that live in  
13 our community and while they too are not by  
14 the true sense constituents, I feel that it's  
15 necessary that I speak on their behalf as  
16 well.

17 Many of these are young families are  
18 young Air Force men and women with families  
19 and they too have a challenge in balancing  
20 their budgets and stretching their income to  
21 the end of every month. And in my opinion,  
22 this would be a negative impact on those folks  
23 as well.

24 As I said, I want to speak on behalf of  
25 the constituents but many of those folks are

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1 here and I certainly do not want to imply that  
2 they shouldn't speak. I hope that many of  
3 them will respond and speak.

4 I would just say that on behalf of my  
5 constituency and those other people who make  
6 up our community, we would urge that you look  
7 at this very seriously and not allow single  
8 tariff pricing by the water company. Thank  
9 you.

10 THE COURT: Thank you, ma'am.  
11 Questions from the bench; Commissioner  
12 Murray?

13 MS. MURRAY: No questions, but  
14 it's not to see you again Representative  
15 Williams.

16 MS. WILLIAMS: Thank you.

17 THE COURT: Commissioner  
18 Schemenauer?

19 MR. SCHEMENAUER: I have no  
20 questions either and I appreciate your  
21 testimony. And from anything I can see is  
22 anybody who has ever been a tax collector has  
23 paid their dues so -- thank you again.

24 MS. WILLIAMS: Thank you.

25 THE COURT: Questions from

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1 counsel? Ms. Cook.

2 MS. COOK: Thank you, your,  
3 Honor. Representative, could you tell me do  
4 you hear complaints about the water quality  
5 anymore or how do you feel that that issue has  
6 been resolved at this point?

7 MS. WILLIAMS: I have not had any  
8 recent complaints regarding the quality of  
9 water.

10 THE COURT: Other questions from  
11 counsel? Hearing none you are excused. Thank  
12 you, ma'am.

13 Mark Gardner.

14

15 MARK GARDNER  
16 called as a witness herein, being first duly  
17 sworn by the Court, testified on his oath as  
18 follows:

19

20 THE COURT: Please state your  
21 name.

22 MR. GARDNER: Mark Gardner.

23 THE COURT: Mr. Gardner, are you  
24 presently a customer of Missouri-American  
25 Water Company?

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 MR. GARDNER: No, I'm not.

2 THE COURT: Are you in some other  
3 way aware that the proposed rate increase will  
4 effect you?

5 MR. GARDNER: Yes, I'm the manager  
6 of Land and Capital Development for Central  
7 Missouri State University.

8 THE COURT: Please proceed, sir.

9 MR. GARDNER: Thank you. First of  
10 all, good afternoon, it's always a pleasure to  
11 see you here in Warrensburg and if you get a  
12 chance, you're always welcome to stop by the  
13 campus a few blocks south of here.

14 I just wanted to bring you up-to-date as  
15 to how this particular issue would effect  
16 Missouri-American Water Company's largest  
17 customer, Central Missouri State University in  
18 the Warrensburg district.

19 As you know, we were founded in 1871 and  
20 we have over 4.2 million square feet of  
21 buildings under roof at the main campus of  
22 over 70 acres and our overall campus is over  
23 1100 acres in this area.

24 We have approximately 1200 people who  
25 work at Central on a day-to-day basis, but

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1 more importantly, we have over 10,800 students  
2 that were enrolled here last fall. It's  
3 important that you understand that over 75  
4 percent of those students were on financial  
5 aid in some way or another last fall.

6 That indicates that our students  
7 certainly are struggling with the increased  
8 cost of higher education. As I mentioned  
9 earlier, we're the district's largest  
10 consumer. Our water bill for the last fiscal  
11 year was over \$171,000.

12 The proposed single tariff rate would  
13 increase our water rate at this time by, to  
14 the best of our calculations, 66 point 9  
15 percent, which would be an increase of  
16 \$114,000.

17 It is our opinion that based on recent  
18 legislative action, that would have to be  
19 passed directly on to each and every student  
20 who attended our university whether they could  
21 afford so or not.

22 The legislature usually does not increase  
23 a significant sum for adjustment in water  
24 rates and it's certainly a concern of ours  
25 particularly if the current or the future

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1 generations don't see a direct benefit out of  
2 this increase in water and that's a severe  
3 concern of ours because we certainly  
4 understand the students have to pay for their  
5 higher education, but if they're paying for  
6 something that they're not getting, it really  
7 concerns us.

8 Also, if this were to pass through, this  
9 would be, at least for Central, a 93 percent  
10 increase in the water rate since 1995 based on  
11 our bills. It's our desire that the Public  
12 Service Commission stop the concept of single  
13 pricing tariff on water utilities. If you  
14 don't now we don't know what's going to happen  
15 in the future and we certainly can't tell our  
16 students who are coming here for the next four  
17 or six years what the costs are going to be to  
18 them.

19 I want to thank you for your time and  
20 consideration in coming here. I have faith  
21 and trust that you'll do the right thing for  
22 the most important resource that the State  
23 has, it's people. Thank you.

24 THE COURT: Thank you, sir.

25 Questions from the bench; Commissioner

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 Murray?

2 MS. MURRAY: What is the recent  
3 legislation that you mentioned that would  
4 require passing the costs on to the students?

5 MR. GARDNER: Oh, no, we just  
6 anticipate no increase in rates based on our  
7 applications for pay rates, our applications  
8 for funding out of the state legislature.  
9 They generally have not been responsive to  
10 local fluctuations in utility costs either up  
11 or down.

12 MS. MURRAY: I understand. Thank  
13 you.

14 THE COURT: Commissioner  
15 Schemenauer?

16 Mr. Schemenauer: No questions,  
17 your Honor. Thank you for coming.

18 THE COURT: Questions from  
19 counsel? Hearing none you're excused.

20 Lynn Solomon.

21

22 LYNN SOLOMON

23 called as a witness herein, being first duly  
24 sworn by the Court, testified on her oath as  
25 follows:

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1

2

THE COURT: Please state your

3

name.

4

MR. SOLOMON: Lynn Solomon.

5

THE COURT: Are you presently a

6

customer of Missouri-American Water Company?

7

MR. SOLOMON: Yes, I am.

8

THE COURT: Please proceed.

9

MR. SOLOMON: I am here

10

representing the Warrensburg School District

11

who is a large consumer of water and we are

12

voicing our concern about the rate increase.

13

We have calculated that in one year we use

14

about \$23,000 worth of water. This increase

15

as indicated on the forum would be in the

16

neighborhood of 54 percent and that would cost

17

the School District another \$12,400.

18

That of course has impact on our budget

19

and one that we have to be concerned about in

20

being a tax supported entity.

21

I would like to express my appreciation

22

to you all for being here and listening to the

23

individuals within our community about the

24

concerns and would be happy to answer any

25

questions that I can.

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1 THE COURT: Thank you, sir.

2 Questions from the bench; Commissioner  
3 Murray?

4 MS. MURRAY: No questions, but  
5 thank you.

6 THE COURT: Commissioner  
7 Schemenauer?

8 MR. SCHEMENAUER: Thank you, your  
9 Honor.

10 The improvements in Warrensburg to your  
11 water, you have no objection to a rate  
12 increase to cover those costs; is that right?

13 MR. SOLOMON: No, we do not. I  
14 think those are necessary changes. I agree  
15 fully with Mr. Landon and I think the  
16 community has to do those types of things, but  
17 we do have some concerns about the other  
18 communities.

19 MR. SCHEMENAUER: Okay. Thank you  
20 very much.

21 THE COURT: Questions from  
22 counsel? Hearing none you're excused, sir.  
23 Thank you.

24 Is there a witness from the Warrensburg  
25 Area Economic Development Corporation?

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1 Tim Hoyer.

2 MR. SOLOMON: I think I'm supposed  
3 to represent that group.

4 THE COURT: Do you have a  
5 different statement?

6 MR. SOLOMON: No, I do not. Well,  
7 I was called about 30 minutes ago, so I do not  
8 have any other statement.

9 THE COURT: Thank you, sir.

10 Tim Hoyer

11

12 TIM HOYER

13 called as a witness herein, being first duly  
14 sworn by the Court, testified on his oath as  
15 follows:

16

17 THE COURT: Please state your  
18 name.

19 MR. HOYER: Timothy R. Hoyer.

20 THE COURT: Mr. Hoyer, are you  
21 presently a customer of Missouri-American  
22 Water Company?

23 MR. HOYER: Yes, I am.

24 THE COURT: Please proceed, sir.

25 MR. HOYER: My name is Tim Hoyer

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1 and I'm here on two parts, one as a business  
2 user of the water district and the other as a  
3 representative of the Chamber of Commerce and  
4 it's 450 members. The Chamber and it's  
5 members do support an increase of five percent  
6 for the improvements that have occurred in the  
7 Warrensburg area. We do oppose any single  
8 tariff pricing as proposed by  
9 Missouri-American Water.

10 We are in favor of the district rates and  
11 we feel any increase in rates will have an  
12 effect on both present and future businesses  
13 in the Warrensburg area as well as have an  
14 economic effect of the growth here in town.

15 Finally I'd like to say that at a later  
16 date we will submit a petition to the Office  
17 of Public Counsel.

18 And I would also like to state that we do  
19 appreciate Mike Wood who is the manager here  
20 for Missouri-American Water and  
21 Missouri-American Water for their support that  
22 they have given to the Chamber of Commerce.

23 THE COURT: Thank you, sir.  
24 Questions from the bench; Commissioner  
25 Murray?

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 MS. MURRAY: No questions. Thank  
2 you.

3 THE COURT: Commissioner  
4 Schemenauer?

5 MR. SCHEMENAUER: No, questions,  
6 your Honor. Thank you.

7 THE COURT: Questions from  
8 counsel? Hearing none you're excused, sir.  
9 Thank you.

10 Steve Larson

11

12 STEVE LARSON

13 called as a witness herein, being first duly  
14 sworn by the Court, testified on his oath as  
15 follows:

16

17 THE COURT: Please state your  
18 name.

19 MR. LARSON: My name is Steve  
20 Larson.

21 THE COURT: Mr. Larson, are you  
22 presently a customer of Missouri-American  
23 Water Company.

24 MR. LARSON: Yes, I am.

25 THE COURT: Please proceed, sir.

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1                   MR. LARSON: First of all, I want  
2           to thank you for the opportunity to address  
3           this very important issue on behalf of Harmon  
4           Industries here in Warrensburg, Missouri.

5                   Harmon Industries has five facilities in  
6           the Warrensburg City with the total population  
7           of 427 employees. I'm the general manager of  
8           one of those facilities, Circuit Board  
9           Division, that employs 107 out of those 427  
10          employees.

11                  Missouri-American Water Company's rate  
12          case for Harmon Industries is a very important  
13          issue for us to have resolved. Harmon  
14          Industries has experienced a 26 percent  
15          increase in water rates in the Warrensburg  
16          area since 1995 with minimal benefit.

17                  The Circuit Board Division of Harmon  
18          Industries as a large quantity water user will  
19          experience a 67 percent increase in water  
20          costs annually under this new current  
21          proposal.

22                  This current proposal equates to an  
23          additional \$18,000 per year in water costs.  
24          Our current water bill averages over \$2200 a  
25          month today. Our average water bill with the

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1 current proposal and new rates will exceed  
2 \$3700 per month.

3 Under the single tariff pricing structure  
4 proposed in our minds, this is only the  
5 beginning or the tip of the iceberg. As other  
6 capital improvements are made in other  
7 communities, these costs will be passed on to  
8 us again and again.

9 It does not make business sense to Harmon  
10 Industries to move to single tariff pricing.  
11 Single tariff pricing essentially gives  
12 Missouri-American Water free access to our  
13 company checkbook, this is not in our best  
14 interest and is not in the best interest of  
15 our business.

16 It is not in our best interest to allow  
17 Missouri-American Water Company to determine  
18 the capital expenditures to be made in other  
19 communities they service without our  
20 involvement while requiring us to pay a  
21 portion of these costs.

22 We believe as a business in the  
23 Warrensburg area, we're open to paying for the  
24 capital improvements that are made in this  
25 community. Consequent, we have no issue with

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1 the current costs associated with the water  
2 improvements that have been made in the  
3 Warrensburg area.

4 I thank you for the opportunity to speak  
5 and I thank you for coming into the community  
6 to help us with this very important issue.

7 THE COURT: Thank you, sir.  
8 Questions from the bench; Commissioner  
9 Murray?

10 MS. MURRAY: No questions.  
11 Thank you.

12 THE COURT: Commissioner  
13 Schemenauer?

14 MR. SCHEMENAUER: Thank you. I  
15 just have one. You mentioned that you  
16 received a 27 percent rate increase since 95  
17 with no benefits?

18 MR. LARSON: With little or no  
19 benefits, yes, because we have not had water  
20 improvements in this area up until the current  
21 5 or 6 million dollar proposal that's in  
22 Congress today.

23 MR. SCHEMENAUER: The previous  
24 rate increases were inflationary or --

25 MR. LARSON: We assume that that

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1 was the cost of doing business as you would go  
2 forward into the future, yes.

3 MR. SCHEMENAUER: Thank you.  
4 That's all I have.

5 THE COURT: Questions from  
6 counsel? Hearing none, you're excused, sir.  
7 Thank you.

8 Jack Moore.

9  
10 JACK MOORE  
11 called as a witness herein, being first duly  
12 sworn by the Court, testified on his oath as  
13 follows:

14  
15 THE COURT: State your name  
16 please.

17 MR. MOORE: My name is Jack Moore.

18 THE COURT: Mr. Moore, are you  
19 presently a customer of Missouri-American  
20 Water Company?

21 MR. MOORE: No, I am not.

22 THE COURT: Do you have some other  
23 reason to believe that the proposed rate  
24 increase will affect you.

25 MR. MOORE: Yes.

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1 THE COURT: Please proceed.

2 MR. MOORE: I am here representing  
3 Stahl Specialties. We operate a foundry here  
4 in Warrensburg, Missouri, we operate out of  
5 our headquarters here in Warrensburg, Missouri  
6 that was established in 1970. We have grown  
7 from a six person operation to slightly under  
8 600 people as we speak today.

9 I would like to give you just a little  
10 information on what effect single tariff  
11 pricing would have on our company here in  
12 Warrensburg. In 1998 we used about 125  
13 million gallons of water at that time. And  
14 the price at that time, the cost was 33,714.  
15 If that new price goes into effect and we use  
16 the same water consumption now our cost will  
17 go to \$56,272 or \$22,400 increase in 1999.

18 When we saw these increases from 1995, we  
19 put in place a recovery system at the  
20 Warrensburg facility at a cost of about  
21 \$30,000 that reduced our consumption of water  
22 at that plant down to 20 percent in '99, our  
23 bill for water was \$27,465.

24 If the new proposed price goes into  
25 effect, that same water bill will jump back up

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1 to \$45,365 or an \$18,200 increase. So we put  
2 \$30,000 in to save money and that's being  
3 offset by an increase.

4 In fact, if the increase goes into  
5 effect, we will be consuming 20 percent less  
6 water in that facility and paying even more  
7 for it.

8 In the manufacturing industry out there  
9 in the United States, one of the challenges  
10 that we are faced with is competition  
11 throughout the US as well as the rest of the  
12 world, and our business has been unable to  
13 raise prices on product across the board for  
14 the last 10 plus years.

15 In fact, we have contracting agreements  
16 with our major customers to pay commissions,  
17 we give price brakes to our major clients,  
18 Caterpillar requested and received a two and a  
19 half percent on all the business that we do.

20 In 1999, General Motors got three percent  
21 back and these prices go back year after year  
22 for four to five years.

23 You might say how do we stay in business  
24 after doing that? Well, with the efforts of  
25 our people and efforts of our management and

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1 issues like putting in \$30,000 in a recovery  
2 system for water, we will reduce the  
3 consumption of our water, pay that off over a  
4 period of time and expect some slight increase  
5 in prices, but nothing like the 67 percent  
6 that we're looking at. And we certainly never  
7 expected a 28 percent over the last five years  
8 in what we have seen.

9 So every time we see them, they impact us  
10 and we are forced to pass them on. We can't  
11 get ahead at 67 percent a year, that's not  
12 possible, so what happens is we loose business  
13 and we loose jobs.

14 We're currently are in the plans for a  
15 36,000 square foot facility under  
16 construction. I can tell you that right now  
17 that we have an empty shell with the hopes of  
18 filling that, but it is very difficult to see  
19 that when we see these price increases that  
20 we're looking at and cannot pass those on  
21 either, so I ask you to consider these  
22 questions.

23 THE COURT: Thank you, sir.  
24 Questions from the bench; Commissioner  
25 Murray?

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1 MS. MURRAY: What is your business  
2 exactly?

3 MR. MOORE: We are an aluminum  
4 foundry, we make metal castings for the motor  
5 industry, the diesel industry, transportation,  
6 medical industry, construction industry and so  
7 forth. We're one of the largest aluminum  
8 foundries in the United States.

9 MS. MURRAY: I'm sure you're very  
10 valuable to the community also. Thank you.

11 MR. MOORE: Thank you. No  
12 questions.

13 THE COURT: Commissioner  
14 Schemenauer?

15 MR. SCHEMENAUER: No questions,  
16 thank you.

17 THE COURT: Questions from  
18 counsel? Hearing none you're excused. Thank  
19 you.

20 Ron Townsend.

21

22 RON TOWNSEND

23 called as a witness herein, being first duly  
24 sworn by the Reporter, testified on his oath  
25 as follows:

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1

2

THE COURT: State your name

3

please.

4

MR. TOWNSEND: Ron Townsend.

5

THEO COURT: Mr. Townsend, are you

6

presently a customer of Missouri-American

7

Water company?

8

MR. TOWNSEND: No, I am not.

9

THE COURT: Do you have some other

10

reason to believe that the proposed rate

11

increase will affect you?

12

MR. TOWNSEND: Yes, I do.

13

THE COURT: Please proceed.

14

MR. TOWNSEND: I am the Vice

15

President for Hawker Energy Products here in

16

Warrensburg. We are a plant that make sealed

17

lead acid batteries that are sold worldwide.

18

We are one of approximately 20 plants that are

19

owned out of a company out of Leatherhead.

20

We employ about 550 people here in

21

Warrensburg. We operate 24 hours a day, 7

22

days a week.

23

We came to Warrensburg in 1983, purchased

24

a shell, we were part of the Gates Rubber

25

Company at the time, and we've had a wonderful

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1 stay in Warrensburg. We hope to stay.

2 We expanded our operation here with a  
3 large plant increase, size increase, in 1996.  
4 We put in three production lines and that  
5 investment was in the 30 million dollar range.

6 We are currently expanding again, not  
7 with building but with a final production  
8 line, about a six million dollar increase that  
9 is going in over the next year. That will  
10 increase our employment by about 50 to 60 more  
11 people.

12 Although, unlike Stahl Specialties and  
13 the University and Harmon, we are not  
14 necessarily a major user of water thus our  
15 water cost on a per month basis is not nearly  
16 as high as theirs, we are under 10 million  
17 gallons per year.

18 We are forced as Mr. Moore has indicated --  
19 we are forced by our customers to pass on cost  
20 savings every year and our customers also are  
21 very critical of our operation in terms of not  
22 paying or not wanting to pay for non-value  
23 added services.

24 As we see, our company, and I guess I can  
25 speak for our employees also, we see an

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1       increase in water rates proposed by  
2       Missouri-American Water Company to be  
3       non-value added with the exception of quality  
4       improvements, although we have a slight  
5       concern about that, but we certainly wouldn't  
6       improve our battery and then expect all of our  
7       customers to pay a lot more money for the  
8       battery, we would just hope to sell more.

9               So we are opposed to the single tariff  
10       pricing. Thank you.

11               THE COURT: Thank you, sir.  
12       Questions from the bench; Commissioner  
13       Murray?

14               MS. MURRAY: I'm not sure I  
15       understood about what you said about the water  
16       quality, your concerns about water quality?

17               MR. TOWNSEND: Well, about paying  
18       for additional costs of capitalization for  
19       water quality improvement, I personally am not  
20       necessarily in agreement with that, but we're  
21       not opposed to increasing the rates for that.

22               MS. MURRAY: For the benefits that  
23       warrant the increase?

24               MR. TOWNSEND: The reason I'm  
25       saying that is because from a company

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1       standpoint, batteries don't care what the  
2       water tastes like.

3                   MS. MURRAY: Thank you very much.

4                   THE COURT: Commissioner  
5       Schemenauer?

6                   MR. SCHEMENAUER: No questions.  
7       Thank you.

8                   THE COURT: Questions from  
9       counsel? Hearing none you're excused. Thank  
10      you.

11                  Is there a witness from Swisher Mower and  
12      Machine Company?

13                  Gene Fitterling. Please excuse me if I  
14      gargle your name, I cannot always read the  
15      handwriting.

16                  MS. FITTERLING: It's Joan.

17                  THE COURT: Excuse me. Joan, I  
18      knew I had gotten it wrong.

19

20                  JOAN FITTERLING

21      called as a witness herein, being first duly  
22      sworn by the Court, testified on her oath as  
23      follows:

24

25                  THE COURT: Please state your

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1 name.

2 MS. FITTERLING: Joan Fitterling.

3 THE COURT: Ms. Fitterling, are  
4 you presently a customer of American Missouri  
5 Water Company?

6 MS. FITTERLING: Yes, I am.

7 THE COURT: Please proceed,  
8 ma'am. If you would bend the microphone down  
9 closer to your mouth. Thank you.

10 MS. FITTERLING: I live on a farm  
11 and I raise cattle. In the winter when the  
12 pond freezes over -- they drink a lot of water --  
13 my margin of profit to begin with is  
14 extraordinarily small. If this amount of rate  
15 increase goes up, my margins will be even  
16 smaller, if nonexistent. Of course I am  
17 against it.

18 Also, I thought there was a law against a  
19 monopoly, taxing like a monopoly.

20 THE COURT: Thank you, ma'am.

21 Questions from the bench; Commissioner  
22 Murray?

23 MS. MURRAY: No questions. Thank  
24 you.

25 THE COURT: Commissioner

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 Schemenauer?

2 MR. SCHEMENAUER: No questions.

3 Thank you for coming.

4 THE COURT: Questions from  
5 counsel? Hearing none, you're excused,  
6 ma'am. Thank you.

7 Melvin Sims.

8 MR. SIMS: I do not wish to speak  
9 now.

10 THE COURT: Thank you, sir.

11 I can't read the next name but it appears  
12 that the address is 1412 Grandview Drive; if  
13 that is your address, please come forward.  
14 1412 Grandview. Okay.

15 Ralph Bardgett.

16

17 RALPH BARDGETT

18 called as a witness herein, being first duly  
19 sworn by the Reporter, testified on his oath  
20 as follows:

21

22 THE COURT: Please state your  
23 name.

24 MR. BARDGETT: Ralph Bardgett.

25 THE COURT: Sir, are you presently

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1 a customer of Missouri-American Water Company.

2 MR. BARDGETT: Yes, I am.

3 THE COURT: Please proceed.

4 MR. BARDGETT: I'm here as a  
5 representative of Warrensburg Food Center, I'm  
6 on the board of directors. The Warrensburg  
7 Food Center is a food pantry for all of  
8 Johnson County and we serve approximately 355  
9 families per month there, households that is.  
10 And approximately 50 percent of those are on  
11 fixed income like myself. We do not get 50  
12 percent increases in our cost of living  
13 increases, more like 2 or 4 percent in there.

14 What I am basically here to speak for is  
15 the increase, which I know will impact  
16 everyone on fixed income, myself included in.  
17 We do not have the ability to absorb these  
18 kinds of adjustments in there and all of the  
19 results that come from the increase in the  
20 water, increase in the sewer rates, the  
21 increase in the price of laundry and  
22 everything that goes with it will be passed on  
23 to us.

24 Several agencies spoke about how the  
25 increases on state and public institutions in

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1 here that are tax supported and unfortunately  
2 I know where those taxes come from to support  
3 those institutions, we do on that particular  
4 one.

5 So we are speaking out against this  
6 particular increase in there on frankly, both  
7 levels. Thank you.

8

9 THE COURT: Thank you, sir.  
10 Questions from the bench; Commissioner  
11 Murray?

12 COMMISSIONER MURRAY: No  
13 questions. Thank you.

14 THE COURT: Commissioner  
15 Schemenauer?

16 MR. SCHEMENAUER: No, questions.  
17 Thank you.

18 THE COURT: Questions from  
19 counsel? Hearing none, you're excused, sir.  
20 Thank you.

21 Susan Loyd.

22

23 SUSAN LOYD

24 called as a witness herein, being first duly  
25 sworn by the Court, testified on her oath as

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 follows:

2 THE COURT: Please state your  
3 name.

4 MS. LOYD: Susan L. Loyd, L O Y D.

5 THE COURT: Ms. Loyd, are you  
6 presently a customer of Missouri-American  
7 Water Company?

8 MS. LOYD: No, I'm not.

9 THE COURT: Do you have some other  
10 reason to believe that the proposed rate  
11 increase will effect you?

12 MS. LOYD: Yes, I am director of  
13 Catholic Charities, the local office in  
14 Warrensburg. We have a major emergency  
15 assistance program that serves the entire  
16 county. I would like to expand Mr. Bardgett's  
17 comments a little bit.

18 One is that 13 point 2 percent of Johnson  
19 County residents are now living below the  
20 poverty line. We expect, and I understand  
21 from the folks that are doing the census, that  
22 the Johnson County population will increase  
23 dramatically and has over the last few years.  
24 They expect that to jump beyond 17 percent.

25 Generally, 18 point 3 percent is living

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1 on a fixed income. Right now the median for  
2 Johnson County is \$30,099. Anyone who has  
3 tried to rear a family on \$30,000 a year and  
4 pay medical costs plus this increase, is going  
5 to find it very, very difficult.

6 With my office, we have about 17 to  
7 18,000 requests every year for emergency  
8 assistance and 45 percent of that is for  
9 utilities. There is only one agency that  
10 helps with utility bills in the county and  
11 they are frequently without money.

12 I find that even the five percent  
13 increase for the improvements that Warrensburg  
14 has benefit from, will be difficult for my  
15 population, but it will be understandable.

16 Thank you.

17

18 THE COURT: Thank you, ma'am.

19 Questions from the bench; Commissioner  
20 Murray?

21 MS. MURRAY: No questions. Thank  
22 you.

23 THE COURT: Commissioner  
24 Schemenauer?

25 MR. SCHEMENAUER: No questions,

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 your, Honor. Thank you for coming.

2 THE COURT: Questions from  
3 counsel? Hearing none, you're excused ma'am.  
4 William L. J. Dee.

5 MR. DEE: I don't think I better  
6 to come down there. All I have to say has  
7 already been said and especially very well by  
8 Jim Landon.

9 Do I have to swear to that? Everybody  
10 else could swear to that.

11 THE COURT: Thank you, sir.  
12 Natalie Halpin.

13  
14 NATALIE HALPIN  
15 called as a witness herein, being first duly  
16 sworn by the Court, testified on her oath as  
17 follows:

18  
19 THE COURT: Please state your  
20 name.

21 MS. HALPIN: Natalie Halpin.

22 THE COURT: Are you presently a  
23 customer of American Missouri Water Company?

24 MS. HALPIN: Yes, I am.

25 THE COURT: Please proceed,

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1 ma'am.

2 MS. HALPIN: My name is Natalie  
3 Halpin, I speak for myself and others who  
4 reside in the inner city of Warrensburg and  
5 live on fixed incomes and pensions.

6 A 53 percent increase whether it be now  
7 or phased in, is totally unacceptable and  
8 obscene. Five percent increase is  
9 acceptable. Thank you.

10 THE COURT: Thank you, ma'am.  
11 Questions from the bench; Commissioner  
12 Murray?

13 MS. MURRAY: I have no questions.  
14 Thank you.

15 THE COURT: Commissioner  
16 Schemenauer?

17 MR. SCHEMENAUER: No, questions  
18 your, Honor. Thank you for coming.

19 THE COURT: Questions from  
20 counsel? Hearing none, you're excused,  
21 ma'am. Thank you.

22 Jim Jackson.

23

24 JIM JACKSON

25 called as a witness herein, being first duly

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1 sworn by the Court, testified on his oath as  
2 follows:

3

4 THE COURT: Please state your  
5 name.

6 MR. JACKSON: Jim Jackson.

7 THE COURT: Mr. Jackson, are you  
8 presently a customer of Missouri-American  
9 Water Company?

10 MR. JACKSON: Yes, I am.

11 THE COURT: Please proceed, sir.

12 MR. JACKSON: First of all, I  
13 would like to again reiterate a thank to the  
14 commissioners for coming to Warrensburg today,  
15 it's good to have you here.

16 I just had a drink outside and I notice  
17 that you all have cups in front of you too and  
18 I'm really impressed that you all are drinking  
19 the water this time. Last time you all came  
20 nobody drank it at all.

21 But I just got a drink out here and if  
22 you look at the water fountain on the way out,  
23 you'll notice a stream of white stuff around  
24 it. It has a lot of stuff in it, and I don't  
25 know if you noticed anything floating or not

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1 in it.

2 To go back a little back history wise. I  
3 was on the City Counsel for a number of  
4 years. Eight years ago my first meeting was  
5 the night that we were discussing the upcoming  
6 sale of -- is Missouri Water Company --  
7 Missouri City's Water Company. At that time,  
8 we had several options to consider.

9 One was condemnation, which I was  
10 adamantly against and one was trying to  
11 purchase the company. We chose not to do that  
12 and then Missouri City's didn't want to break  
13 up the entire group at one time -- or excuse  
14 me, the entire group and sell just individual  
15 companies, wanted to sell as a package which  
16 we as the City, were certainly not interested  
17 in.

18 At the time the Missouri City's Water  
19 Company people said that when they were, the  
20 Missouri-American Water Company folks had said  
21 there will not be any rate increase without  
22 improvements.

23 We have had improvements now. The little  
24 stream you'll see out there in the water  
25 fountain isn't nearly as severe as it would

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1 have been several years ago, so they have  
2 improved the water quality somewhat which is  
3 good.

4 The idea of paying for water improvement  
5 is a necessary idea. The company certainly  
6 should be commended for that, thank you all  
7 for improving somewhat.

8 However, the idea of paying for  
9 improvements in other cities is not a good  
10 idea. I do support the district wide  
11 pricing. I think it makes a good deal of  
12 sense to support something that certainly does  
13 effect their customers in the area, that makes  
14 a good deal of sense.

15 However, not the uniform rates, those do  
16 not make a good deal of sense to me. The idea  
17 of the increase of the pricing for the City of  
18 Warrensburg as I stated before is not a bad  
19 idea. I don't believe that anyone is  
20 complaining about paying a reasonable amount  
21 for the improvements that we receive providing  
22 it is phased in a significant period instead  
23 of just an immediate impact.

24 I don't see a great deal of reasoning to  
25 have a single increase. However, a phased-in

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1 period would be good and we're certainly  
2 willing to pay for what we get.

3 The representatives that we have at the  
4 local level, Mike Wood has been commended  
5 before and I'd like to do that as well, he  
6 does a fine job. I'm a small time contractor  
7 and he has been excellent to work for or work  
8 with rather, very good.

9 My other business, I'm in the retail  
10 appliance business and this is somewhat tongue  
11 and cheek. The bad water is great for my  
12 business; it destroys water heaters, it  
13 destroys dishwashers, ice makers, washing  
14 machines and this is a tongue and cheek by the  
15 way in that it's good for business, stuff  
16 lasts considerably less time here in  
17 Warrensburg than it does in other places where  
18 we've had stores. So they are good for my  
19 business.

20 However, that is not a good way to have a  
21 business. When a washing machine should last  
22 20 years and it rusts out in 10 years, that's  
23 not good, our customers deserve more than  
24 that. So I am pleased that they are  
25 increasing the water quality.

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1           However, I think the price that we pay  
2           for the water quality improvements should be  
3           indicative of what we get.

4           Thank you.

5

6                     THE COURT: Thank you, sir.  
7           Questions from the bench; Commissioner  
8           Murray?

9                     MS. MURRAY: What are the water  
10          quality concerns that you still have?

11                    MR. JACKSON: Well, you smelled  
12          your water?

13                    MS. MURRAY: No, I didn't do that.

14                    MR. JACKSON: Okay.

15                    MR. LANDON: It's bottled water.

16                    MR. JACKSON: You're kidding me?  
17          Unbelievable. I am very disappointed in the  
18          City's staff for doing such a thing.

19                    MR. LANDON: The ice was tap  
20          water.

21                    MR. JACKSON: Okay. Well, in that  
22          case -- what the corrosive -- I don't know,  
23          whatever the white stuff is that's in the  
24          water, I don't know, I'm not a physicist so I  
25          don't know all of the chemical details.

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1           However, the chemicals that are in the  
2           water will corrode the moving parts inside of  
3           all water using materials. For my business,  
4           it certainly does corrode them very quickly,  
5           which again is good for my business, I don't  
6           mean that for real.

7           However, the large users of water, the  
8           University, the manufacturers, in town, it's  
9           got to be very difficult for them to continue  
10          to make the constant maintenance that they on  
11          their material, it has to be very expensive.

12                   MS. MURRAY: Are you saying that  
13          the corrosive nature of the water still exists  
14          then?

15                   MR. JACKSON: Well, the new plant,  
16          how long has it been in existence, Mike or how  
17          long has it been on line or is it?

18                   MR. WOOD: About a month.

19                   MR. JACKSON: Okay. I can't tell  
20          any difference yet. It has taken a long  
21          period of time for the build up of the  
22          corrosive materials to build up so it won't  
23          show up instantly.

24                   MS. MURRAY: Thank you.

25                   MR. JACKSON: You're welcome.

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1 THE COURT: Commissioner

2 Schemenauer?

3 MR. SCHEMENAUER: Thank you, your  
4 Honor.

5 As a former airman at Whiteman's Air  
6 Force Base and a graduate of CMSU and a  
7 displaced resident of Henry County,  
8 Warrensburg's water is infamous reputation is  
9 well know in this part of the state and as I  
10 drank this water, it didn't taste very bad to  
11 me. Is this bottled water?

12 MR. LANDON: The cubes are tap  
13 water, the water is bottled water.

14 MR. SCHEMENAUER: Well, before I  
15 drank it I checked the smell and it's smelled  
16 very good?

17 MR. JACKSON: Would you like for  
18 me to get you a glass from the fountain?

19 MR. SCHEMENAUER: No, you don't  
20 have to do that. But the water quality with  
21 this new plant, the hydrogen or ozone removal,  
22 I mean that certainly has had to improve the  
23 smell and taste of the water, hasn't it?

24 MR. JACKSON: Oh, I hope so. If I  
25 was spending 5 or 6 million dollars on a

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1 plant, I'm certainly hoping to have  
2 significant, positive results.

3 MR. SCHEMENAUER: But I mean as a  
4 user you have not noticed the improved  
5 quality?

6 MR. JACKSON: Not within the last  
7 month I haven't noticed a significant  
8 difference. I've been here for 25 years and  
9 actually I like the taste of the crummy  
10 water. I've gotten very accustomed to it.  
11 When I go to a place where there is very soft  
12 water, it tastes funny. So I've had kind of a  
13 reversed effect.

14 MR. SCHEMENAUER: Do you have any  
15 objections to the rate payers paying for the  
16 new plant that is just coming on line?

17 MR. JACKSON: The idea of paying  
18 for the plant that is coming on line, a  
19 reasonable amount that is associated with the  
20 costs that were actually -- the costs for  
21 capital expenditures here, phased in over say  
22 a three or a five year period makes a good  
23 deal of sense, yes.

24 MR. SCHEMENAUER: Thank you.  
25 That's all I have.

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1 THE COURT: Thank you,  
2 commissioner. Questions from counsel?

3 MS. COOK: One, your Honor.

4 THE COURT: Ms. Cook, please  
5 proceed.

6 MS. COOK: Your, honor,  
7 fortunately on the way in I did sip the water  
8 out there from the water fountain, so I'm  
9 worrying about any corrosive effect that I  
10 might need to be looking for; is there  
11 anything you can name? You said they don't  
12 show up right away so --

13 MR. JACKSON: I'm not a medical  
14 person, I sell refrigerators. I don't know  
15 all of the details. I'm sure some of the  
16 water company folks could tell you what's  
17 inside of it.

18 It has been a long standing joke that we  
19 have enough minerals inside of us now that we  
20 won't waste away for a long time.

21 MS. COOK: Thank you.

22 THE COURT: Other questions from  
23 the counsel or from the bench? Hearing none,  
24 you're excused, sir.

25 I'm unable to read the next signature.

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1 The address is 1239 Pembroke Drive. If your  
2 address is 1239 Pembroke, please come forward  
3 to testify.

4 MR. LANDON: That's Mayor Mike  
5 Rich and he's already testified.

6 THE COURT: Oh, okay.

7 Thomas J. Dalsing. Thomas J. Dalsing.  
8 Okay.

9 Phillip Thomas.

10 And Ron Townsend I believe we've heard  
11 from already.

12 Dee Hudson.

13

14 DEE HUDSON

15 called as a witness herein, being first duly  
16 sworn by the Court, testified on her oath as  
17 follows:

18

19 THE COURT: Please state your  
20 name.

21 MS. HUDSON: Delores Hudson.

22 THE COURT: Ma'am are you  
23 presently a customer of Missouri-American  
24 Water Company?

25 MS. HUDSON: Yes.

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 THE COURT: Please proceed.

2 MS. HUDSON: Again, I want to  
3 reiterate and thank you all for coming. It's  
4 important for us that we have the opportunity  
5 to express ourselves on this important issue.

6 The case that we are hearing, the issue  
7 that we are discussing, is one that I think  
8 you can tell from the audience here today, we  
9 oppose the tariff pricing, the unit pricing  
10 that we are hearing about.

11 We are willing to pay for the cost that  
12 we incur, but other than, that we think it is  
13 unfair. It seems to me that this company has  
14 incurred a great deal of expense and they have  
15 done it without pricing and I would wonder why  
16 since it was all undertaken and then we are  
17 faced with the price increases.

18 We are willing to look at what we have  
19 incurred and pay for that, but we question the  
20 company that incurs costs and then goes back  
21 to the customers and springs it on them to pay  
22 for all of that cost.

23 THE COURT: Does that conclude  
24 your remarks, ma'am?

25 MS. HUDSON: Yes.

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 THE COURT: Questions from the  
2 bench; Commissioner Murray?

3 MS. MURRAY: I have no questions.  
4 Thank you.

5 THE COURT: Commissioner  
6 Schemenauer?

7 MR. SCHEMENAUER: No questions,  
8 your Honor. Thank you.

9 THE COURT: Questions from  
10 counsel? Hearing none, you're excused,  
11 ma'am. Thank you.

12 THE COURT: We've already heard  
13 from Mr. Solomon from the school district; was  
14 there another witness from the school  
15 district? I have another witness here whose  
16 name I can't read, I think it's Mr.  
17 Solomon's. Okay.

18 Frances Biggs.

19

20 FRANCES BIGGS

21 called as a witness herein, being first duly  
22 sworn by the Court, testified on her oath as  
23 follows:

24

25 THE COURT: Please state your

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 name.

2 MS. BIGGS: Frances Biggs.

3 THE COURT: Ms. Biggs, are you  
4 presently a customer of Missouri-American  
5 Water Company?

6 MS. BIGGS: Yes, I am.

7 THE COURT: Please proceed,  
8 ma'am.

9 MS. BIGGS: I didn't take too much  
10 interest in this account when I first read  
11 about it in the paper, figuring we would just  
12 have to pay it and what could one person do?

13 I agree with what Jim Landon has said  
14 about us paying for somebody else, but what  
15 really brought it to my attention was  
16 approximately a month ago I was at a State  
17 convention meeting. Of course we had name  
18 tags with our town listed in there, and I had  
19 a woman walk up to me and said, oh, you're  
20 from Warrensburg, thanks a lot and I said  
21 hanks for what and she said you're going to  
22 help pay for our water plant.

23 It surprised me. I didn't know. She  
24 said a little bit more about it and believe it  
25 or not I was speechless.

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1           But I got to thinking about it. If other  
2           people realize that we're paying for somebody  
3           else, I'm always willing to pay my own debts,  
4           my share of them, but hen she said she felt  
5           sorry for Warrensburg that they were going to  
6           have to help pay for theirs, it made me think.

7           And when I heard about this meeting I  
8           wanted to take a part and tell what somebody  
9           from St. Joe said. Thank you.

10

11                       THE COURT: Thank you, ma'am.  
12           Questions from the bench; Commissioner  
13           Murray?

14                       MS. MURRAY: No questions. Thank  
15           you.

16                       THE COURT: Commissioner  
17           Schemenauer?

18                       MR. SCHEMENAUER: No questions.  
19           Thank you for coming.

20                       THE COURT: Questions from  
21           counsel? Hearing none, you're excused,  
22           ma'am. Thank you.

23                       Ruth Koenig. Please come forward.

24

25                       RUTH KOENIG

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 called as a witness herein, being first duly  
2 sworn by the Court, testified on her oath as  
3 follows:

4 THE COURT: Please state your  
5 name.

6 MS. KOENIG: Ruth Koenig.

7 THE COURT: Ms. Koenig, are you  
8 presently a customer of Missouri-American  
9 Water Company?

10 MS. KOENIG: Yes, I am.

11 THE COURT: Please proceed.

12 MS. KOENIG: I just want to say  
13 that I agree with our City Manager, I think he  
14 really is right. The problem with someone  
15 like me, I'm retired, I was a teacher for a  
16 lot of years and I have a fixed income and it  
17 is very difficult to make ends meet and this  
18 kind of an increase as Natalie said, is  
19 obscene and I think -- I don't mind paying my  
20 bills, but all at once seems to be just a  
21 little ridiculous. Thank you very much.

22

23 THE COURT: Thank you, ma'am.  
24 Questions from the bench; Commissioner  
25 Murray?

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 MS. MURRAY: No questions. Thank  
2 you for being here.

3 THE COURT: Commissioner  
4 Schemenauer?

5 MR. SCHEMENAUER: No questions.  
6 Thank you.

7 THE COURT: Questions from  
8 counsel? Hearing none you're excused, ma'am.  
9 Thank you.

10 Betty Wilson. Betty Wilson.

11 Barbara Chasar. And I apologize if I've  
12 mispronounced your name, ma'am.

13 MS. CHASAR: You were close.

14

15 BARBARA CHASAR

16 called as a witness herein, being first duly  
17 sworn by the Court, testified on her oath as  
18 follows:

19

20 THE COURT: Please state your  
21 name.

22 MS. CHASAR: Barbara A. Chasar.

23 THE COURT: Are you presently a  
24 customer of Missouri-American Water Company?

25 MS. CHASAR: Yes, I am.

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 THE COURT: Please proceed.

2 MS. CHASAR: I am on a very low  
3 fixed income, very low, and I do a lot of  
4 volunteer work that also works with people on  
5 very low fixed income. When I first saw this,  
6 I thought to myself this is absurd. How much  
7 percent of a profit are they making off of  
8 this increase?

9 Then I thought this is very absurd  
10 because the dollar figure given would mean  
11 that my water bill would double easily. And I  
12 wonder how am I going to make my limited  
13 dollars stretch even further than what I'm  
14 barely able to stretch it now and others like  
15 me who have to live on a small income and do  
16 the best we can.

17 I can understand paying for an increase  
18 of reasonable amount, to pay for the  
19 improvements. I can understand the need for  
20 improvement of our water. I'm a lifelong  
21 resident here, born and raised, and I know the  
22 butt of all the jokes and I know still there  
23 are parts of town where the water quality, the  
24 taste, the smell, is terrible, it's  
25 undrinkable. I know places where the water

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1 pressure is not adequate.

2 And yet I, like Jim Jackson, I am  
3 accustomed to the taste of this water, bottled  
4 water taste terrible to me and that's kind of  
5 a sad thing to say because this water --  
6 people will bring water from out-of-state, out  
7 of town, when they come here as students -- I  
8 was a student at CMSU -- they brought water  
9 from home just so they wouldn't have to drink  
10 it.

11 Now I cannot say strongly enough how are  
12 people going to pay their bills if the water  
13 goes up the way they are speaking? How many  
14 delinquent bills and unpaid bills will they  
15 wind up with which means they're not getting  
16 any income and which means the social service  
17 agencies are going to be strapped even further  
18 and they don't have the money they way it is.  
19 Thank you.

20

21 THE COURT: Thank you, ma'am.

22 Questions from the bench; Commissioner  
23 Murray?

24 MS. MURRAY: Are you aware of  
25 specific water quality problems that exist

ROBERTS & ASSOCIATES BY MARGARET P. MIZE

1 today?

2 MS. CHASAR: There's a part of  
3 town where I have a friend living in an  
4 apartment complex, the water is so unbearable  
5 she has begun to buy Coligan Water and her  
6 income is as low and fixed as mine.

7 MS. MURRAY: And when were you  
8 last aware of the quality of her water?

9 MS. CHASAR: Within the last  
10 week. Yesterday even.

11 MS. MURRAY: And in terms of the  
12 quality, are you speaking of odor and taste?

13 MS. CHASAR: At her facility, at  
14 her apartment, I cannot drink the water. I  
15 barely drink it to wet my mouth and it makes  
16 me want to choke and throw up. It's very  
17 gross to say that, but to be honest with you,  
18 that's how bad the water is in parts of this  
19 town.

20 MS. MURRAY: Are you aware of  
21 other areas?

22 MS. CHASAR: Where I live, the  
23 taste sometimes comes and goes. I notice that  
24 on my fixtures I have a lot of deposits,  
25 mineral deposits. It affects the washers and

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1 stuff on my fixtures and it effects my water  
2 for my laundry.

3 Plus, if this rate goes up the way  
4 they're going to increase it, that means my  
5 rate for sewer is going to go up as well. My  
6 budget is so tight not I'm barely making it.  
7 I'd hate to suddenly be without.

8 MS. MURRAY: Do you know if the  
9 quality of your water has changed recently?

10 MS. CHASAR: I have noticed some  
11 change, yes.

12 MS. MURRAY: For the better?

13 MS. CHASAR: Not always. Often it  
14 is for the worse. At times it has been rusty.

15 MS. MURRAY: How recently?

16 MS. CHASAR: In the past two  
17 months.

18 MS. MURRAY: Thank you.

19 THE COURT: Commissioner  
20 Schemenauer?

21 MR. SCHEMENAUER: Thank you, your  
22 Honor. Have you complained to the company  
23 about the water pressure or the quality of  
24 water?

25 MS. CHASAR: Actually, it hadn't

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1 occurred to me that I could do such a thing,  
2 but it had occurred to me to speak to people  
3 that I am acquainted with about the issue, I  
4 just not have done so.

5 MR. SCHEMENAUER: Okay. Is there  
6 an office here or does the company have an  
7 office here that you can complain to or a  
8 telephone number?

9 MS. CHASAR: As far as the water  
10 company goes I do not know if they have a  
11 local number to call. Often the utilities in  
12 our area have 800 numbers that are often not  
13 only out of town but out-of-state and so they  
14 are totally unaware of what it's like to be  
15 here in Warrensburg.

16 MR. SCHEMENAUER: Okay. The  
17 Public Service Commission has a consumer  
18 complaint area and it has an 800 number and we  
19 can give you that number and also we have Joe  
20 Hanson Joe from the staff, the water staff.  
21 If you've got something specific that you  
22 would like to talk to him about so he can  
23 investigate it, he would be glad to take the  
24 information.

25 MS. CHASAR: Thank you.

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1 MR. SCHEMENAUER: Thank you.

2 That's all I have.

3 THE COURT: Questions from  
4 counsel? Ms. Cook?

5 MS. COOK: Just one your, Honor.

6 Can you give me the name of the apartment  
7 complex you're speaking of?

8 MS. CHASAR: It's called Raintree  
9 Apartments on East 4th Street.

10 MS. COOK: Thank you. That's all  
11 I have.

12 THE COURT: Any further questions  
13 from counsel. Mr. England?

14 MR. ENGLAND: If possible, I would  
15 like to get the resident's address, apparently  
16 you have a problem there as well.

17 MS. CHASAR: It's on the sheet  
18 that I signed, it's 412 W. North Street here  
19 in Warrensburg.

20 THE COURT: Any further  
21 questions?

22 MR. SCHEMENAUER: Your, Honor, our  
23 800 number for the Consumer Division is there  
24 on the pink cards in the back of the room.

25 MS. CHASAR: I have one.

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1 MS. SCHEMENAUER: Okay. That's it  
2 then.

3 MS. CHASAR: This is my first time  
4 speaking at this type of public forum, but I  
5 have spoke before publicly and I decided when  
6 I saw the mailings that somebody had to speak  
7 out for people in my walk of life, in my  
8 situation, to let you know, men, women here,  
9 and the water company know that we can't  
10 handle it.

11 THE COURT: Further questions?  
12 Hearing none, you're excused, ma'am. Thank  
13 you.

14 Are there any other individuals who have  
15 signed up to speak but whose name has not been  
16 called?

17 Are there any other persons who would  
18 like to testify who have not signed up?

19 Sir, please come forward.  
20

21 DENNIS WILLIAMS  
22 called as a witness herein, being first duly  
23 sworn by the Court, testified on his oath as  
24 follows:  
25

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1 THE COURT: Please state your  
2 name.

3 MR. WILLIAMS: Dennis Williams.

4 THE COURT: What is your address?

5 MR. WILLIAMS: 416 East Mill  
6 Street, Apartment B.

7 THE COURT: Is that in  
8 Warrensburg?

9 MR. WILLIAMS: Yes, sir, it is.

10 THE COURT: Are you presently a  
11 customer of Missouri-American Water Company?

12 MR. WILLIAMS: Yes, sir, I am.

13 THE COURT: Please proceed.

14 MR. WILLIAMS: The first thing I  
15 would like to bring up is the fact that this  
16 particular increase, for my purpose, it would  
17 amount to an 85 percent increase, not a 53 but  
18 85.

19 Next is the fact that there has been no  
20 change in the water quality in the time that  
21 I've lived in Warrensburg. Granted, that has  
22 only been for the last 13 or 14 months. I've  
23 lived outside of the city limits prior to  
24 that.

25 I also own a residence in O'Fallon,

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1 Missouri, which is serviced by  
2 Missouri-American Water Company. I'll be  
3 paying the same increase at that location as  
4 well. That's where I actually live, I'm just  
5 here during the week because this is where I  
6 work.

7 Another thing I would like to bring up is  
8 the chosen time, the scheduled time, for most  
9 of these hearings such of this. Most people  
10 that are serviced by these utilities have to  
11 work and can't generally get off during the  
12 day to testify to something like this or you  
13 would not be able to put them in this  
14 building. You know, it was a light mail day  
15 today so I was able to be here.

16 Another thing I would like to bring up is  
17 the single tariff pricing that  
18 Missouri-American would like to institute  
19 throughout the state. We don't have single  
20 tariff pricing for gasoline or taxes, real  
21 estate, personal property taxes. We don't  
22 have single issue pricing even for groceries.  
23 In most localities, the prices for various  
24 services and/or products are set by what the  
25 market will bear and in no case say somebody

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1 in Illinois is suppose to pay for the water  
2 that is consumed in Missouri nor the  
3 improvements to the system that would service  
4 those localities.

5 I don't think it's right that Warrensburg  
6 residents should have to pay for a new water  
7 treatment or whatever facility in St. Joseph  
8 which would be the brunt of the proceeds of  
9 the increase that it will go to.

10 Again, it just seems unfair that we  
11 should have to pay for that. I will go along  
12 with what others have said in that I believe  
13 that a small increase in the Warrensburg area  
14 to pay for those improvements that have been  
15 made would be an equitable thing.

16 However, I go back to my original  
17 statement, I have not noticed any increase in  
18 the water quality. As this gentlemen said  
19 earlier, Warrensburg water does have a  
20 reputation and it's not at all a good  
21 reputation.

22 Myself, I filter all the water that I  
23 drink because it just does not taste good, but  
24 you know, they can't clean out all the pipes.  
25 There's sediment in the pipes from the

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1 different minerals. As Jim Jackson has said,  
2 the water heaters -- probably within two or  
3 three years the average water heater will be  
4 so full of calcium and other mineral deposits  
5 that they will be nowhere sufficient.

6 Again, my principal quam is with the  
7 ingle tariff pricing issue. That's all I  
8 have.

9  
10 THE COURT: Thank you, sir.  
11 Questions from the bench; Commissioner  
12 Murray?

13 MS. MURRAY: No questions. Thank  
14 you.

15 THE COURT: Commissioner  
16 Schemenauer?

17 MR. SCHEMENAUER: Just one. You  
18 say you're here during the week and you live  
19 in O'Fallon?

20 MR. WILLIAMS: Yes.

21 MR. SCHEMENAUER: And you're a  
22 customer of the same company in O'Fallon as  
23 you are here?

24 MR. WILLIAMS: Yes.

25 MR. SCHEMENAUER: We had a public

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1       hearing during the evening about two weeks ago  
2       a few weeks ago --

3               MR. WILLIAMS: Yeah, I'm hear  
4       during the week and there on the weekends. I  
5       work during the week.

6               MR. SCHEMENAUER: So you didn't  
7       have a chance to appear at that one?

8               MR. WILLIAMS: No, I wasn't  
9       there.

10              MR. SCHEMENAUER: Thank you.  
11       That's all I have.

12              THE COURT: I just would like to  
13       take a moment; in terms of the hearing  
14       scheduling, we scheduled five public hearings  
15       in this case. This is the only one of the  
16       five which has been held over the lunch hour,  
17       it is true that all of them have been held  
18       during the work week.

19              I should point out that we're doing two  
20       hearings today, this one and then this evening  
21       we're doing a hearing in St. Joseph in order  
22       to complete the local public hearing prior to  
23       the beginning of the evidentiary hearing which  
24       will convene Monday in Jefferson City.

25              Just some information on at that point.

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1 Any questions from counsel? Ms. Cook.

2 MS. COOK: Thank you, your, Honor.

3 Sir, your complaints about the water  
4 quality, are they limited to the taste and  
5 mineral deposits?

6 MR. WILLIAMS: That is correct. I  
7 will admit the water in Warrensburg seems to  
8 be softer then in previous years.

9 MS. COOK: How does it compare to  
10 the water in O'Fallon?

11 MR. WILLIAMS: Actually I believe  
12 the water in O'Fallon tends to taste better.

13 MS. COOK: You prefer that water?

14 MR. WILLIAMS: I do.

15 MS. COOK: Thank you.

16 THE COURT: Any further  
17 questions? Mr. Krueger.

18 MR. KRUEGER: Mr. Williams, you  
19 said that your increase amounts to 85  
20 percent?

21 MR. WILLIAMS: Yes, sir.

22 MR. KRUEGER: Can you tell me how  
23 you determined that or do you know why --

24 MR. WILLIAMS: Because my average  
25 water bill -- again, because I'm only here

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1 during the week, usually four days, some weeks  
2 five, some weeks three, just depends on how  
3 may days I can get off of work. My water bill  
4 for the month runs about runs about \$9.80.  
5 Add \$8.57 to that and that's 85 percent -- 84  
6 point to be exact.

7 MR. KRUEGER: Thank you.

8 MR. WILLIAMS: And since my sewer  
9 bill is based on my water and the water  
10 company no longer reads the meter, they --  
11 well, I take that back, they read the meter  
12 and round up or down as the case may be.

13 Rounding up to the next thousand cubic  
14 feet, hundred cubic feet or however they read  
15 that, more times than not, it has caused my  
16 sewer bill to increase as well even though I  
17 didn't use the water so I'm having to pay the  
18 sewer bill for that difference.

19 And in response to your, Honor, three  
20 mailings I've received about his hearing and  
21 all of them point out this hearing, this day.  
22 This is all I've received in reference to this  
23 case.

24 THE COURT: You didn't receive any  
25 information concerning the hearing in St.

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1 Charles?

2 MR. WILLIAMS: No, I'm speaking  
3 specifically about Warrensburg. I may have, I  
4 may have missed that, I don't get all of the  
5 mail.

6 THE COURT: Okay.

7 MR. WILLIAMS: My apologies. I  
8 wasn't worried about the one in St. Charles, I  
9 was worried about the one here. I'm speaking  
10 primarily about this meeting here in  
11 Warrensburg or any meeting in Warrensburg.

12 THE COURT: I see.

13 MR. WILLIAMS: This is the issue  
14 that I'm more concerned about.

15 THE COURT: I see. But this is  
16 the only local public hearing we're holding in  
17 Warrensburg specifically, but we're doing --  
18 this is one of five in the entire state.

19 MR. WILLIAMS: For the whole  
20 case?

21 THE COURT: Yes, sir.

22 MR. WILLIAMS: But generally, most  
23 of us are concerned only with the Warrensburg  
24 issue.

25 THE COURT: I understand.

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1                   MR. WILLIAMS: Honestly, it won't  
2           effect me as much in O'Fallon as it does here.

3                   THE COURT: Thank you, sir. Any  
4           further questions? You're excused, sir.

5                   Ma'am, would you like to testify?

6                   UNKNOWN PERSON: I did not intend  
7           to but I would like to tell you my experience  
8           since last year.

9                   THE COURT: Please come forward.

10

11                   BETSY BROWN  
12           called as a witness herein, being first duly  
13           sworn by the Court, testified on her oath as  
14           follows:

15

16                   THE COURT: Please state your  
17           name.

18                   MS. BROWN: Betsy Brown.

19                   THE COURT: What is your address,  
20           Ms. Brown?

21                   MS. BROWN: 1202 Montserrat Park  
22           Road.

23                   THE COURT: Are you presently a  
24           customer of Missouri-American Water Company?

25                   MS. BROWN: I certainly am.

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1 THE COURT: Please proceed,  
2 ma'am.

3 MS. BROWN: I have had to have a  
4 water heater, new water heater put in because  
5 the pipes were clogging it and there was no  
6 way to get them out. That water heater was  
7 three years old. My washing machine had to be  
8 cleaned out. And in the last -- I've noticed  
9 in the last month that every time I start to  
10 clean in the bathroom, there is a film on all  
11 of the bathroom fixtures where the waters go  
12 and that film is hard to get off.

13 I think that -- I'm on a fixed income, I  
14 can't stand these expenses, I don't know about  
15 the other people. But I do think that it  
16 might taste a little better but the taste is  
17 the least of my problems. Thank you.

18  
19 THE COURT: Thank you, ma'am.  
20 Questions from the bench; Commissioner  
21 Murray?

22 MS. MURRAY: I don't have any  
23 questions. Thank you.

24 THE COURT: Commissioner  
25 Schemenauer?

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1 MR. SCHEMENAUER: No questions.

2 Thank you for coming up.

3 THE COURT: Questions from  
4 counsel? Hearing none you're excused, ma'am.  
5 Thank you.

6 MS. BROWN: Thank you.

7 THE COURT: Any other persons who  
8 would like to testify?

9 Sir, in the back, if you could come  
10 forward please. We'll get you next ma'am.

11

12 RICHARD RANKLIN  
13 called as a witness herein, being first duly  
14 sworn by the Court, testified on her oath as  
15 follows:

16

17 THE COURT: Please state your  
18 name.

19 MR. RANKLIN: Richard Ranklin.

20 THE COURT: What is your address,  
21 sir?

22 MR. RANKLIN: 511 West Young.

23 THE COURT: Are you presently a  
24 customer of Missouri-American Water Company?

25 MR. RANKLIN: Yes, sir.

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1 THE COURT: Please proceed.

2 MR. RANKLIN: I work for a local  
3 industry that has already spoken here but I  
4 would like to address this as a citizen and I  
5 also firmly support the position that we as  
6 Warrensburg citizens ought to pay for the  
7 improvements that are made for our water  
8 quality distribution system, et cetera, but  
9 would be opposed to the paying of other  
10 communities water improvements.

11 But I would like to just take a moment  
12 without reiterating everything that has been  
13 said, but to ask the commissioners to please  
14 address the single tariff pricing, pay close  
15 attention to this because what I'm afraid of  
16 is there is going to be other improvements in  
17 other communities around the state next year  
18 and years to come and I'm afraid that we're  
19 going to be right here at this same position  
20 in a year or two years from now because of the  
21 unfairness that is felt citizens that single  
22 tariff pricing is allowing the cost of those  
23 improvements in other area to be passed on and  
24 paid for without receiving any benefit.

25 So -- enough said.

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1

2

THE COURT: Thank you, sir.

3

Questions from the bench; Commissioner

4

Murray?

5

MS. MURRAY: No questions. Thank

6

you.

7

THE COURT: Commissioner

8

Schemenauer?

9

MR. SCHEMENAUER: No questions.

10

Thank you for coming up.

11

THE COURT: Questions from

12

counsel? Hearing none you're excused, sir.

13

Thank you.

14

Yes, ma'am, please come forward.

15

16

BRENDA MADER (ph.)

17

Called as a witness herein, being first duly

18

sworn by the Court, testified on her oath as

19

follows:

20

21

THE COURT: Please state your

22

name.

23

MS. MADER: Brenda Mader.

24

THE COURT: What is your address,

25

ma'am?

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1 MS. MADER: 1711 Sunrise Drive.

2 THE COURT: Is that here in  
3 Warrensburg?

4 MS. MADER: Yes, sir.

5 THE COURT: Are you presently a  
6 customer of Missouri-American Water Company?

7 MS. MADER: Yes, I am.

8 THE COURT: Please proceed.

9 MS. MADER: I'm here because I  
10 work with university housing over at CMSU.  
11 I'll be honest when I say that when Mark  
12 Gardner talked he mentioned that the  
13 University pays \$171,000 a year in water, but  
14 I don't whether that includes university  
15 housing because we're an auxiliary and we pay  
16 our own bills or if that is main campus.

17 If university housing is paying part of  
18 that, our bill for housing is \$125,000. What  
19 that would mean is that be our relative 3,000  
20 students that live in housing are paying more  
21 than 70 percent of what is the CMSU bill.

22 If that 171,000 is strictly main campus  
23 what that means is that our university  
24 students including those in housing will help  
25 pay the cost of that 171,000, but then on top

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1 of that they're paying 125,000 currently for  
2 water just within housing alone which means  
3 our students would be double whammied and I'm  
4 very concerned about what our students are  
5 paying because our concerns about their bills  
6 and how many of them are on financial aid.

7 I'd hate to see our students hurt even  
8 more by having it effect our enrollment here  
9 at Central.

10 THE COURT: Does that conclude  
11 your remarks, ma'am?

12 MS. MADER: Yes, it does.

13 THE COURT: Thank you. Questions  
14 from the bench; Commissioner Murray?

15 MS. MURRAY: No questions. Thank  
16 you.

17 THE COURT: Commissioner  
18 Schemenauer?

19 MR. SCHEMENAUER: No questions  
20 your, Honor. Thank you.

21 THE COURT: Questions from  
22 counsel? Hearing none you're excused, ma'am.  
23 Thank you.

24 Any other individuals who would like to  
25 testify but did not sign up?

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1           Hearing none I will adjourn this local  
2       public hearing at this time. Thank you very  
3       much.

4

5           (Hearing concluded at 2:12 p.m.)

6

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1 STATE OF MISSOURI )

2 ) ss

3 COUNTY OF JACKSON )

4

5 I, Margaret P. Mize, Shorthand Reporter and  
6 Notary Public, do hereby certify there came  
7 before me the deponent herein, who was by me  
8 duly sworn to testify to the truth and nothing  
9 but the truth concerning the matters in this  
10 cause.

11 I further certify that the foregoing  
12 transcript is a true and correct transcript of  
13 my original stenographic notes.

14 I further certify that I am neither  
15 attorney or counsel, nor related to any party  
16 to said action, nor otherwise interested in  
17 the outcome thereof.

18 IN WITNESS WHEREOF, I have hereto set my  
19 hand and affixed my Seal this 27th day of  
20 June, 2000.

21

22 \_\_\_\_\_  
MARGARET P. MIZE

23

24 MY COMMISSION EXPIRES: 08-10-2001

25 COSTS: \_\_\_\_\_ DUE FROM: COMMISSION