

1 STATE OF MISSOURI  
2 PUBLIC SERVICE COMMISSION  
3 \_\_\_\_\_  
4 TRANSCRIPT OF PROCEEDINGS  
5 Public Hearing  
6 November 16, 1999  
7 Bonne Terre, Missouri  
8 Volume 1  
9 \_\_\_\_\_  
10 In the Matter of Terre Du Lac )  
11 Utilities Corporation Water Rate ) Case No. WR-2000-68  
12 Increase Request. )  
13  
14 In the Matter of Terre Du Lac )  
15 Utilities Corporation Sewer Rate ) Case No. WR-2000-69  
16 Increase Request. )  
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18 \_\_\_\_\_  
19 KEITH THORNBURG, Presiding,  
20 REGULATORY LAW JUDGE.  
21  
22 CONNIE MURRAY,  
23 M. DIANNE DRAINER, Vice-Chair  
24 COMMISSIONERS.  
25 \_\_\_\_\_  
26 REPORTED BY: KATHLEEN M. AMES, RPR # 001387  
27

1 APPEARANCES:

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13 Service Commission.

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1 JUDGE THORNBURG: My name is Keith Thornburg.  
2 I'm a law judge from the Missouri Public Service Commission in  
3 Jefferson City, Missouri. I'm glad we have a good turn out  
4 tonight and the commission wants to hear your views and your  
5 concerns on matters that are presented here tonight.

6 This has a style or a case name and title and it's  
7 titled In the Matter of Terre Du Lac Utilities Corporation Water  
8 Rate Increase Request, Case Number WR-2000-68. And the second  
9 case is In the Matter of Terre Du Lac Utilities Corporation Sewer  
10 Rate Increase with Case Number WR-2000-69.

11 I want to thank the North County School District for  
12 letting us use this facility tonight. The commission schedules  
13 its public hearings in a local neutral forum so the discussion  
14 and information can be open. No district county or school  
15 district or political subdivision is in this case. And none of  
16 these governmental entities has taken the position on this. The  
17 Public Service Commission set this time and place for the local  
18 public hearing in an order that we issued on September 24th,  
19 1999. The notice of the hearing was provided to members of the  
20 general assembly that represent this area and to the news media  
21 in this area. And the commission also directed the Terre Du Lac  
22 Utilities Corporation to provide a notice of this hearing to the  
23 customers. The commission staff reviewed that notice that the  
24 company used.

25 Prior to starting the hearing I want to give you a

1       brief explanation about the Public Service Commission and the  
2       procedures that we're going to follow tonight and I'll identify  
3       some of the people that are present here. The Public Service  
4       Commission is a state agency that regulates rates charged by  
5       investor owned utilities companies in Missouri to ensure those  
6       rates are just and reasonable. The quality of service and the  
7       degree of safety employed in the operations of the utilities  
8       company are also matters that concern the commission.

9               The Public Service Commission is made up of five  
10       commissioners that are appointed by the governor to hear and  
11       decide these types of cases. Two of the commissioners are here  
12       tonight. Commissioner Dianne Drainer is the Vice-chair of the  
13       commission. And Commissioner Connie Murray is one of our  
14       commissioners here. Other commissioners that couldn't be here  
15       tonight are the Chairperson Sheila Lumpe. Commissioner Harold  
16       Crumpton. And Commissioner Robert Schemenauer.

17              The commission employs a staff of engineers,  
18       accountants, attorneys, financial analysts and other specialists  
19       in the field of utilities regulation and the commission relies on  
20       that staff for their expertise. Some of these staff people here  
21       tonight sitting up front are from our St. Louis office and we  
22       also employ attorneys. David Stueven is here tonight. He's an  
23       attorney for the Public Service Commission counsel staff. And  
24       John Coffman is here tonight and John Coffman is with a separate  
25       office called the Office of Public Counsel. That office assists

1 and represents the public in these types of hearings and in other  
2 proceedings before the commission.

3 Now, after the hearing tonight some of the staff will  
4 remain to answer questions that they can. Another staff person  
5 that is here and sitting up front is Dale Johansen and he works  
6 in the water and sewer area both, okay.

7 And I don't think we have an attorney here for the  
8 Terre Du Lac utilities company tonight. This is a very informal  
9 proceeding and so that, you know, attorneys aren't  
10 necessary.

11 In this case Terre Du Lac has requested an approval for  
12 the commission for a rate increase for its water and sewer  
13 services. The company and the commission staff have reached a  
14 compromise agreement that the commission is considering for  
15 approval. The Office of Public Counsel will advise the  
16 commission of its position regarding the proposed agreement  
17 within a few days of tonight's hearing. What the commission  
18 hears and sees here tonight will affect the decision that the  
19 commission makes. We have not set a normal evidentiary hearing  
20 for this matter and we may or may not do that, depending on the  
21 record that we have here this evening. If we do decide that  
22 the formal hearing is necessary, you will be informed of that by  
23 media advertisement and/or media pieces and another billing  
24 insert so you know what to expect.

25 Tonight Terre Du Lac Utilities Corporation isn't here

1 to present a case or argument. The sole purpose of the meeting  
2 this evening is to get your comments and gather information from  
3 you. Your comments are important to us. We look forward to  
4 hearing from you.

5 The commission staff and the Office of Public Counsel  
6 may make some brief statements tonight at the opening of the  
7 hearing to give you some more information. And, again, they will  
8 be available after the hearing.

9 The procedure tonight will be that we will call names  
10 from the list of the sign-in list. You will come forward to the  
11 stand here. I will, since this is going to be a recorded  
12 hearing, I'm going to, I will swear you in with an oath or  
13 affirmation. I am going to ask that you spell your  
14 first and last name for the court reporter so she can take that  
15 down. I'll also ask that you tell us your address and whether or  
16 not you are a customer of the Terre Du Lac Utilities Company.  
17 And then you may make your statement and give us any information  
18 that you have that you think is relevant to what we're here for  
19 tonight. If you can please stay at the stand until you're  
20 excused, it's possible that the commissioners may have a question  
21 for you or the staff attorney or the public counsel may have a  
22 question. Sometimes there are follow-up questions so we can  
23 understand your concerns better.

24 We're not intending this to be a confrontational type  
25 proceeding. We just want you to feel comfortable and give us the

1 information that you have and it's not going to be an adversarial  
2 proceeding at all tonight.

3 Since this is a public hearing and an official hearing  
4 your statements will be recorded by the court reporter and,  
5 again, they will be under oath or affirmation and that way we'll  
6 have a written record tonight so the commissioners that aren't  
7 here tonight will be able to read that and take that into account  
8 when they make their decision on the rate request.

9 Primarily we're here for the rate request and so to the  
10 extent your comments should be directed to that that will help  
11 shorten up things this evening so we can cover what we need  
12 to. I do want to caution you that only one person can talk at a  
13 time and still be recorded by the court reporter. And I'll be  
14 trying to get your attention, if we get into any kind of back and  
15 forth discussion, because that makes it too difficult for the  
16 court reporter to get the information into the record.

17 If after we call names, if somebody has given the same  
18 information that you wanted to and you don't feel like you need  
19 to come up, that's fine. And if we have time at the end, if  
20 someone hasn't signed up, if we have time I'll ask for hands at  
21 that time. Commissioner Drainer, do you have any comments at  
22 this time?

23 COMMISSIONER DRAINER: Yes. First, I want to  
24 thank everyone. I do want to go ahead and kind of put everybody  
25 on notice that since, unfortunately, we only have the one mike

1     this evening if we ask questions, we'll do the best of our  
2     ability to project our questions out. But the mike will be for  
3     the members of the public to use that is up front. We greatly  
4     appreciate you coming this evening. Your comments are very  
5     important to us. We have always found that the comments of the  
6     public help us and our staff in the Office of the Public Counsel  
7     in making determinations with respect to the regulated utilities  
8     that we are reviewing, and in this case with the water and sewer  
9     company.

10           I also do want to make clear that it's an informal  
11     proceeding in the sense that you do not have to be represented by  
12     an attorney. John Coffman here from the Office of the Public  
13     Counsel represents the public before us. It is normal in the  
14     sense that in order to get the information, we will have to have  
15     the individual names called. We will have you come up, be sworn  
16     in and the court reporter will be recording the comments and,  
17     therefore, there really cannot be comments from the audience. If  
18     you have not given your name and wish to speak, after everyone  
19     has spoke we'll ask for additional comments. We will take your  
20     names and you will come up and be sworn in and that's your  
21     opportunity to address us and we look forward to your comments.  
22     And I'm going to pass this mike over to our attorney on our  
23     staff.

24           MR. STUEVEN: I would like to echo the  
25     Vice-chair's appreciation for the turn out. This is a good

1        thing. We appreciate everyone coming out. What the staff did  
2        in conducting the audit of Terre Du Lac, when the company  
3        requested a rate increase the staff conducted an audit of the  
4        company's books and records to determine the amount of revenue  
5        needed to cover the company's ongoing expenses and provide a fair  
6        return to the company owner. This process includes looking at  
7        historical trends of expenses, such as maintenance, office  
8        supplies, identifying expense levels that are likely to occur the  
9        upcoming year and calculating the amount to be covered for  
10       depreciation. And in order to determine appropriate salary  
11       levels to be included in the rate we go through all of this  
12       before formulating what we recommend the rate to be in the case.

13                        MR. COFFMAN: I have been introduced before but  
14       I will tell you my name is John Coffman. I'm with the Office of  
15       Public Counsel. And I'll state again, because I know it's  
16       sometimes hard to understand our relationship, we are a separate  
17       agency from the Public Service Commission. It's our job to get  
18       involved in the cases when utilities come and ask for rate  
19       increases. We scrutinize them and represent the public before  
20       the commission or independent. We occasionally sometimes appeal  
21       cases from the Public Service Commission. We're here,  
22       essentially, to represent you, who are the customers of Terre Du  
23       Lac Utilities. And this is a very helpful proceeding here for me  
24       because I'm able to get the comments from the actual customers on  
25       the record and this can become evidence that will be real helpful

1 to me. And I appreciate whatever comments you have about the  
2 proposed rate increase, as well as any comments that you might  
3 have about the quality of service that you received and that will  
4 also then be helpful to me in representing you.

5 Like Mr. Stueven said, the Public Service Commission  
6 staff, which has many skilled auditors and experts, have already  
7 gone out and taken a look at the records and they have come to an  
8 agreement with the company, which I guess, is much less than what  
9 the company had originally requested. Our office has some  
10 accountants and auditors as well. We have looked at their  
11 results but before we make a decision about whether we think this  
12 is an amount that we think is fair or whether we think that there  
13 should be some other decision or some other recommendation to  
14 make, we want to make sure we hear from all of you. I have  
15 already gotten several calls and letters and I appreciate it but  
16 this lets me get your comments on the record.

17 I know from past experience that sometimes you all  
18 might have questions about exactly how the process works or what  
19 exactly was done with the audit. The procedure here, as I  
20 understand it, doesn't lend itself to give and take, as far as  
21 necessarily answering your questions. But there will be,  
22 probably be someone afterward that can help you get your  
23 questions on the record. Someone either after the hearing or  
24 maybe at a later date based on the record can get back to you.  
25 So go ahead and make those questions but there may not be an

1 immediate answer to any of your question here on the record.

2 Thanks again. And I'm going to be calling the names  
3 from that sign up sheet. When we get through with that we'll  
4 ask, I guess, if there is anyone else that wants to talk. Of  
5 course, there is no requirement to talk just because you did sign  
6 up. Just get up there and just try to be as concise as you can  
7 and make sure you focus your comments on the utilities service  
8 provided by this company and we will try and get through it.  
9 It's also helpful if you feel that you just want to say ditto to  
10 comments that have been made earlier. It's very acceptable to  
11 say I agree with what has been said before and that way you can  
12 get on the record without being too repetitious. Thanks.

13 I guess the first witness here on the sign up sheet is  
14 Harold Williams. You want to step up to the podium, please?

15 JUDGE THORNBURG: Mr. Williams, will you raise  
16 your right hand, please?

17 HAROLD WILLIAMS,  
18 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

19 JUDGE THORNBURG: Mr. Williams, I need you to  
20 state your name for the court reporter and your address and  
21 whether or not you are a customer of the company?

22 HAROLD WILLIAMS: Harold Williams. I live at  
23 602 Champs Elysees. I have been a customer for twenty-two years.  
24 My question is when we have water main breaks and it takes a long  
25 time to fix them, does this have anything to do with the rate

1       increase for the customer? Who pays for the excessive water  
2       that's being pumped and not used by the customer?

3                       JUDGE THORNBURG: I am not sure we have anybody  
4       here to respond to that type of question tonight. But if that's  
5       an issue we want to hear about it.

6                       HAROLD WILLIAMS: Well, I know they have to  
7       account for how much water they pump, how much water is used by  
8       the customers to the state, right? Isn't that right? That's  
9       what I understand. So when we have excessive times out there  
10      that they have water main leaks that don't get fixed, those were  
11      excessive times.

12                      JUDGE THORNBURG: And I understand you would  
13      have a concern that that water is being pumped, there is energy  
14      being used, the water is being used and how is that cost  
15      recovered?

16                      HAROLD WILLIAMS: Uh-huh.

17                      JUDGE THORNBURG: And you're concerned with the  
18      maintenance of the system and how that impacts your rates?

19                      HAROLD WILLIAMS: Right.

20                      JUDGE THORNBURG: I understand, a dollar saved  
21      is a dollar earned also?

22                      HAROLD WILLIAMS: That's right.

23                      JUDGE THORNBURG: And we want to hear that type  
24      of concern and that is something our engineers and accountants  
25      and financial analysts, they can look at that then, you know. If

1       that's an area that we hear tonight there is a lot of problems  
2       like that, that is something we can look at but we're not  
3       prepared to give you information on that tonight.

4                   HAROLD WILLIAMS: That's my question. That's  
5       all I have right now.

6                   JUDGE THORNBURG: And that's certainly something  
7       that, to the extent we have the resources, we will look at that  
8       and if we hear that a lot tonight, that certainly will be  
9       something we look at, all right?

10                  HAROLD WILLIAMS: Okay. Thank you.

11                  JUDGE THORNBURG: Thank you. I want to make  
12       another statement. The staff and some of the staff people are  
13       here tonight and after the hearing when we're off the record they  
14       will be able to talk with you about those things. But we came  
15       here to get your information tonight. But we do have staff  
16       people here too. After the hearing they will be available to  
17       discuss that also and they may have some more details that I  
18       don't have.

19                  MR. COFFMAN: I have to apologize Walter  
20       Pogorzelski.

21                               WALTER POGORZELSKI,  
22       BEING SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

23                  JUDGE THORNBURG: I need you to spell your name  
24       for the court reporter.

25                  WALTER POGORZELSKI: Walter, W-A-L-T-E-R initial

1 J, P-O-G-O-R-Z-E-L-S-K-I. 200 Rue Dauphie, Box 2, Bonne Terre,  
2 Missouri, 63628.

3 JUDGE POGORZELSKI: And are you a customer of  
4 the company?

5 WALTER POGORZELSKI: I have been a customer for  
6 ten years. I have been a property owner for twenty.

7 JUDGE THORNBURG: And you can relax and we just  
8 want your statement and concerns.

9 WALTER POGORZELSKI: One of the first things is  
10 that in the last ten years both times that they have asked for a  
11 rate increase they mail a notice to the customer and the  
12 customers are always shaved about five days off of the time that  
13 we have to answer. When it gives us so many days from the date  
14 of this letter. The letter, I don't know where the mail has been  
15 but you get it five or six days later and cuts down the response  
16 time.

17 The second thing that I want to bring up is that due to  
18 the quality of the water we have more sediment and other bad  
19 things in the water that you can shake a stick at. Hot water  
20 heater is about fifty percent of the normal usage of a hot water  
21 heater. You're required to, I had three years had it, my hot  
22 water cleaned out and I got a scrub bucket full of stuff and had  
23 to replace the elements because the elements were corroded. So  
24 the life of a water heater due to what is in the water, the  
25 hardness of the water or whatever it is.

1           The second thing is there is no preventive maintenance.  
2       I represented a mobile home area for seven years with a hundred  
3       and seventy some houses. And when I seen leaks they put marks on  
4       the street with an orange, with orange paint because we intended  
5       to have our streets paved. Well, the streets got paved. The  
6       leaks didn't get fixed until after the streets were paved. Then  
7       they come back and fixed the leaks and tore up the streets and  
8       didn't replace them the way they were supposed to be. When they  
9       dig a different, tear up a lawn or whatever they get, fill the  
10      hole up and that's it. They cut across the street they put a  
11      bunch of rock in there and that's it. Our Property Owners  
12      Association has to come back and put asphalt in it or level off  
13      the street. And if your lawn is tore up, go out and fix it up  
14      yourself.

15           And when they read the meters, they read them this past  
16      time on the third, on the quarter, they read it on the 13th of  
17      the month. I don't know why they are reading a three month bill  
18      on the 13th of the month instead of at the end of the quarter. I  
19      don't know how they can tell how much water you're using. How  
20      much more am I using from the 13th. It just adds on to the next  
21      bill, if you have an overage. And in our area we have got, we  
22      have got summer people that are here seven months out of the year  
23      and five months they are not here they turn their water off.  
24      They pay twenty-one twenty-six a month, The same as if they  
25      were here.

1           The same way with the snowbirds, the people that are  
2   full time residents that go away for five months. They got to  
3   pay twenty-one twenty-six whether they use the water or not. I  
4   can understand the service is in but they're not using it. And  
5   we have in our area, I would say, I don't know how many more they  
6   have put in, but I would say there is twenty-five houses in there  
7   now without meters. Now, these people can water their lawns,  
8   wash their cars, do anything they want to do, they pay twenty-one  
9   twenty-six. I wash my car about twice a year. There is two of  
10   us in my family and we're very frugal with the water. I don't  
11   water the lawn. I wait for nature but that's about it. I mean,  
12   that's about what my comments are,

13                   MR. COFFMAN: Thank you.

14                   JUDGE THORNBURG: We may have some questions.

15   Mr. Coffman?

16                   MR. COFFMAN: I just want to ask you a couple  
17   of clarifying questions to make sure I understood the extent of  
18   some of your complaints. You talked about the sediment being bad  
19   in the water?

20                   WALTER POGORZELSKI: In the flush box, in your  
21   toilet flush box about every two months you will have, maybe, a  
22   quarter of an inch or half inch of sediment in that.

23                   MR. COFFMAN: Okay. That helps me. So in your  
24   opinion is this an ongoing problem, the sediment?

25                   WALTER POGORZELSKI: Oh, yeah, it's all of the

1 time. It's all of the time. Same way with the water heater. I  
2 mean, you got that problem all the time.

3 MR. COFFMAN: You mentioned problems with  
4 maintenance of breaks and the example you gave was, I guess, a  
5 road or yard not being fixed after?

6 WALTER POGORZELSKI: That's right. That's  
7 right.

8 MR. COFFMAN: Are there any examples of that  
9 currently where you believe some more maintenance or repair needs  
10 to be done that you could tell us about?

11 WALTER POGORZELSKI: No. The Property Owners  
12 Association would have to do that. They have a maintenance  
13 department and they take care of the roads and that. I'm just  
14 speaking as an individual.

15 MR. COFFMAN: I was just wondering if you were  
16 aware of a location that we could get that on the record?

17 WALTER POGORZELSKI: I resigned my position  
18 because I was in the mobile home and I just --

19 MR. COFFMAN: Okay. This is all helpful  
20 information. But you also made a comment about the meter reading  
21 and I wanted to make sure I understood what your concern was  
22 about the meter reading?

23 WALTER POGORZELSKI: Why would, if you are  
24 going to have a three month bill, why do you read the meter on  
25 the 13th day of the month of the third month? Why was it read on

1 the 13th?

2 MR. COFFMAN: Okay. Is it true that your meter  
3 is read only once every three months?

4 WALTER POGORZELSKI: That's right. That's  
5 right.

6 MR. COFFMAN: In other words, you pay a minimum  
7 charge to the 1st?

8 WALTER POGORZELSKI: Twenty-one dollars and  
9 twenty-six cents a month and every three months you pay an  
10 overage on the water.

11 MR. COFFMAN: So the usage, you pay for usage in  
12 the third month and that's based on someone from the company  
13 reading your meter?

14 WALTER POGORZELSKI: Right.

15 MR. COFFMAN: And you believe they are reading  
16 the meter too early or too late?

17 WALTER POGORZELSKI: I don't know. When would  
18 you read the meter for a three month bill? Would you read it in  
19 the middle of the month or end of the month?

20 MR. COFFMAN: I'm not sure. I don't know what  
21 their policies are. They may but that's --

22 WALTER POGORZELSKI: I don't either.

23 MR. COFFMAN: Okay. Understood. I think  
24 that's all of the questions I have and appreciate your testimony.

25 JUDGE THORNBURG: Thank you, sir.

1                   MR. COFFMAN: The next witness would be Jim  
2 Caudle.

3                   JIM CAUDLE,  
4 BEING SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

5                   JUDGE THORNBURG: Thank you.

6                   JIM CAUDLE: Name is Jim Caudle. I live at  
7 245 Moulin Rouge. And let's see, I have been living down here  
8 ten years or customer, I mean, five years.

9                   JUDGE THORNBURG: We need you to spell your last  
10 name, too.

11                  JIM CAUDLE: C-A-U-D-L-E.

12                  JUDGE THORNBURG: Thank you.

13                  MR. CAUDLE: I live on Lac Carmel and right  
14 over the dam they have a three stage lagoon system on a little,  
15 each one of them is probably a little smaller than this room.  
16 For the last two years we have been getting a terrible smell from  
17 the lagoon, comes and goes depending on how hot it is or how much  
18 the wind is blowing. And it looks like they were originally  
19 designed to just service the sewer system around Lac Carmel. But  
20 now five days a week all day long they bring in truck loads of  
21 sewage and dump in that lagoon. And it seems like it's, in fact,  
22 I walked across the dam this morning and you had to hold your  
23 nose all the way across the dam it was so bad. And it looks like  
24 they are not, I don't know if we're getting the sewage from the  
25 whole thousand homes in Terre Du Lac that's being put in there

1       now or what. But it appears to be really overloading that  
2       lagoon. So I guess my question is is any of this money going to  
3       go towards, you know, fixing our sewer system to where it's, you  
4       know, adequate? If it continues to get worse, like it seems to  
5       have gotten the last two years, you know, the people that live  
6       down around the dam won't be able to sit out in their yard in the  
7       summertime, especially.

8                       JUDGE THORNBURG: Thank you. Any of the  
9       commissioners have questions? Mr. Stueven? Mr. Coffman?

10                      MR. COFFMAN: Next witness will be Glen  
11       Ponder.

12                      GLEN PONDER,  
13       BEING SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

14                      JUDGE THORNBURG: Thank you. We need your name  
15       and address and whether you are a customer and if you could spell  
16       your name for the court reporter?

17                      GLEN PONDER: Name is Glen Ponder.  
18       P-O-N-D-E-R. Address is 1506 Marseilles Drive and I am a  
19       customer. I have got two concerns. One is water leaks, again,  
20       in the roads not being fixed. When the original rate increase  
21       was proposed I wrote a letter to the Missouri Public Service  
22       Commission dated November 20th, 1998. And in there I stated  
23       there was a water leak at Marseilles Drive and Mimeaux Court and  
24       that had been going on for over a year at that time. And this is  
25       a year later and it's still going on. The water is bubbling up

1 out of the gravel over there. And they even came down and  
2 marked twice with paint where the utilities were and everything  
3 like it was going to be fixed but nothing ever happened. It's  
4 still the same way.

5 The other incident is a sewage leak we had on  
6 Marseilles Drive this last summer. There was a sewer tank in  
7 July that was running over and it ended up running from across  
8 the culvert and into a catch basin and from the catch basin it  
9 ran into Lake Marseilles. I noticed it on the evening of July  
10 the 11th and from what I understand it had been going on already  
11 on July the 10th and I don't know if maybe before then. When I  
12 noticed it I called the office, the Terre Du Lac Utilities  
13 emergency phone number and I got a recorder and I left a message  
14 about the problem. Where it was at. The address and everything.  
15 The next morning about 8:45 the sewage was still running out of  
16 that same place and into the lake. I went home and I called the  
17 utilities office again and then I did get an answer and the lady  
18 said the problem was reported by the home owner at that time.  
19 And I asked her if she received my message the evening before and  
20 she said she did not. I asked her, I said, since  
21 the -- or let me, I have got it written here. I know that the  
22 sewage had been running in the lake for, at least, two days and  
23 maybe longer. And my thought that they should get to it, you  
24 know, as soon as possible. And she said that it had been  
25 reported and we will get to it when we have time.

1                   Now, I feel like when you have a problem like this with  
2   sewage running into the lake for two and a half days, it should  
3   be taken care of and not just when we have time.    You know, we  
4   have a lot of people that use that lake for boating, water  
5   skiing, swimming, fishing, etcetera, especially that time of  
6   year. It was in July.   And I don't feel that the property  
7   owners of Terre Du Lac should be subjected to sewage in our  
8   lakes. And this happened over a weekend so we have problems with  
9   service on the weekends, especially. That is a big problem.  
10   That is all I have.

11                   JUDGE THORNBURG: Questions? We have a question  
12   from one of the commissioners, Commissioner Murray.

13                   COMMISSIONER MURRAY: Yes. Was that sewage leak  
14   reported to the Missouri Department of Natural Resources, do you  
15   know?

16                   GLEN PONDER: Yes, I did. I reported it.

17                   COMMISSIONER MURRAY: And when was it fixed?

18                   GLEN PONDER: Let's see. On July the 12th at  
19   1:25 P.M. I saw a utility worker there at that time. Now, I  
20   don't know if it was fixed immediately then or what, I don't  
21   know. But that's when I saw someone there.

22                   COMMISSIONER MURRAY: Did you talk to the  
23   Department of Natural Resources yourself?

24                   GLEN PONDER: Yes, I did.

25                   COMMISSIONER MURRAY: And do you know if they

1 issued a notice of violation?

2 GLEN PONDER: I am not sure what they did. I  
3 think, I really don't know. I'm not sure that we know what  
4 happened. At that point they said that they didn't have  
5 jurisdiction in Terre Du Lac since it was a private entity, is  
6 what they told me.

7 COMMISSIONER MURRAY: Did anyone make any  
8 report to the Department of Health --

9 GLEN PONDER: I didn't.

10 COMMISSIONER MURRAY: To your knowledge? Okay.  
11 Thank you.

12 JUDGE THORNBURG: Mr. Coffman?

13 MR. COFFMAN: Yeah. Just so I understand the  
14 time frame on that sewer leak, what was the date that you first  
15 noticed it?

16 GLEN PONDER: Sunday, July the 11th at 4:30  
17 P.M..

18 MR. COFFMAN: Okay. And when was the first time  
19 that you noticed this water leak at Marseilles and Mimeaux?

20 GLEN PONDER: Well, let's see.

21 MR. COFFMAN: The best you can could you  
22 estimate the time?

23 GLEN PONDER: I wrote the letter to the Missouri  
24 Public Service Commission on November 20th, 1998. And let's see,  
25 I stated in here, I said, this has been going on for over a year

1       now. And it's still not been repaired so it was a year November  
2       the 20th, at least two. We're talking two, two years now.

3                       MR. COFFMAN: So you're pretty sure you believe  
4       that this leak has gone unnoticed for --

5                       GLEN PONDER: It's gone unnoticed. It's been  
6       reported many times. I reported it several times. I even  
7       reported it to the Public Works Department and they said that  
8       they would get with them and try to get it fixed. And like I  
9       said, they came down twice with paint and painted the under, you  
10      know, where the underground utilities are but it never got fixed.

11                      MR. COFFMAN: By they, you mean the utilities  
12      company?

13                      GLEN PONDER: It was an outside company that  
14      comes in and marks where the utilities are?

15                      MR. COFFMAN: What did the representative from  
16      the utilities company tell you when you reported it?

17                      GLEN PONDER: They said they would write up a  
18      work order.

19                      MR. COFFMAN: Okay. Did you have any chance  
20      to talk to them after that first time?

21                      GLEN PONDER: Okay. For a period of one year I  
22      reported it. I called them five times. I even talked to Mr.  
23      Kwan about it and I was assured that it would be repaired. I  
24      didn't get any results and I talked to our Public Works director  
25      and he told me that they would talk to the management of Terre Du



1 BILL BOYLE: It's been covered.

2 MR. COFFMAN: Rosemary Amass.

3 ROSEMARY AMASS,  
4 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

5 JUDGE THORNBURG: Thank you. If you will give us  
6 your name and spelling and your address and whether you are a  
7 customer, then we will take your statement?

8 ROSEMARY AMASS: Rosemary, all one word,  
9 A-M-A-S-S. 1765 Rue Marseilles. I have been a resident of Terre  
10 Du Lac for a little over four years, been a customer. When Jim  
11 Caudle was up here, I would like to reaffirm what he said about  
12 the sewage truck does not operate just five days a week. It  
13 operates seven days a week. Sometimes seven o'clock in the  
14 morning on Sunday mornings. They average five loads of sewage a  
15 day. I live, I look across the dam. I'm on the other side of  
16 the lake. Last year when the lagoon had frozen over,  
17 completely, iced over, the sewage truck could bring its contents  
18 in and they dumped it on top of the ice and it laid there. This  
19 is not unusual. Before we built our home my husband noticed, it  
20 was during a heavy rain, there are manhole covers all around Lac  
21 Carmel. The manhole covers were opened and sewage was coming out  
22 directly into the lake. We brought this up at an association  
23 meeting and they said that they were going to take care of it.  
24 That it would be addressed. In the four years that we have been  
25 there nothing has been done.

1                   Next on the quality of water. My husband and I took a  
2                   trip down to Poplar Bluff to the DNR to prepare for this meeting.  
3                   We have been unhappy customers about the quality of water since  
4                   the day we moved in. I don't especially like yellow ice cubes.  
5                   Found out that we have a very high iron content in our water. We  
6                   had a reverse osmosis put in under our sink for our cooking and  
7                   drinking. And the primary filter that is to be changed every  
8                   year, it came out orange. In one year's time it was completely  
9                   clogged.

10                  We know that there are three wells in Terre Du Lac. The  
11                  primary well is well number three that pumps a hundred and fifty  
12                  gallons a minute. It shows eight hundred and ninety-four, I  
13                  think that's parts per million but I'm not sure. Results of the  
14                  analysis, well, number one shows three hundred and twenty-seven.  
15                  But well number two showed two thousand eight hundred and twenty,  
16                  which seems excessively high.

17                  When Walter spoke about the sediment in the water this  
18                  is a very big problem. We have white fixtures and they are  
19                  literally yellow that you have to get in there and scrub to get  
20                  the residue off. That's all.

21                  JUDGE THORNBURG: Thank you. Questions?

22                  COMMISSIONER MURRAY: Just I have one quick one  
23                  and that was the part, the two thousand eight hundred and twenty  
24                  parts per million, was that measuring iron?

25                  ROSEMARY AMASS: I have made the copies when

1 we were down there.

2 MR. COFFMAN: Do you have a copy that you can  
3 give us so that it could be, perhaps, added to the record here?

4 ROSEMARY AMASS: I would be glad to give these  
5 to you. Those are all three wells.

6 MR. COFFMAN: These are copies we can keep?

7 JUDGE THORNBURG: Why don't you provide those  
8 to the court reporter and we'll mark those as an Exhibit Number  
9 One, numerically.

10 COMMISSIONER DRAINER: I want to thank you for  
11 your statements and for the additional materials that you have  
12 brought us this evening. I also wanted to ask you with respect to  
13 the sediment. You were referring to Mister -- to Walter. Sorry,  
14 Walter. It looks like a wonderful last name.

15 WALTER POGORZELSKI: The R is silent like the  
16 urine in swimming.

17 COMMISSIONER DRAINER: Moving on. Discussing  
18 the sediment he said that when you look in the water closet of  
19 your toilet bowl that it actually would be visible on a monthly  
20 basis. Have you noticed anything like that?

21 ROSEMARY AMASS: No, mine just turns orange.

22 COMMISSIONER DRAINER: It's just very, very  
23 colorful?

24 ROSEMARY AMASS: I not only scrub the bowl I do  
25 the tank.

1 COMMISSIONER DRAINER: Okay. Thank you very  
2 much. I appreciate your answers.

3 JUDGE THORNBURG: Mr. Stueven?

4 MR. STUEVEN: When you talk about the manhole  
5 covers and the sewage how often does that happen?

6 ROSEMARY AMASS: When it rains. When it rains  
7 hard.

8 MR. STUEVEN: Every time it rains?

9 ROSEMARY AMASS: Uh-huh. It's been a dry  
10 summer.

11 JUDGE THORNBURG: Mr. Coffman?

12 MR. COFFMAN: When you got these lab results  
13 from the Department of Natural Resources did they comment at all  
14 on the results that they gave you?

15 ROSEMARY AMASS: Not specifically. The  
16 gentleman, we went down unannounced and they very graciously let  
17 us back in the, like, a meeting room and we were left there. We  
18 spent three hours going through the documents but.

19 MR. COFFMAN: And, I guess Mr. Stueven asked,  
20 my question is how often is the problem with the manhole covers?

21 ROSEMARY AMASS: That's been consistent  
22 whenever we have rain. Any measurable amount of rain it comes.

23 MR. COFFMAN: Anytime there is a measurable  
24 amount of rain you notice some seepage?

25 ROSEMARY AMASS: Yes.

1                   MR. COFFMAN: Have you ever contacted the  
2 utilities company about that?

3                   ROSEMARY AMASS: Oh, yes. My husband had  
4 spoken to them.

5                   MR. COFFMAN: And you know what their response  
6 was when you did?

7                   ROSEMARY AMASS: Well, see if I can remember  
8 this correctly. She said they was on a different, they had to  
9 get permission to go across someone's property, was that it?

10                  MR. AMASS: Yeah. That was the main one but I  
11 was told there was so many breaks in the sewage line that the  
12 water seeps in and floods the system.

13                  JUDGE THORNBURG: I need you to repeat that  
14 since you are the one under oath.

15                  ROSEMARY AMASS: He said there were so many  
16 leaks in the sewage system that water seeps in and floods the  
17 system.

18                  MR. COFFMAN: Did they make any statements to  
19 you about any repairs that may be made?

20                  ROSEMARY AMASS: No.

21                  MR. COFFMAN: That's all I have.

22                  JUDGE THORNBURG: Thank you.

23                  ROSEMARY AMASS; You're welcome.

24                  MR. COFFMAN: Next witness would be Sonny  
25 Reinhold.

1 SONNY REINHOLD: I'll pass.

2 MR. COFFMAN: I'm not sure I got this name right  
3 either. Bob Holberger.

4 BOB HOLBERGER: I pass.

5 MR. COFFMAN: Leland or Edna Sieden.

6 LELAND SIEDEN: My concerns have been covered  
7 by the first two speakers.

8 MR. COFFMAN: George Carr.

9 GEORGE CARR,

10 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

11 JUDGE THORNBURG: Mr. Carr, I need you to give  
12 your name and address and whether you are a customer and how  
13 long?

14 GEORGE CARR: My name is George Carr. First  
15 name is G-E-O-R-G-E. Last name C-A-R-R. And address 412 Rue  
16 Martel, Terre Du Lac. I have been a customer for about six  
17 years. I will try to not word this in the form of questions but  
18 hopefully if a rate increase is granted, a part of it would be  
19 used to maintain a spare pressure pump inventory so that repairs  
20 or replacement of the pumps can be made within twenty-four hours  
21 as is stipulated under Division Twenty Chapter Eight of the  
22 Missouri DNR design guide for small sewer systems. We have  
23 repairs which take from a number of days to the last one that I  
24 had made took fifteen days and I have a record of the dates.  
25 Chapter Eight also recommended three percent spare

1 pumps for an installation of over two hundred units, which would  
2 be about thirty pumps for Terre Du Lac. Now, I agree that's  
3 probably excessive but somewhere in some reasonable number of  
4 pumps would not be out of the question I wouldn't think.

5 The next item, I'll try to put this in the form of a  
6 question, but if a rate increase is granted, hopefully, it would  
7 be possible to get certain items brought up into compliance with  
8 the current DNR guidelines, which represent, more or less,  
9 eminent liabilities.

10 I feel in reviewing the system, I have worked with  
11 water systems. I know water quality can be a very hard thing to  
12 chase down and not a quick fix at times. But there are certain  
13 steps within the facilities that some of us feel do pose a  
14 liability. There is a lagoon in plat twelve that's serves about  
15 seventeen homes. It's a single cell lagoon. It is inadequately  
16 and improperly fenced. I believe DNR reports, it has been listed  
17 on a DNR report, I think, since 1996, I believe. There is heavy  
18 vegetation in it and it is not a proper condition lagoon.

19 There are two or three lift stations or overflow  
20 basins, which also, according to the way I interpret it in my  
21 conversation with the DNR, should also be properly fenced and  
22 these are things that could be addressed and very specific and  
23 very definite. Again, the water quality is something that may be  
24 easy to fix and may not be easy to fix. I have dealt with that  
25 before.

1                   And then I have got one thing which is really a  
2           question and this has puzzled me for quite awhile.     Does the  
3           public service regulations take precedent over DNR regulations?  
4           The construction and work that is being done on the system, and  
5           this is more of a question not a complaint, but this is something  
6           I would really like to put to rest. Most of this is all being  
7           done under a 1986 agreement with the PSC. The DNR, Fred Brunner,  
8           was director at that time and developer and these people all  
9           signed off on this.

10                   The sewer main work that is being done, the last sewer  
11           construction permit that we could find issued was number  
12           twenty-four dash four 0 four issued in 1983. The water is being  
13           done under permit issued in 1977. The Missouri DNR currently  
14           issued their construction permit for one year at a time and you  
15           can receive certain extensions on them. And I have that more as  
16           a question because if you do not have the process of filing for  
17           the permits and some overseeing of the construction, what keeps  
18           an entity like this from just doing things as they wish to do  
19           them with no independent overseeing of them?

20                   COMMISSIONER DRAINER:     Sir?

21                   GEORGE CARR:     Yes.

22                   MS. DRAINER:     I think you have asked some very  
23           important questions that you would like to have answered but I  
24           would like to address our staff attorney, Mr. Stueven, and the  
25           manager of the water and sewer department for the Public Service

1 Commission, Mr. Johanson, to speak to you at the end of this  
2 public hearing and discuss those questions and answers with you  
3 further so that, hopefully, they can give you more information.

4 GEORGE CARR: I'll be available.

5 JUDGE THORNBURG: Commissioner Murray has a  
6 question for you.

7 COMMISSIONER MURRAY: Yes. Thank for you  
8 bringing up the things that you have. The sewer construction,  
9 when was the last sewer construction that you were aware of?

10 GEORGE CARR: Goes on. It is ongoing.

11 COMMISSIONER MURRAY: Okay. And the last water  
12 construction is that also?

13 GEORGE CARR: Ongoing also. It's ongoing.  
14 The utilities company told us in a meeting there is approximately  
15 another half a mile of trunk sewer mains were needed to complete  
16 the system. And I have, I have been told when I have asked  
17 questions that we're not under DNR. That we're under Public  
18 Service Commission. Now, the gentlemen in Poplar Bluff don't  
19 necessarily agree with that so at this point it's not anything  
20 that I really want to feel to make an issue of. But yet I think  
21 it's a fair question because that permitting system is what  
22 provides safeguards for the construction of a system. Your depth  
23 of bury, your ten foot spacing, manhole installations, fire  
24 hydrant installations and all of that. And I have done work for  
25 other utility companies who did get permits and current permits

1 and this one struck me as very unusual.

2 COMMISSIONER MURRAY: Did you do some research  
3 at the Department of Natural Resources on this company?

4 GEORGE CARR: Yes.

5 COMMISSIONER MURRAY: Do you know if they have  
6 any notices of violation currently outstanding?

7 GEORGE CARR: I don't believe so. I don't  
8 recall anything that was, that was very glaring on it. I don't  
9 believe there are any.

10 COMMISSIONER MURRAY: But did I understand you  
11 to say also that you checked to see if they had construction  
12 permits and that it was 1983 and 1977 that the last permits that  
13 you were able to find?

14 GEORGE CARR: That's correct. Well, I thought  
15 I wrote down the water permit but the sewer permit is twenty-four  
16 0 four, twenty-four dash four 0 four, that's 1983. And at a  
17 meeting with the developer we were told that, they gave me the  
18 permit number and I have it with me. I don't have it on the  
19 sheet but that was with your one issued in 1977. That's a little  
20 unusual, I think. And, again, you know, maybe that's the legit  
21 situation. Again, we have something that makes it a little  
22 different, that being the 1986 agreement between the Public  
23 Service Commission and the utilities.

24 COMMISSIONER MURRAY: Thank you.

25 JUDGE THORNBURG: Mr. Coffman, do you have

1 questions?

2 MR. COFFMAN: Yeah. I want to make sure I'm  
3 clear. Who told you that they thought that some PSC resolutions  
4 took precedent over DNR requirements?

5 GEORGE CARR: In meetings with the utilities  
6 company they, let me give you a little bit more background. The  
7 developer, a few months ago back in the summer.

8 MR. COFFMAN: By the developer do you mean Mr.  
9 Kwan?

10 GEORGE CARR: Mr. Kwan or the owner of the  
11 utilities approached the Terre Du Lac board of directors,  
12 Property Owners Association board of directors about purchasing  
13 the utilities from him. As a result of that proposal we  
14 researched it quite a bit. I received this copy from Mr. Greg  
15 Meyer in the PSC office and we met with the people in Popular  
16 Bluff. And I have talked to the Clean Water Commission office so  
17 that's where I have my information from.

18 MR. COFFMAN: Okay. All right. Appreciate it.

19 JUDGE THORNBURG: Mr. Stueven?

20 MR. STUEVEN: No questions.

21 JUDGE THORNBURG: Thank you, sir.

22 GEORGE CARR: Thank you.

23 MR. COFFMAN: Mr. Don Douglas.

24 DON DOUGLAS: Pass.

25 MR. COFFMAN: Jim Neavill.

1 JUDGE THORNBURG: Good evening, sir.

2 JIM NEAVILL: Good evening.

3 JUDGE THORNBURG: I need to swear you in.

4 JIM NEAVILL,

5 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

6 JUDGE THORNBURG: Thank you. If you will give  
7 us your name and spell your last name and your address and  
8 whether or not you are a customer.

9 JIM NEAVILL: Jim Neavill, 513 Rue DeLeon. And  
10 I have been a customer for about four and a half years.

11 JUDGE THORNBURG: And could you give us the  
12 spelling on your last name?

13 JIM NEAVILL: N-E-A-V as in Victor, I-L-L.

14 JUDGE THORNBURG: Thank you, sir.

15 JIM NEAVILL: I have a concern. I put it in the  
16 form of a question and you just heard from Mr. Carr about an  
17 approach by the owner of the utilities company to purchase the  
18 company by the association. And my question is, if this rate  
19 increase is granted, how long would it hold true? Would it hold  
20 for a change in ownership? And the reason I pose this question  
21 is that I was caught in something like this a number of years ago  
22 where our water district changed hands and the rates went sky  
23 high. So that's my concern and question.

24 JUDGE THORNBURG: Okay. That's something that I  
25 think, perhaps, our staff attorney might address. Those types of

1 situations can be pretty fluid and I am not exactly certain what  
2 the answer would be if the utilities changed hands, what type of  
3 arrangement would be made on the rates. But if you visit with  
4 our staff afterward we might be able to give you some information  
5 on that. Were there any questions? Okay. Thank you.

6 MR. COFFMAN: Mr. John Garland.

7 JOHN GARLAND,

8 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

9 JUDGE THORNBURG: Thank you. And we'll need  
10 the spelling of your name?

11 JOHN GARLAND: G-A-R-L-A-N-D. John Garland. I  
12 live at 345 Rue Chambly. And we are water users. I have a  
13 question. There is a great deal of construction that's going on  
14 in Terre Du Lac. And is the rate increase in the water rates  
15 and the sewer rates being used to cover the extension lines and  
16 so on that are being put in for the new construction? That's the  
17 question.

18 JUDGE THORNBURG: I understand the question and  
19 I guess you would have a concern about the increase as being used  
20 for the new construction as opposed to existing customers, that  
21 type of concern?

22 JOHN GARLAND: Right. What I'm saying is are  
23 we being asked to pay for the construction that is being done,  
24 the additions to the lines and so on.

25 The other two things is sort of an echoing of

1       filtration. We are buying a filtering system, a pitcher system  
2       to filter the water in order to drink it because of the  
3       sediment in it. And we are also buying water to make coffee  
4       because the quality of the water is so poor that you can't make a  
5       decent cup of coffee with it.

6                   JUDGE THORNBURG: Do you have the problem with  
7       the iron content that was mentioned earlier?

8                   JOHN GARLAND: We don't have the iron content  
9       in the sense that it's staining our commodes or on the bowl of  
10      the commode. It's rust coded, yes. Thank you.

11                  JUDGE THORNBURG: Let me see if there are any  
12      other questions. Okay. Thank you.

13                  MR. COFFMAN: Next witness would be Carol or  
14      Cheryl Gilmer or is it Caryl Gilmer?

15                   CARYL GILMER,  
16      BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

17                  JUDGE THORNBURG: Thank you. I'll need your  
18      name and spelling and address and whether you are a customer?

19                  CARYL GILMER: It's Caryl, C-A-R-Y-L, Gilmer,  
20      G-I-L-M-E-R. I live at 1809 St. Francois. I actually live on  
21      Stoney Point Road. I have been a resident of Terre Du Lac for  
22      twenty years. I have dealt with this problem for twenty years.  
23      It has not improved in twenty years. You can guarantee during  
24      the summer where I am, I am at the end of the line. This problem  
25      has probably gotten a little bit better throughout the time but,

1 especially, during the summer it is not uncommon for me to go  
2 without water all afternoon on a Friday, Saturday or Sunday.

3 I called the emergency line. I haven't been as  
4 fortunate as some people I never get anybody to return my calls.  
5 I end up calling the police department reporting the problem and  
6 they say that they have had several other calls but I have never  
7 gotten a call back. The only way that I seem to get water is by  
8 calling the police department.

9 I have had our water tested. The last time was  
10 probably the end of last summer. Unfortunately, I can't  
11 remember. I called the health department and they forwarded me  
12 to somebody else who came out and tested the water. And I  
13 believe it was somebody from Poplar Bluff. My water  
14 smells. If you have ever lived in Florida it smells like  
15 sulphur water. It stinks. It smells like rotten eggs.

16 I also have the sediment. We also have that in our  
17 water heater. We get the lifetime units that go in at the  
18 elements. They have to be changed about every two years. They  
19 are guaranteed for life.

20 Also, I am here on my children's behalf. They are  
21 building a new home. And I do have a question is, they are  
22 required to purchase this pump. This pump is thirteen hundred  
23 dollars. It can only be ordered through Terre Du Lac. Terre Du  
24 Lac is the only place you can get this pump from, according to  
25 them. I have yet to see, my husband works on large equipment and

1       stuff and he said you could probably purchase this pump some  
2       place in the city for, approximately, five hundred dollars. We  
3       have never seen an actual bill as to how much this pump actually  
4       costs.

5               The gentleman was wondering who is paying for the new  
6       sewers and lines. I think my kids wrote a check for almost two  
7       thousand dollars to Terre Du Lac for the pump for their hook-up  
8       of water and sewer. There was something else that they had to  
9       do, too. I'm sorry, I can't remember.

10              They have received conflicting information left and  
11       right from the utilities company as far as who has to hook up  
12       this pump. They were told at one time they gave them a name of a  
13       gentleman down in Farmington who told them that it would cost  
14       them about five thousand dollars to hook up. My son-in-law just  
15       about went through the roof. Come to find out that you can  
16       basically hook it up yourself and put it in.

17              They have requested to have the water and sewer run to  
18       their home. They said they have to go ahead and purchase this  
19       pump and have it even though the sewer is not to their house yet.  
20       Although last weekend somebody came out and there is a soft spot  
21       at the end of the driveway. We thought it was the water leak.  
22       They tested it and Keith had said that there is a sign there now  
23       that says sewer. So, apparently, the sewer is to their house but  
24       Terre Du Lac didn't realize it's there. But they were told  
25       that it had another three hundred feet to get to them. That they

1 would have to have everything ready to go and whenever they were  
2 ready to put in the sewer, then they would have to tear up  
3 everything they had to be able to hook into it. Their comment to  
4 Keith was, well, we're pretty busy at the condominiums right now  
5 so we don't know when we'll get to you. So those are my concerns  
6 and my comments.

7 COMMISSIONER DRAINER: What did they tell your  
8 children the pump was for?

9 CARYL GILMER: It goes on top of the sewer  
10 system. It's something that it pumps out the water from the  
11 septic tank. The septic tank holds the waste. The water is  
12 pumped out into the sewer line.

13 COMMISSIONER DRAINER: And were they given an  
14 itemized bill?

15 CARYL GILMER: No.

16 COMMISSIONER DRAINER: Did they request an  
17 itemized bill?

18 CARYL GILMER: I don't know if they did or not.  
19 They were just given a receipt that said how much it cost because  
20 they did have to order it through Terre Du Lac so I don't believe  
21 that they have received an itemized bill actually showing Terre  
22 Du Lac's cost of this pump and what they were charging them for  
23 the pump.

24 COMMISSIONER DRAINER: I would very much  
25 appreciate it if you would, at the end of this official public

1       hearing, speak to Mr. Johanson, who is our manager of water, and  
2       give him the information on children's names and their location  
3       and what they are being charged.

4                   CARYL GILMER:   Well, they are being charged,  
5       there is a list through, I guess, it's the property owners and  
6       through the utilities company. And they have it lined out as to  
7       what, you know, six hundred dollars for this, five hundred  
8       dollars for this. It's a thousand dollars for that. So it is  
9       written.

10                  COMMISSIONER DRAINER: I would like for us to  
11       have that for the record so we may see what they are being  
12       charged and why they were being charged that. And if it's part  
13       of, the companies that are regulated by the Public Service  
14       Commission have to have their rate on file and approved by the  
15       commission. And I am concerned about the service connection  
16       charges and whether or not they have been approved. And I need  
17       to know that you're being appropriately and properly charged and  
18       not over charged.

19                  CARYL GILMER:   Well, I know that they got it  
20       when they had to get their permits to build out there. It was  
21       lined out as to who had to do that. I don't have the information  
22       but I can give him the names and they could go from there.

23                  COMMISSIONER DRAINER: I would appreciate that  
24       and I very much appreciate you coming up this evening. Thank  
25       you.

1                   COMMISSIONER MURRAY:   Yes, I have a question or  
2   two for you.  You said that you have been a twenty year resident  
3   of the area?

4                   CARYL GILMER:   Yes.

5                   COMMISSIONER MURRAY:   Has the utilities company  
6   been the same that twenty years, it has not changed?

7                   CARYL GILMER:   Yes.

8                   COMMISSIONER MURRAY:   Is the owner of the  
9   utilities company the developer?

10                  CARYL GILMER:   As far as I know, I believe Mr.  
11   Kwan has had it through the whole time.  I know there was one  
12   time when there was a dispute as to who had one.  But I think the  
13   whole thing, I believe he has been the provider for the sewer and  
14   water.

15                  COMMISSIONER MURRAY:   And one of your children  
16   is moving in to a new home within this utilities area also.  Do  
17   you know how many homes, approximately, are currently under  
18   construction?

19                  CARYL GILMER:   No, I don't.  But I know on St.  
20   Francois County Road a friend of their's is building one.  And  
21   you go down the road, they are building on Darcy and they are  
22   building one and they are having to also hook-up to the sewer  
23   lines and the water lines and all of that.  I don't, but just in  
24   that two blocks there is two homes that are going up.

25                  COMMISSIONER MURRAY:   Did the developer also

1 build in this area?

2 CARYL GILMER: I don't know. I think Mr. Kwan  
3 is building the condominium but that is not in our area. That's  
4 back by the golf courses so I don't know if he has, I know he has  
5 actual lots that he sells but I don't know if he builds any.

6 COMMISSIONER MURRAY: Thank you very much.

7 MR. COFFMAN: I wanted to go back to your first  
8 comment about the outages that you have at the end of the line.  
9 I want to make sure that the record is as clear as possible about  
10 just how many and the extent of these outages. You said that you  
11 are out of water for Friday, Saturday and Sunday the entire  
12 weekend?

13 CARYL GILMER: Not through the whole day but I  
14 can be out or out for, like, three or four hours on a Friday  
15 afternoon, from noon until six on a Saturday. Same time on a  
16 Sunday. I can't reach anyone. Eventually it will come back on.

17 MR. COFFMAN: I see. Are you saying that you  
18 are out of water during peak times during the middle of the day?

19 CARYL GILMER: Uh-huh. Yes. And usually on  
20 the weekend.

21 MR. COFFMAN: So is this a problem that, I  
22 mean, does your pressure always go down somewhat in the middle of  
23 the day?

24 CARYL GILMER: Oh, the weekend, uh-huh.

25 MR. COFFMAN: Almost every weekend?

1                   CARYL GILMER: Well, mainly during the summer  
2 but it's not unusual to lose water sometime during the night to  
3 get up and take a shower and there is no water.

4                   MR. COFFMAN: So and just so I understand how  
5 often this occurs, I mean, how many weekends out of a year might  
6 you actually have no water?

7                   CARYL GILMER: This past summer I think it  
8 probably happened three times just through the summer months. It  
9 might have been three different times.

10                  MR. COFFMAN: Three different weekends?

11                  CARYL GILMER: Yes.

12                  MR. COFFMAN: And how frequent during a year  
13 would you have very little pressure?

14                  CARYL GILMER: Oh, I have very low pressure  
15 anyway.

16                  MR. COFFMAN: Have you ever had it tested to  
17 find out how much pressure?

18                  CARYL GILMER: No. They always tell us because  
19 we are at the end of the line that that's why and we're kind of  
20 at the top of the hill.

21                  MR. COFFMAN: You know that you're entitled to  
22 a certain minimum level of pressure?

23                  CARYL GILMER: Every time that we have had, I  
24 have never had that checked. We have reported our water. We  
25 have turned it in and it always comes back as it is, you know,

1       it's considered in legal limits, whatever legal limits are. And  
2       the twenty years that I have lived there we have received several  
3       notices from Terre Du Lac utilities that they have had to have  
4       the water tested. That it has come back to where it has tested  
5       within legal limits. But I never received notice that they were  
6       sending it off to get it tested. Just the results.

7                       MR. COFFMAN:    Meaning someone from the  
8       utilities has come out to your house and tested the pressure?

9                       CARYL GILMER:   Not from the utilities, no.

10                      MR. COFFMAN:   Who tested it?

11                      CARYL GILMER:   Oh, you mean the pressure or the  
12       water?

13                      MR. COFFMAN:   The pressure?

14                      CARYL GILMER:   I haven't had anybody test the  
15       pressure.

16                      MR. COFFMAN:    Okay. And you said that you had  
17       difficulties getting a response from the utility when you  
18       contacted them about the outages?

19                      CARYL GILMER:    Yes.

20                      MR. COFFMAN:    You said that you never got  
21       anyone to return your call?

22                      CARYL GILMER:    No, I have never had a call  
23       returned other than from the police department.

24                      MR. COFFMAN:    Okay. And how often have you  
25       contacted the utilities?

1                   CARYL GILMER:     Every time that I go without  
2     water. One summer it was so bad I even started deducting from my  
3     water bill because I felt my service was so bad that why should I  
4     be paying for services when I don't have it.

5                   MR. COFFMAN:     Have you ever contacted the  
6     Public Service Commission through their eight hundred number?

7                   CARYL GILMER:     No.

8                   MR. COFFMAN:     Okay. So are you telling me that  
9     the utilities never called you back, not even late?

10                  CARYL GILMER:     Not that I can remember, no.

11                  MR. COFFMAN:     Okay.

12                  CARYL GILMER:     Like I said, I would call and  
13     the only response I could get is from the police department and  
14     then, eventually, I would start to get a trickling of water. I  
15     have never had them call me back.

16                  MR. COFFMAN:     Okay. That's amazing. Thank you.

17                  JUDGE THORNBURG:   We have another question.

18                  COMMISSIONER MURRAY:   Just one more. Do you  
19     recall receiving a, what is called a consumer confidence report  
20     from your water utilities this year, which told you what was the  
21     make-up of your water and where it comes from?

22                  CARYL GILMER:     I don't remember getting  
23     anything like that. That's not saying that I might but I don't  
24     remember receiving any information like that.

25                  COMMISSIONER MURRAY:   Okay. Thank you.

1 JUDGE THORNBURG: Mr. Stueven, did you have any  
2 questions?

3 MR. STUEVEN: No.

4 MR. COFFMAN: Ken Dalaviras.

5 KEN DALAVIRAS,  
6 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

7 KEN DALAVIRAS: My name is Ken Dalaviras,  
8 D-A-L-A-V-I-R-A-S. I live at 1358 Rue Riviera. I have been a  
9 subscriber to the utilities for, approximately, ten years. I  
10 would like to say what this lady has just mentioned about the  
11 cost to install a sewer line. I was on a septic tank for several  
12 years and I just went onto the sewer line and it does cost over  
13 two thousand dollars to change the system from a septic tank to a  
14 pressurized sewer system. So, I mean, it's something they charge  
15 everybody. And I assumed that it was within reason that's why I  
16 went ahead and paid it. I don't know if it was covered under the  
17 contract that the Public Service Commission has with the  
18 utilities company or not but it was paid for.

19 And also the sewer line, when the sewer line was  
20 installed my property borders the golf course and the golf course  
21 gave the utilities company, I assume, the right of way to put the  
22 main sewer line behind my lot, which was fine. I would rather  
23 have it there than in front of my house. But when they got  
24 finished they didn't really finish off the work they did with  
25 installing the main sewer line. The rocks and everything were

1 all laying out there and they didn't fill the hole properly.  
2 There are still sinks in the golf course behind my property and I  
3 try to keep the grass and that cut back there but that sinkage is  
4 still there and it was never filled and the sewer line was put in  
5 two years ago. And I assume that they are not going to come back  
6 and fix it. I worked for a utilities company in St. Louis and  
7 every time they tore up somebody's lawn they had to take and put  
8 sod in then and seed it and clean the sidewalks. It didn't  
9 happen in Terre Du Lac.

10 My other question is it seems like the last rate  
11 increase for the Terre Du Lac sewer and water company was twelve  
12 years ago. My question to the Public Service Commission is  
13 why did it take so long for them to come back and ask for another  
14 raise? Did they get way too much money twelve years ago because  
15 most utilities companies ask for a rate increase every three  
16 years. And it seems like when they got the rate increase twelve  
17 years ago, either it was for capital improvements, which does not  
18 show up in any part of this report. Or it was for the cost of  
19 water and sewer that we paid entirely too much money for the  
20 first eight years of this contract somewhere along the line.  
21 Will I get an answer to that from your committee later on?

22 COMMISSIONER DRAINER: You may ask them and I'm  
23 sure they will be happy to respond to you.

24 KEN DALAVIRAS: The auditing committee went in  
25 and checked their books. Now, I hoped they checked their books

1 with the intention, with the pay increases and cost of new  
2 material and supplies and that they were going to be coming and  
3 asking for a rate increase in three years. I don't mind a rate  
4 increase every couple of years but when you go twelve years and  
5 ask for a, you give an eight percent and twelve percent increase  
6 I think that's a little out of line.

7 And the other point is why is there two different  
8 rates? Why wouldn't they both be the eight point eight, for  
9 instance, one instead of a twelve point three six? Those are my  
10 questions. Thank you.

11 JUDGE THORNBURG: Let's see if we have any  
12 questions for you. Commissioner Murray has a question.

13 COMMISSIONER MURRAY: I would like to know if  
14 you recall receiving a consumer confident report from the water  
15 utility regarding the content of your water and the source of  
16 your water?

17 KEN DALAVIRAS: I did many years ago. I was a  
18 weekender and I had a mobile home there and they sent out the  
19 reports that the water, it was drinkable. It didn't really say  
20 too much more than that.

21 COMMISSIONER MURRAY: When did you say that you  
22 received that?

23 KEN DALAVIRAS: It's probably been, maybe, six  
24 or eight years ago when I was in the mobile homes.

25 COMMISSIONER MURRAY: Okay. I'm talking about

1 something that would have specifically been labeled a consumer  
2 confidence report and you would have received it sometime this  
3 year, probably, between the summer and October sometime.

4 KEN DALAVIRAS: No, I didn't receive  
5 anything like that.

6 JUDGE THORNBURG: Mr. Coffman?

7 MR. COFFMAN: No questions.

8 JUDGE THORNBURG: Mr. Stueven?

9 MR. STUEVEN: No questions.

10 JUDGE THORNBURG: Thank you, sir.

11 MR. COFFMAN: Joan Tebbenhoff.

12 JOAN TEBBENHOFF,

13 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

14 JUDGE THORNBURG: Thank you. We'll need your  
15 name and address and whether you are a customer?

16 JOAN TEBBENHOFF: My name is Joan Tebbenhoff,  
17 T-E-B-B-E-N-H-O-F-F. I live at 415 Champs Elysees in Terre Du  
18 Lac. I have been a resident there for a, been a property owner  
19 since 1972 when we paid our first water tap so I have been a  
20 customer that long. I have more of a comment than  
21 question. The fact it's about the sewer increase. We have  
22 people who have the sewer right to their door or to their  
23 property and they do not hook on to it. I know for a fact of a  
24 family that the sewer has been there since 1988 and they still  
25 don't. I don't know. Why don't they have to pay sewer rates, if

1 I have to pay them. If there is some way that these people can  
2 be brought on to the books, certainly would give them more money  
3 coming in.

4 The other thing is that I would confirm what the lady  
5 said about being out of water on weekends in the summer time,  
6 during holidays, particularly. That's not uncommon. I learned  
7 over a period of time you don't say anything, you wait. The  
8 water will come back on.

9 JUDGE THORNBURG: Thank you. You have any  
10 questions?

11 COMMISSIONER DRAINER: Only I think I'm going  
12 to let Commissioner Murray ask her question. You kept shaking  
13 your head yes.

14 JOAN TEBBENHOFF: Yes, I did get a consumer  
15 confidence report and it was recently within the last three  
16 months.

17 COMMISSIONER MURRAY: And one more question.  
18 What size are the lots in your subdivision?

19 JOAN TEBBENHOFF: My particular lot is a  
20 hundred by two hundred. I know there is some that are larger and  
21 maybe some that are smaller.

22 COMMISSIONER MURRAY: Thank you.

23 JUDGE THORNBURG: Thank you.

24 MR. COFFMAN: Jerry Taylor.

25 JERRY TAYLOR,

1 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

2 JUDGE THORNBURG: Thank you.

3 JERRY TAYLOR: I just have two points to make.

4 Being at the end of the water line not getting any pressure I

5 have got the other problem. I live up on top of a hill. You

6 want the name? T-A-Y-L-O-R. Jerry, J-E-R-R-Y. 1633 St.

7 Francois Road in Terre Du Lac.

8 JUDGE THORNBURG: Thank you.

9 JERRY TAYLOR: To continue. I live at the top

10 of a hill, one of the highest points in Terre Du Lac. I said a

11 very vulnerable thing one time at the board of directors meeting

12 that I can perform a natural function and get more water pressure

13 than we are getting. And so I finally got somebody out and they

14 came out to check our water pressure. They checked it and said

15 our water pressure is normal. I said, well, what is normal and

16 he said it's normal, it's normal. So I guess whatever he read

17 turned out to be normal. So I said, well, is there anyway you

18 can increase the pressure. He said, we do we'll blow them people

19 out down at the bottom of the hill. Why don't they get a

20 reduction pump or something. We can't do that, cost too much

21 money. So that's what I was left with.

22 And then the quality of the water. We have seven cats

23 and they are not as finicky as Morris but there are a number of

24 times they won't drink the water out of our faucet. We have to

25 get them bottled water. But sometimes the water will look like

1 soap suds coming out. Other times it looks like brown water  
2 coming out. And other times it smells like sulphur. And other  
3 times it smells like chlorine. I mean, I drank water in the  
4 Army, you know, overseas but, I mean, it wasn't as bad as some of  
5 this stuff. And we're without water four or five times during  
6 every summer. I mean, completely without water three or four  
7 hours. And I figure, you know, why give these people a rate  
8 increase if they are not even going to be effective with what  
9 they got so why increase it and that's all I wanted to say.

10 JUDGE THORNBURG: We have some questions for  
11 you. I think we have some pet owners at the commission that  
12 appreciate your comments. Commissioner Drainer.

13 COMMISSIONER DRAINER: I have ten cats, that is  
14 what he's referring to. You do have to buy bottle water for  
15 your pets?

16 JERRY TAYLOR: I mean, we'll just get them  
17 water, you know, from down at the deli or something like that out  
18 of the machine when we're out of water. And that water is bad it  
19 usually only lasts for, it's like early in the morning when it's  
20 like that we'll get them water. Of course, we have a little  
21 reservoir thing we feed them. It's an automatic waterer. The  
22 only thing we do is if it's completely out. I tried one time  
23 when we had soap in the water. Put it in the little thing and  
24 they wouldn't have anything to do with it. They are picky.

25 COMMISSIONER DRAINER: Maybe smart.

1 JERRY TAYLOR: They are that.

2 COMMISSIONER DRAINER: Is it consistent that  
3 you have poor quality of water every morning?

4 JERRY TAYLOR: I would say three or four times  
5 a year and it doesn't matter what time of the year it is. First  
6 time it happened I turned the water on and I was going to get a  
7 glass of water and I said my, God, it looks like soap. The big  
8 foam on top. Either that or somebody is giving me a pale beer.  
9 So I smelled it and it had some kind of a chemical smell to it.  
10 And I just poured it out. I wasn't going to drink it then. So I  
11 called up to the utilities. It was on the weekend and you can't  
12 get an answer when you call the emergency number. I never heard  
13 from anybody and I did talk to someone from a social number and  
14 they said they were cleaning the pipes that day. And I thought  
15 why should I have to drink what they are cleaning the pipes with.  
16 So I don't know. It's confusing. It's confusing. You never,  
17 like what's his name said, you never know what you are going to  
18 get. Whether it's poor quality water or low water pressure or no  
19 water at all.

20 COMMISSIONER DRAINER: Now, have they ever  
21 advised you ahead of time when they're going to shut the water  
22 off or clean?

23 JERRY TAYLOR: No, it's just gotcha. And if  
24 I, in the five and a half years I have been there we have only  
25 received, as far as I know, one statement of water quality. But

1       whenever this water has been bad we never received a boil order  
2       in the entire time I have been there. So how do we know that  
3       we're not getting some kind of contaminated water and who knows  
4       what we're going to catch. I haven't caught anything yet that I  
5       know of but you never know so.

6                   COMMISSIONER DRAINER:     Well, thank you very  
7       much. Okay.

8                   JUDGE THORNBURG:   We have more questions?

9                   COMMISSIONER MURRAY:   Did you receive a  
10      consumer confidence report in the mail?

11                  JERRY TAYLOR:    A water quality report?

12                  COMMISSIONER MURRAY:   Would have been called a  
13      consumer confidence report from the water utility.

14                  JERRY TAYLOR:    I don't know if that's what it  
15      was but they told us that our water had passed inspection. I  
16      just gave it a cursory reading and I thought, yeah, right, but it  
17      did.

18                  COMMISSIONER MURRAY:   But it did tell you the  
19      contents of the water and the source of the water?

20                  JERRY TAYLOR:    Yeah. We did get that and  
21      that's the first one I have ever seen. I never received anything  
22      saying the water is bad, boil it or anything.

23                  COMMISSIONER MURRAY:   Thank you.

24                  MR. COFFMAN:     You read off several problems  
25      pretty quick. I want to make sure the record is real clear about

1 the extent of your problems here. You said that it's not  
2 uncommon to be out of water for three or four hours at a time?

3 JERRY TAYLOR: Right.

4 MR. COFFMAN: Can you give me some sort of  
5 estimate about how frequently this has occurred in the last year  
6 or two?

7 JERRY TAYLOR: In the last year or two about  
8 eight or nine times. At first I thought we had some kind of a  
9 problem with our pipes and I called my next door neighbor. This  
10 was about four or five years ago and he said this happens all the  
11 time.

12 MR. COFFMAN: Can you give me a more specific  
13 estimate about how many times you may have been out of water for  
14 that duration in the past year?

15 JERRY TAYLOR: Well, the average time to be out  
16 of water is at least two hours and sometimes up to four hours,  
17 depending on, you know, the time of the week. It happens about  
18 eight or nine times a year. You never know exactly when it's  
19 going to happen. You get no warning. You just go to turn the  
20 water on and whoosh, no water.

21 MR. COFFMAN: There has never been any attempt  
22 that you are aware of to put a notice up that we're going to be  
23 flushing the line?

24 JERRY TAYLOR: No.

25 MR. COFFMAN: And you made a statement that

1       there is never any answer at the emergency number. I want to be  
2       clear. Have you ever called the emergency number?

3                       JERRY TAYLOR:     Yes. We have called the  
4       emergency number people. The manager's home, you know, is the  
5       emergency number. We have called there a number of times at  
6       night or on the weekends. We don't even get an answering machine  
7       any more.

8                       MR. COFFMAN:    Not even an answering machine?

9                       JERRY TAYLOR:     No. Of course, the last time I  
10      have had to call they may have gotten one in recently but not in  
11      the last, I think it was about a year ago was the last time I  
12      called there. I gave up on trying to call.

13                      MR. COFFMAN:    Have you ever had a communication  
14      with representatives from the utilities company about these  
15      outages?

16                      JERRY TAYLOR:    They just said it happens  
17      sometimes when they get peak usage time the water goes out. But  
18      I don't think peak usage time sometimes would be ten or eleven  
19      o'clock at night. It happens almost anytime during the day or  
20      night.

21                      MR. COFFMAN:    Have you ever contacted the  
22      utilities representative about the quality of the water?

23                      JERRY TAYLOR:    No. No. I got tired of  
24      butting my head against the wall.

25                      MR. COFFMAN:    Okay. I think that's all I

1 have.

2 JERRY TAYLOR: Okay. Thank you.

3 JUDGE THORNBURG: Thank you.

4 MR. COFFMAN: Looks like Mr. Wagner, Dan  
5 Wagner, maybe or Jan.

6 DARV WAGNER,

7 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

8 JUDGE THORNBURG: Thank you. My name is Darv,  
9 D-A-R-V, Wagner, W-A-G-N-E-R. My residence is 609 Yvette Court  
10 in Terre Du Lac. I have a residence service. I also have two  
11 commercial services within Terre Du Lac. I am in the minority  
12 as far as those who will be here complaining about the commercial  
13 rate increase because we don't have very many businesses in Terre  
14 Du Lac. We have no manufacturing facilities or anything like  
15 that. Mostly we have offices, banks. We do have a country club,  
16 which is probably the largest user of water. But the country  
17 club complex, I believe, has seventeen meters so their average  
18 meter is probably not too large. My complaint regarding the  
19 commercial aspect is that the residential rate increase is  
20 thirteen point thirteen percent when you combine water and sewer  
21 minimum service not counting any excess water usage. However,  
22 the increase on commercial is ninety-five point two percent or  
23 virtually doubling of our cost. For twelve years since 1987 the  
24 differential between the two was thirty point seven percent. And  
25 all of a sudden we have a ninety-five percent rate increase,

1       which now has a differential between residential and commercial  
2       of a hundred and twenty-five percent.

3               Now, other than the country club, I would venture to  
4       guess that every commercial customer in Terre Du Lac uses less  
5       than the five thousand gallons minimum per quarter. Uses by far  
6       less than any of the residential connections on the average.

7               I have two facilities. The one facility uses an  
8       average of, probably, two thousand to twenty-five hundred gallons  
9       of water per quarter. The other one uses in the neighborhood of  
10      seventeen, eighteen thousand gallons, which is about the same as  
11      what the residence is. I have the same size meter at both of my  
12      commercial facilities, three quarter inch meter. There is no  
13      rate on this sheet for a three quarter inch commercial meter.  
14      It's only one inch. Yet I'm paying one inch and I have no  
15      objection to the increase of commercial or residential that I  
16      have been paying all of the years is a percentage over  
17      residential. However, the ninety-five percent increase in  
18      commercial versus thirteen percent in residential is absolutely  
19      ridiculous based on the usage.

20              Now, perhaps it costs more money to treat commercial  
21      effluent than it does residential effluent. But I can't see the  
22      point. I think this is absolutely ludicrous and I have, the  
23      commercial people are being asked to subsidize areas where the  
24      commission and the utilities company owner could not agree on  
25      rates. And I think that's totally unfair to my companies and to

1 the other commercial utilities who have the same percentage I do  
2 and very little water usage. You can imagine the bank does not  
3 use very much water. A real estate company doesn't use very much  
4 water. And the association office doesn't use water constantly.  
5 We don't have sewage either and yet we're being asked to pay a  
6 phenomenal cost compared to residential service. That takes care  
7 of the portion of my complaint regarding commercial.

8 By the way, I will tell you that I do not have problems  
9 with water outages. As a matter of fact, at my home I had to put  
10 in a pressure reducer because I'm on the low elevation point of  
11 Terre Du Lac and I have over a hundred pounds of pressure at my  
12 home.

13 I have noticed sediment. Cloudiness. Some sediment.  
14 There is obviously iron. There is calcium in the water. At  
15 times it's worse than others. But I do not feel that there is  
16 anything that can be done about it within what the utilities  
17 company or the customers can afford to do. I don't believe it  
18 affects the actual quality of the water. I think it's just a  
19 nuisance factor that we have to live with. The water is being  
20 pumped from wells and unless you go to a filtering system, a  
21 major filtering system you are going to have that problem from a  
22 well.

23 I have some other comments regarding overall increase.  
24 One of the first ways in which we should approach the necessity  
25 of an increase is to look at where our savings can be made to

1     produce revenues from those services rather than to increase the  
2     cost to their customers. I think in the case of the utilities  
3     company there are numerous areas in which revenues can be  
4     increased. For example, one party this evening mentioned that  
5     someone had a sewer line available to them for many, many years.  
6     Has never been required to connect and, therefore, the revenue  
7     for sewer service has been lost to the utilities company all of  
8     the years. There are, as I understand it, still a fairly large  
9     number of residences in Terre Du Lac who have utility lines  
10    available to them in the form of sewer but who had not connected.  
11    Consequently, they do not pay the fourteen, fifteen dollars a  
12    month sewage charge. And if you have a number of them it  
13    represents quite a lot of revenue for the utilities company,  
14    which in turn is paid by the rest of us who have connected to the  
15    sewer system.

16           Now, the utilities company has a covenant on the deeds  
17    to all of our properties giving them the authority to force  
18    connection to the water and sewer line upon construction after  
19    residence. For some reason they have declined to take this to  
20    court as a civil matter to force people to connect. They have  
21    written letters. They have enjoined the association to try and  
22    convince their members to connect but that's not good enough.  
23    There are probably thousands of dollars per year of lost revenues  
24    to the utilities company by the failure to make these people  
25    connect to the system. Consequently, we, the customers, are

1       being asked to foot the bill, which could have been paid for by  
2       those customers.

3               As another example to that there has been sewer line  
4       construction in progress in Terre Du Lac, particularly heavy for  
5       the last few years. About a year ago construction was started in  
6       the Lac Lafitte area. It took about a year to get it completed.  
7       It should have been completed more quickly than that but the  
8       utility people were too busy working on other projects.  
9       However, that represented, again, a loss of a great deal of  
10      revenue from the customers around that lake who would have  
11      connected to the sewer line had it been complete. During that  
12      time some of the utilities company personnel were observed  
13      working on houses that are being constructed by the developer and  
14      by the owner of the development. It's my suggestion that the  
15      development company should have hired its own employees rather  
16      than utilize utility company employees and take them away from  
17      the work that they have at the utility company.

18             There have been some mention tonight about leaks.  
19      There is a leak almost at the entrance to Terre Du Lac on Rue  
20      Terre Bonne and I don't recall the name of the cross street, been  
21      running across the road for over a year. The utilities company  
22      claims they can't find the leak. About a week ago our Property  
23      Owners Association dug a trench through the road and put in a  
24      ditch, a pipe, rather, through the ditches to prevent the water  
25      from running across the road. It's still running but you can't

1       see it any more. It's not going across the road. Everyday that  
2       that runs it's costing each of us customers money. Because  
3       somebody is paying for the power to pump and distribute and treat  
4       that water.

5               A few weeks ago I took a little ride around a part of  
6       Terre Du Lac. I discovered four major leaks, three of which were  
7       in the pavement of the roads. A week and a half later I drove  
8       around again. They were all still there. They weren't little  
9       leaks. There are no little leaks when it comes to water leaks.  
10      Those of you who have had any experience know there is no such  
11      thing as a small leak in a pipe. When it cracks it's under  
12      pressure. It's a major leak. You're talking about thousands  
13      upon thousands upon thousands of gallons of water in a very short  
14      time. When it runs for a week and a half or two weeks you're  
15      talking a great deal of water.

16             As to line extensions. According to the tariff a line  
17      extension cost estimate has been given by the utilities company  
18      and I suppose, although it doesn't state it, that if you don't  
19      like the cost with their specific, you probably could install it  
20      yourself. Had a recent experience with an individual who just so  
21      happens, unfortunately, was less than two hundred feet from the  
22      end of the water line to corner of his property. So he was told  
23      he could not use an aerator. That he would have to connect to  
24      the sewer line. This was a Clean Water Commission or DNR  
25      regulation that if you were within two hundred feet. He told me

1 he would have to do it at his own expense and he would have to do  
2 it. As I understand it, and this is secondary hearing, they  
3 provided the pipe but he was forced to do all of the trenching  
4 and installation of this line extension.

5 Another customer who sold his house and could not get a  
6 release from the developer under the deed restriction unless he  
7 installed a sewer line connection and installed a central sewer  
8 system. Hearsay has it that the cost to him was, like, ten  
9 thousand dollars for this entire application. On the other  
10 hand, the developer has recently constructed some houses and  
11 lines were laid to those houses almost immediately.  
12 I would be interested in knowing who paid for those installations  
13 of lines? Who paid for the installations of the independent  
14 units that were used at those houses? Utilities company  
15 personnel were observed on the scene in both cases. We don't  
16 know who paid for it but we wondered who paid for it. Are we  
17 paying for it? We have a unique situation. The development  
18 company originally constructed the utility infrastructure but it  
19 was then separated out as a separate company and has been that  
20 way for a number of years.

21 The developer and utilities company are still in the  
22 same office. The development company, is to my knowledge, has no  
23 employees yet all of their work gets done. Lots get cleaned.  
24 Corners get marked. Signs get put up. First rights of referrals  
25 are issued. Sales of property are made but they have no

1 employees. Utilities company employees were doing the work of  
2 the developer. Now, perhaps this is fine. Perhaps all of these  
3 time frames of employees are being properly allocated and charged  
4 to the development company but we don't know that as residents of  
5 Terre Du Lac. All we know is that we see utilities company  
6 personnel doing Terre Du Lac work. We also see equipment that  
7 belongs to Terre Du Lac utilities being operated by utilities  
8 personnel and being used on Terre Du Lac, Inc. projects. We  
9 don't know who is paying for it. We know that they share an  
10 office. I suspect that rent is being paid to Terre Du Lac, Inc.  
11 but I don't know that. We know that phones are shared. We don't  
12 know how the expenses are shared. It's my feeling that these two  
13 companies need to be operated so that the customers have a better  
14 feeling of how the charges are being enacted against them. And  
15 the records should be checked to know that equipment is being  
16 used by one company that belongs to another is being properly  
17 billed at the going market rental rates and that the charges for  
18 labor are also being handled in such a way.

19 Another part of expense saving utilities company, as I  
20 understand it, and this may not be correct, leases a Ford  
21 Explorer for the use of the utility company. Mr. Kwan, the owner  
22 of the company, drives this vehicle predominantly. Mr. Kwan  
23 spends six months of the year in Florida. The vehicle in  
24 question sits in Mr. Kwan's garage and is not being used for six  
25 months yet the customers are paying for a twelve month cost and I

1       understand this is a leased vehicle. During the six months that  
2       Mr. Kwan is here the vehicle is used for some utility business,  
3       I'm sure. But it's also used and probably more so for Terre Du  
4       Lac, Inc.'s business. It's used to go to lunch, go back and  
5       forth to home. Used to go to airports to pick up people. A lot  
6       of personal use, probably. Why does the company need this  
7       vehicle?

8               That brings up another question of salary. I'm sure  
9       that Mr. Kwan is accepting a reasonable salary from the utilities  
10      company. What does that equate to when you consider that he's  
11      only here working actively for six months a year? If it's  
12      twenty-five thousand dollars a year, that's equivalent to fifty  
13      thousand dollars a year since he's only working here six months  
14      of the year. That's another area of savings benefit and other  
15      things also apply.

16             A few years ago at one of the well houses an addition  
17      was put on. Mr. Kwan and Mr. Kwan's secretary store their golf  
18      carts in this addition. I would like to know who paid for the  
19      addition. I would like to know whether or not a rental fee is  
20      being paid for use of that addition as golf parking for personal  
21      golf carts.

22             Also a few years ago we had a drought. The utility  
23      company donated over a million gallons of water to the country  
24      club because the reservoir was low. I would like to know did we,  
25      as members, pay this or did Mr. Kwan reimburse the utility

1 company for his donations.

2 Note on the pressure system. The pressure system does  
3 not utilize lift stations. A portion of the system in Terre Du  
4 Lac is gravity. The majority is pressure. Gravity systems, as  
5 you know, employ lift stations. Pressure systems do not. We,  
6 the customers, were providing pumps and the power to transmit the  
7 sewage through the sewage treatment facilities. But we pay the  
8 same rate as the sewer customer who does not have to extend any  
9 power. Why do we pay as much as gravity system, considering, I  
10 have both, by the way. But there is more cost to the utilities  
11 company on a gravity system because the lift stations have to be  
12 operated whereas in the pressure system the customer supplies the  
13 power to do the lift station work.

14 Utilities company has a country club membership. I  
15 can't for the life of me understand why a utilities company would  
16 need a country club membership. Perhaps, it's being paid by Mr.  
17 Kwan personally. I do not know. I think it's something the  
18 members are entitled to know. Are we paying for a utilities  
19 company country club membership?

20 One note back to the commercial rate increase. That  
21 rate increase for our country club who has seventeen meters will  
22 be approximately five thousand dollars a year. For our  
23 association, which I believe has three meters and will probably  
24 shortly have four because of another building addition, that's  
25 twelve hundred dollars a year. For myself with two commercial

1 facilities it's six hundred dollars a year. These are for  
2 facilities that don't use as much water as the average residence.  
3 Thank you.

4 JUDGE THORNBURG: Any questions? I think your  
5 comments were much appreciated. Do we have any questions, Mr.  
6 Coffman?

7 MR. COFFMAN: Yes. I just want to ask you about  
8 the leaks that you mentioned. You said that you mentioned one  
9 leak that was located, I don't know if that was the leak that had  
10 been mentioned earlier?

11 DARV WAGNER: No.

12 MR. COFFMAN: And then you mentioned there were  
13 three leaks that you had been monitoring and you believe are  
14 still problems?

15 DARV WAGNER: I don't know that they are still  
16 leaking. I know they leaked for about a week and a half.

17 MR. COFFMAN: I want to make sure we can get  
18 the locations of those leaks. I don't know if you can.

19 DARV WAGNER: One was on St. Michael's Street.  
20 One was on Rue Marseilles. And one was on Rue Martel.

21 MR. COFFMAN: You think that that would be a good  
22 enough identification for someone to, maybe, go out and find  
23 them?

24 DARV WAGNER: I believe so. And I believe the  
25 association personnel can show you exactly where they are.

1                   MR. COFFMAN:    Have you ever contacted the  
2   utility about these leaks?

3                   DARV WAGNER:   No.   The association had.

4                   MR. COFFMAN:    Okay.

5                   DARV WAGNER:    I didn't personally.

6                   MR. COFFMAN:    So are you aware of what the  
7   utilities response was?

8                   DARV WAGNER:   No, I'm not.

9                   MR. COFFMAN:    That's all I have.

10                  COMMISSIONER DRAINER:    I just want to reassure  
11   you, Mr. Wagner, I appreciate the thoroughness of your comments  
12   this evening.  And that we have three of our staff auditors here  
13   this evening and our staff auditors will and have looked at the  
14   books.  And they do look at such things as country club  
15   memberships because those types of items are kicked out of rate  
16   base.  We do not allow those to go in.  We do not allow the rate  
17   payers to have to pay for that type of an expense.  And so I  
18   appreciate your comments.  I also appreciate that having the  
19   auditors here tonight I'm sure they have listened and if there  
20   was something they missed, they will go back and review those  
21   books and they are very thorough.  And I won't say much more  
22   because I know that we only have another ten minutes or so at  
23   this public hearing and I think we have some more people that  
24   need to speak.

25                  DARV WAGNER:    I apologize for taking so much

1 time.

2 COMMISSIONER DRAINER: No. You must not  
3 apologize because it was very thorough and very well organized  
4 and every minute you spoke was valued here.

5 MR. STUEVEN: I have one quick question. You  
6 spoke about the covenants regarding required hook-up for the  
7 sewer system?

8 DARV WAGNER: Yes.

9 MR. STUEVEN: Are these from the utilities  
10 company, development company?

11 DARV WAGNER: These came from the property  
12 from the time we bought it. They were restrictions and covenants  
13 on the land and they are in favor of the utilities company as far  
14 as covenants on water and sewers.

15 MR. STUEVEN: Okay. Thank you.

16 JUDGE THORNBURG: Thanks.

17 MR. COFFMAN: Bernard Kulenburg.

18 BERNARD KULENBURG: Pass.

19 MR. COFFMAN: John Watson.

20 JOHN WATSON,

21 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

22 JOHN WATSON: John Watson. W-A-T-S-O-N. 284  
23 Rue Orleans. And I have been here about three and a half years.  
24 Okay. I am a customer. Just couple of things I wanted to say  
25 that probably most of them have already been mentioned. But one

1        thing about this dumping the sewage into the, outside  
2        contractors coming into the place and dumping it into the lagoon.  
3        I'm on Lac Carmel, by the way, and we see that quite often. And  
4        I understand it's an outside contractor that's bringing this in.  
5        And it's supposed to be, what I heard they tell me at the  
6        utilities it's a trade off because they don't have to buy a truck  
7        so they let this guy come in. Now, I don't know how that's  
8        working with our budget or not.

9                Another thing they mentioned about the sewer leaks when  
10       it rains, well, I'm around Lac Carmel. When we get an inch of  
11       rain or so it gushes out the different sewer lines. And I  
12       called them up when I first moved in because you can hear it  
13       across the lake. And I got a recording and haven't heard  
14       anything since then. And everybody else says, well, it does  
15       that all of the time.

16               And the other thing would be the aerator not working  
17       most of the time in the lagoon. That's the end of my comments.

18               JUDGE THORNBURG: Any questions? Thank you.

19               MR. COFFMAN: That's the end of the list.

20               JUDGE THORNBURG: Is there anyone that came in  
21       late that did not get a chance to sign up? If you raise your  
22       hand we have time to take another comment, if you want to come  
23       up. You may come up, if you want to offer any comments? Do you  
24       have a comment, sir?

25               HERMAN DONNELLY: Yes, I do.

1 JUDGE THORNBURG: Well, I got this gentleman  
2 first and we only have the room a few more minutes for the  
3 commission. The staff will be here a little bit afterward but  
4 we'll take you two and then we will finish up. Okay.

5 HERMAN DONNELLY,

6 HERMAN DONNELLY: Herman Donnelly,  
7 D-O-N-N-E-L-L-Y. I live at 269 Molan Rue on Lac Carmel in Terre  
8 Du Lac. I'm a customer. We had our original sewer and water  
9 hook up in 1992 before the new utilities company had it.

10 My concern is the same as all of the rest of the people  
11 that addressed tonight but a lot of mention had been made about  
12 the manhole on Lac Carmel. And it's an ongoing problem, has  
13 been. I built my home in 1992. We have owned the property, of  
14 course, since the '60's. But I wasn't aware of the manhole  
15 problem until we built our home in '92 and I happen to have a  
16 manhole in the easement between my property and the next piece of  
17 property. Never seen the water come out of that manhole. I  
18 have seen the lake four inches over the top of it and that was an  
19 extensively heavy rain. But the manhole across the road or  
20 across the lake and on the higher end of the gravity system, I  
21 have seen water shooting out of the top of the manhole. And I  
22 questioned the people with the utilities company. Got on pretty  
23 good speaking terms with some of them. And I asked them, I said,  
24 well, what is causing all the water. And well, we're not  
25 sure. I said, well, I'm sure. Somebody has got downspouts

1 hooked to a sanitary sewer, which is against the law. I said why  
2 don't you put dye, go down the line, put dye in the downspouts.  
3 Turn the hose on and check your manholes down stream on the sewer  
4 system. If you don't get anything out of that color dye, fine,  
5 that one is not hooked up. Go to the next. We can't do that,  
6 that would be trespass. Don't sound right to me. That's all I  
7 have.

8 JUDGE THORNBURG: Thank you. Any questions?  
9 Thank you, sir.

10 NILE MEYER,

11 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

12 NILE MEYER: My name is Nile, N-I-L-E, Meyer,  
13 M-E-Y-E-R. I live at 1677 Rue De La Paix in Terre Du Lac. I  
14 would like to review what Mr. Pogorzelski said something about  
15 the water meter reader coming around. I happened to be outside  
16 one day when one of the meter readers came by to read my water  
17 meter. The gentleman that read the meter, I don't remember what  
18 day of the month it was, as far as that goes. But he informed me  
19 that they only read the meters once every six months instead of  
20 once every three months. They automatically bill you the  
21 twenty-one twenty-six, which is the minimum for the first three  
22 months and they don't bother reading the meter. They only read  
23 the meter once every six months and then bill you for the total  
24 difference.

25 The other thing is on the leak that was on St.

1 Michael's. There was a leak there. They came out and repaired  
2 the leak and, evidently, they didn't do a good job because about  
3 less than a month later it started leaking. And it leaked for  
4 well over a month where you were driving through water. As a  
5 matter of fact, during the winter one time they even had to  
6 spread salt on it because it froze over. They finally came back  
7 and repaired it a second time but I don't know how much water  
8 leaked through it in the meantime. That's the only two comments  
9 that I have.

10 JUDGE THORNBURG: Questions? Okay. Thank you.  
11 Is there anyone else that wanted a minute for a comment?

12 ALICE WALDRUP: I have a quality report, if  
13 you want it entered in, on the water.

14 JUDGE THORNBURG: From the utilities company?

15 ALICE WALDRUP: What they sent us when they  
16 sent us the notice of the meeting.

17 JUDGE THORNBURG: It's a notice of this meeting?

18 ALICE WALDRUP: Yes. Of the notice of this  
19 meeting. They also included, it says this report is being  
20 furnished by with the Department of Natural Resources  
21 requirements and waste in our water.

22 JUDGE THORNBURG: That was in the same mailing?

23 ALICE WALDRUP: It's dated the 5th of November,  
24 1999.

25 JUDGE THORNBURG: If that's an extra copy, you

1 want to leave that with us.

2 COMMISSIONER DRAINER: Ma'am, we're going to  
3 swear you in.

4 ALICE WALDRUP,  
5 BEING DULY SWORN BY THE JUDGE, TESTIFIES AS FOLLOWS:

6 JUDGE THORNBURG: Would you give us your name  
7 and spelling?

8 A Alice, A-L-I-C-E, Waldrup, W-A-L-D-R-U-P. And I  
9 live at 16175 Rue Orleans. And I'm submitting the report that  
10 was sent to us from the utilities on the Natural Resources  
11 requirement from Terre Du Lac utilities corporation MO4036059,  
12 1998 Annual Water Report. And it was mailed in our September  
13 30th, 1999, notice of the meeting.

14 COMMISSIONER DRAINER: I wish to thank  
15 everybody for coming this evening for staying. For all of your  
16 comments. We do take those back with us. And by having a  
17 transcript the other three commissioners are then able to read  
18 all of the statements in their entirety. We do have staff  
19 members that will stay to answer questions that you have. We  
20 were here to listen tonight to get your concerns to take those  
21 back with us and to weigh those in making this decision. And we  
22 are very grateful to you for the time that you have given us.  
23 And it is greatly appreciated and it will be taken quite  
24 seriously, I assure you.

25 JUDGE THORNBURG: Thank you.

1 (MEETING ADJOURNED 8:00 P.M.)

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