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1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION

3
4 TRANSCRIPT OF PROCEEDINGS

5 Public Hearing

6
7 January 19, 2006
8 Jefferson City, Missouri
9 Volume 1

10 In the Matter of Hickory Hills)
11 Water & Sewer Co.'s Request for a)Case No. SR-2006-0249
12 Small Company Rate Increase)

13 In the Matter of Hickory Hills)
14 Water & Sewer Co.'s Request for a)Case No. WR-2006-0250
15 Small Company Rate Increase)

16 STEVEN C. REED, Presiding
17 REGULATORY LAW JUDGE

18 JEFF DAVIS, Chairman,
19 LINWARD "LIN" APPLING,
20 COMMISSIONERS

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A P P E A R A N C E S

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For Staff of the Missouri Public Service Commission:

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For Hickory Hills Water & Sewer Company:

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Mr. Randy Clifford

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

2 JUDGE REED: We're going to start the
3 formal part of the proceeding this evening, and
4 we're going to go on the record.

5 My name is Steve Reed. I am the
6 Regulatory Law Judge who is assigned to preside
7 over this case. This case this evening is the
8 case of Hickory Hills Water & Sewer Company's
9 request for a small company rate increase for
10 water and sewer services. The case numbers are
11 SR-2006-0249 and WR-2006-0250.

12 This is a local public hearing in
13 California, Missouri where customer comments
14 about the cases are sought. The Commission --
15 the Public Service Commission is comprised of
16 five commissioners appointed by the Governor to
17 a fixed term and confirmed by the Missouri
18 Senate.

19 There are two commissioners with us here
20 this evening. To my right is Commissioner Jeff
21 Davis, the Chairman of the Public Service
22 Commission. To my left is Commissioner Lin
23 Appling.

24 The Commission employs a staff of
25 engineers, accountants, attorneys and other

1 specialists in the field of utility regulation.
2 The purpose of the hearing tonight is to give
3 you, the public, an opportunity to comment
4 about Hickory Hills' requested rate increases.

5 This is an official hearing of the Public
6 Service Commission, and it will become part of
7 the record so that if you want to provide
8 comments this evening, you must do so under
9 oath.

10 For those who signed the list to testify
11 which I have up here now, I'll call your name.
12 Please approach the podium, raise your right
13 hand and be sworn. State your name to begin
14 with and spell it so that the court reporter
15 can get it right. When you finish your
16 comments, please stay at the podium because the
17 Commissioners or the parties may have questions
18 for you.

19 This is a -- the formal part of the
20 proceeding. It's transcribed and recorded, as
21 I said. So please withhold any remarks or
22 applause while others are testifying.

23 Are there -- are there any representatives
24 here -- electric representatives here this
25 evening, Senators, Mayor or anybody like that?

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1 I don't see any hands.

2 Okay. We do have representatives --
3 representatives of the parties here tonight.
4 And I'll ask at this time that they make their
5 entry of appearance on the record. Let's start
6 with the Staff of the Public Service
7 Commission.

8 MR. BERLIN: Appearing on behalf of
9 the Staff of the Public Service Commission,
10 Robert S. Berlin, Post Office Box 360,
11 Jefferson City, Missouri 65102.

12 JUDGE REED: And from the Office of
13 Public Counsel?

14 MR. MILLS: Thank you. May it please
15 the Commission, my name is Lewis Mills. My
16 address is Post Office Box 2230, Jefferson
17 City, Missouri, 65102. I'm appearing on behalf
18 of the Office of Public Counsel and the public.

19 JUDGE REED: And appearing this
20 evening for Hickory Hills Water & Sewer
21 Company?

22 MR. CLIFFORD: Randy Clifford. My
23 address is P.O. Box 297, Tipton, Missouri,
24 65081.

25 JUDGE REED: Thank you. All right.

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1 Before we get started, do the Commissioners
2 want to make any opening remarks? Commissioner
3 Appling?

4 COMMISSIONER APPLING: No.

5 JUDGE REED: Mr. Chair?

6 CHAIRMAN DAVIS: Well, I just want to
7 thank everyone for coming. You're -- we do
8 appreciate your input, and I look forward to
9 hearing from you. And we'll try to get to
10 everyone as quickly as possible. Thank you.

11 JUDGE REED: Okay. I'm going to
12 start with the witness list, and I'm just going
13 to go down the list. When I call your name,
14 please come up to the podium. Randy Clifford?

15 RANDY CLIFFORD,
16 being first duly sworn to testify the truth, the whole
17 truth, and nothing but the truth, testified as follows:

18 JUDGE REED: Okay. Go ahead.

19 MR. CLIFFORD: I would like to say
20 that there -- in the meeting preceding the
21 hearing, there was a good bit of confusion on
22 what different things are going on with the
23 company as far as with the compliance with DNR.
24 DNR has filed in this case that the company is
25 in compliance while the company has letters

1 stating that the company has been requested to
2 make improvements to meet compliance.

3 JUDGE REED: Mr. Clifford, would you
4 state your name, please, for us to make sure --

5 MR. CLIFFORD: Randy Clifford.

6 JUDGE REED: All right. Go ahead.

7 MR. CLIFFORD: There's a good bit of
8 confusion about what the owners actually take
9 out of the company for compensation. What the
10 staff has determined the compensation should be
11 and what the company is actually taking is
12 conservative, a different amount of money.

13 The company has made an attempt to make up
14 -- upgrades. The company came to the Staff in
15 -- in an attempt to raise capital to make the
16 improvements, asked the Staff if the Commission
17 would make some type of agreement that they
18 would raise rates to -- to meet the loan
19 payments. And Staff was reluc -- was reluctant
20 to do so. They didn't feel that the Commission
21 would approve such a rate increase.

22 The company is -- is in a bad situation
23 here. We're getting letters from DNR where we
24 -- the companies discharged from it had a
25 definite timeline to make improvements. The

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1 company is unable to meet that timeline because
2 we're unable to obtain the capital needed to
3 make the improvements.

4 It's very confusing to the company as well
5 as to the customers. It's why we're in this
6 situation. The company is reluctant to spend
7 any more money on improvements or engineering
8 or what have you because of the history the
9 company has with the Commission.

10 The company has made improvements in the
11 past that the Commission has denied rate
12 increases to cover the cost for it. And until
13 we can get some type of agreement, until we can
14 get everyone clear on what's needed and what
15 it's going to cost to do, we're -- we're in a
16 bad spot.

17 I realize this public hearing is not --
18 has nothing to do with improvements, per se.
19 But it sets precedents as to how the company
20 should proceed. If the company cannot obtain
21 rate increases to meet current operating costs,
22 it has no real expectation that it will be able
23 to receive rate increases to -- rate increases
24 to meet additional costs for -- for
25 improvements.

1 JUDGE REED: Is that all you have,

2 Mr. --

3 MR. CLIFFORD: I believe that's all.

4 JUDGE REED: All right. Are there
5 any questions from Commissioner Appling?

6 COMMISSIONER APPLING: Go to Jeff,
7 please.

8 JUDGE REED: Mr. Chairman?

9 CHAIRMAN DAVIS: Mr. Clifford -- Mr.
10 Clifford, I've been on the Commission for
11 approximately 19 months now, so I was present
12 when Hickory Hills came in last year and
13 requested a substantial rate increase that we
14 granted. Is that correct?

15 MR. CLIFFORD: Yes.

16 CHAIRMAN DAVIS: And I guess I'm not
17 aware of any -- had you requested rate
18 increases in the past?

19 MR. CLIFFORD: It had been several
20 years since the previous rate request. And in
21 previous rate cases, the company was
22 intimidated by the Staff that we dealt with.
23 And in -- in some of those cases, the company
24 did not receive all of the rate requests that
25 they had asked for.

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1 And I understand that the Commission
2 changes, the Staff changes and -- and I'm not
3 saying that the people currently involved in
4 this case are at any -- in any way included in
5 those past cases. But as a whole, in dealing
6 with the Commission, the company does have --
7 has had issues in the past.

8 CHAIRMAN DAVIS: Okay. I don't want
9 to take up any of the -- these people's time
10 here because this is an opportunity for them to
11 testify. But if you'd like to put something in
12 writing --

13 MR. CLIFFORD: okay.

14 CHAIRMAN DAVIS: -- to the
15 Commission, I'd certainly appreciate that.
16 What is your relationship to Hickory Hills
17 Water & Sewer?

18 MR. CLIFFORD: I am the owner and
19 operator.

20 CHAIRMAN DAVIS: Okay. Now, did you
21 develop these homes?

22 MR. CLIFFORD: No.

23 CHAIRMAN DAVIS: Okay. So you're
24 just -- how did you come to own and operate
25 this water and sewer company?

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1 MR. CLIFFORD: We purchased it from
2 the previous owner, which had purchased --
3 purchased it from the original -- or I won't
4 say the developer, but from the person involved
5 with the original developer.

6 CHAIRMAN DAVIS: Okay. And so how
7 long have you owned Hickory Hills Water &
8 Sewer?

9 MR. CLIFFORD: Approximately 14
10 years, I think. I'm not sure.

11 CHAIRMAN DAVIS: Okay. Approximately
12 16 years. And in that 16 years, how many times
13 would you estimate that you've requested rate
14 increases?

15 MR. CLIFFORD: This is the fourth --
16 either a fourth or fifth rate increase.

17 CHAIRMAN DAVIS: And we granted you a
18 big rate increase last year. And you're here
19 back -- you're here to tell us that that wasn't
20 enough then?

21 MR. CLIFFORD: Yes. And what -- what
22 the Staff and the company has agreed upon now
23 is not adequate. The Staff -- when the
24 Staff --

25 CHAIRMAN DAVIS: You're saying that

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1 what we -- what -- even -- you're saying that
2 even what -- what is currently here on the
3 table that we're talking about tonight is still
4 not enough?

5 MR. CLIFFORD: Yes. The Staff when
6 it audited the books have recommended that --
7 or have made note that the company would have
8 been qualified for a bigger rate increase on --
9 in sewer had -- had we asked for it.

10 CHAIRMAN DAVIS: Your sewer system,
11 do you have a lagoon? Or what do you have?

12 MR. CLIFFORD: Single cell lagoon.

13 CHAIRMAN DAVIS: And you're aware
14 that there are some new environmental
15 regulations --

16 MR. CLIFFORD: Very much so.

17 CHAIRMAN DAVIS: -- probably going
18 to --

19 MR. CLIFFORD: Very much aware, yes,
20 sir.

21 CHAIRMAN DAVIS: -- that are probably
22 going to force that lagoon to close or you're
23 going to have to do something else and it's
24 going to cost -- it's going to cost a bunch of
25 money?

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1 MR. CLIFFORD: Yes. And that's what
2 I was leading to there. But this -- this rate
3 increase as being -- setting precedents, these
4 improvements, we're on a definite timeline to
5 make these improvements, and we're not meeting
6 that timeline because we're not currently
7 meeting expenses. And we cannot raise
8 capital --

9 CHAIRMAN DAVIS: You're not -- let me
10 -- let me get this straight. With the rates
11 that you're charging right now, which is
12 roughly \$28 -- with \$40 a month that you're
13 taking in off water and sewer, you can't cover
14 your bills right now?

15 MR. CLIFFORD: No.

16 CHAIRMAN DAVIS: And are you -- are
17 you paying yourself a salary out of that?

18 MR. CLIFFORD: Yes. We take out of
19 the company for salaries and automobile
20 expense. We take \$500 a month, plus we have --
21 the company contributes to a retirement fund at
22 \$35 a month for myself and my wife.

23 CHAIRMAN DAVIS: So it's \$35 each?

24 MR. CLIFFORD: No.

25 CHAIRMAN DAVIS: Total?

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1 MR. CLIFFORD: Total.

2 CHAIRMAN DAVIS: And is that \$500 a
3 month?

4 MR. CLIFFORD: Total.

5 CHAIRMAN DAVIS: Total. So 535?

6 MR. CLIFFORD: Yes.

7 CHAIRMAN DAVIS: And then -- and
8 what's the -- what's the car going to run you a
9 month? Was that a complete car payment?

10 MR. CLIFFORD: No. The \$500 we take
11 out is -- our mileage is included in that \$500.

12 CHAIRMAN DAVIS: Oh, your mileage is
13 included?

14 MR. CLIFFORD: Yes.

15 CHAIRMAN DAVIS: Okay. So 535. How
16 much did you pay for this company when you
17 bought it?

18 MR. CLIFFORD: Twenty-five thousand
19 dollars.

20 CHAIRMAN DAVIS: And how much money
21 have you invested of it in your own money?

22 MR. CLIFFORD: Currently, I have
23 guaranteed loans at the bank of \$10,000 that
24 the company owes, plus or minus. I don't know
25 the exact figure there. Other than that, we

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1 have in -- in -- I can't give you an exact
2 number.

3 CHAIRMAN DAVIS: Okay.

4 MR. CLIFFORD: I have secured several
5 loans -- personally secured several loans with
6 the company to keep it in operation.

7 CHAIRMAN DAVIS: Right. But you've
8 never had to invest any more of your own money
9 into the company?

10 MR. CLIFFORD: No.

11 CHAIRMAN DAVIS: Okay. How many
12 hours a week do you spend doing company
13 business?

14 MR. CLIFFORD: I logged 675 hours
15 last year. The varies from day to day. The in
16 -- Department of Natural Resources requires the
17 water to be tested daily for chlorine content.
18 It -- with the exception of times when I'm on
19 vacation, I'm -- I'm there every day to test
20 that.

21 And then, of course, all the other
22 maintenance, upkeep and what have you, I do
23 most of that myself. I only use contractors
24 when we have a breakdown or something like that
25 to where I need extra help.

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1 CHAIRMAN DAVIS: Okay. All right,
2 Judge. No further questions.

3 JUDGE REED: Thank you. Commissioner
4 Appling, do you have something?

5 COMMISSIONER APPLING: Mr. -- Mr.
6 Clifford, can you hear me?

7 MR. CLIFFORD: Yes.

8 COMMISSIONER APPLING: Okay. Well,
9 what is the capacity -- are you -- are you
10 within the capacity for your lagoon? You don't
11 have any problems now?

12 MR. CLIFFORD: We're -- we're at full
13 capacity.

14 COMMISSIONER APPLING: Full?

15 MR. CLIFFORD: Close to it.

16 COMMISSIONER APPLING: And how many
17 homes are you talking about?

18 MR. CLIFFORD: There are 48 -- or 47
19 sewer connections.

20 COMMISSIONER APPLING: Okay.

21 MR. CLIFFORD: The -- without
22 referring to the discharge permit, I believe
23 it's 164 persons listed on the discharge
24 permit. But that -- that could be -- I'd have
25 to refer to that to be accurate.

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1 COMMISSIONER APPLING: All right. I
2 know there's a lot of other people today, too.
3 But I just want you to describe for me, very
4 briefly, what's the condition of the equipment
5 that you have? Fair, good or --

6 MR. CLIFFORD: The -- the pump and
7 the well was replaced in September. It's in
8 good condition. The mains and manholes are in
9 fair condition for their age. They were
10 installed in the 1970s and with no major
11 improvements there.

12 And the lagoon is in very poor condition.
13 It was poorly constructed, poorly designed and
14 has had no improvements.

15 COMMISSIONER APPLING: Would you
16 describe that the regulations and the
17 requirements, the new requirements, that is,
18 that DNR is causing you not to be -- make a go
19 at this at the present time?

20 MR. CLIFFORD: Could you repeat the
21 question?

22 COMMISSIONER APPLING: I mean, the
23 new regulation and the standards that you're
24 going to have to meet for DNR standards, is
25 that your biggest problem right now?

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1 MR. CLIFFORD: Yes. We have been
2 compliant with DNR's regulations for low water
3 pressure, with the exception of times when
4 there has been a main break or damage by -- by
5 contractors. Or when the pump was down for
6 repair.

7 The incidents of sewer back-up in the
8 homes is relatively low because of the
9 maintenance program and such. And so all in
10 all, the biggest concern I have is meeting DNR
11 requirements.

12 COMMISSIONER APPLING: Thank you,
13 sir. Judge, that's all the questions.

14 MR. CLIFFORD: Thank you for allowing
15 me to speak.

16 JUDGE REED: Mr. Clifford, hold on a
17 second. Mr. Berlin, do you have any -- any
18 questions?

19 MR. BERLIN: No questions at this
20 time.

21 JUDGE REED: Thank you. Mr. Mills?

22 MR. MILLS: You bet. Is this one on?

23 CHAIRMAN DAVIS: Sounds hot to me.

24 MR. MILLS: Okay. We may have a
25 chance to -- to have an exchange in Jefferson

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1 City in a little while, so I'm not going to
2 take a little lot of time tonight. But let me
3 just -- let me just start out this way. You've
4 owned the company for roughly 16 years?

5 MR. CLIFFORD: Yes.

6 MR. MILLS: You must have a good feel
7 for where the money is going to.

8 MR. CLIFFORD: Yes.

9 MR. MILLS: You were awarded a rate
10 increase last year that covered salaries of
11 what, in the neighborhood of \$14,000, but
12 you're taking -- you're taking only \$500 a
13 month out?

14 MR. CLIFFORD: Yes.

15 MR. MILLS: So right there, there's a
16 lot more money going in than you're taking out.

17 MR. CLIFFORD: Yes.

18 MR. MILLS: Where's it all going to?

19 MR. CLIFFORD: The expenses are all
20 documented. The auditors had all the invoices.
21 You have, of course, a normal operation,
22 electricity and chemicals and so forth, repair
23 costs.

24 MR. MILLS: So just --

25 MR. CLIFFORD: Insurance.

1 MR. MILLS: Okay. I didn't mean to
2 interrupt you, but let's just take a couple of
3 those as we go along. Are the rates that
4 you're currently charging not covering your
5 electric bills?

6 MR. CLIFFORD: Well, it -- it
7 depends. If you consider me working for \$5 an
8 hour so I can pay the electric bill, yeah, the
9 electric bill is getting paid, but I'm not
10 getting paid very well.

11 MR. MILLS: Okay. Chemicals for
12 testing, are those getting covered?

13 MR. CLIFFORD: Chemicals for testing
14 and enzyme additives for the lagoon to enhance
15 its performance.

16 MR. MILLS: So, really, the big
17 shortfall is that you're not able to draw the
18 salary that's reflected in the rate
19 calculation? Is that your estimation?

20 MR. CLIFFORD: That's part of it.
21 But --

22 MR. MILLS: Okay.

23 MR. CLIFFORD: -- the company has to
24 show a profit -- any business must show a
25 profit to stay in business. If I were to take

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1 what the Staff has recommended for my salary,
2 the company would be very deep in the red.

3 MR. MILLS: Well, you said the
4 company's entitled to show a profit. What
5 exactly is your -- is your return on rate base,
6 for example, for your sewer operation?

7 MR. CLIFFORD: I'm not an accountant.
8 I'm -- could you maybe ask that --

9 MR. MILLS: Would it surprise --
10 would it surprise you to know that Staff has
11 calculated that as \$38 a year, that that's the
12 profit you should be earning on the assets in
13 the ground?

14 MR. CLIFFORD: No.

15 MR. MILLS: Does that sound about
16 right?

17 MR. CLIFFORD: That, I would -- I
18 would -- in my opinion, I should be making a
19 percentage of the \$25,000 we -- we paid for the
20 company. Any investor, if you put your money
21 in the stock market or any company, you should
22 expect some return and dividend or increased
23 value or something.

24 And I -- like I said, I'm not an
25 accountant. I don't know. But based on the

1 money that we're actually taking out of the
2 company, it -- I don't allow anything for
3 profit, per se, for my investment. If I just
4 take what we take out and take off mileage, I
5 make about \$5 an hour.

6 MR. MILLS: Let's -- let's talk about
7 your salary and your mileage. You said you
8 logged 675 hours last year?

9 MR. CLIFFORD: Yes.

10 MR. MILLS: When do you start
11 charging time with the company and when do you
12 stop? Is it when you arrive at the plant or
13 when you leave your home?

14 MR. CLIFFORD: I charge basically a
15 minimum of an hour a day. I think Jim had
16 alluded that there were some days with
17 three-quarters of an hour, half an hour. It --
18 it depends on -- if I'm in the area, I may --
19 the probably the days where I log less than an
20 hour was I was in the area and -- and just
21 stopped just to do company business.

22 But if I leave home, I generally charge an
23 hour minimum is what I write down. I think any
24 service industry you go to, there's generally a
25 minimum charge. And I feel the hour minimum is

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1 well within line, seeing that I'm on call 24/7
2 365 days a year and there's no -- nothing
3 billed into this rate structure to -- to
4 accommodate for that.

5 MR. MILLS: Who -- who requires you
6 to log your hours? Is that something that the
7 Commission Staff has requested for rate
8 purposes, or is that something that DNR
9 requires?

10 MR. CLIFFORD: I don't know that
11 anyone has told me I must log my hours. But
12 I've learned from experience that if I don't
13 have hours and time logged, it's difficult to
14 obtain rate increases to cover those hours.

15 MR. MILLS: So there are no real
16 standards that you're aware of that govern how
17 you should be recording your time?

18 MR. CLIFFORD: Not that I am aware of
19 no.

20 MR. MILLS: Okay. So let's just --
21 let's just talk about an example that -- that
22 some of your customers have talked about. Say
23 your -- leave your home in the morning, you're
24 on your way to work in Jefferson City. You
25 stop by the system to check things out. You

1 spend 15 minutes, half an hour at the system.

2 How much time would you log?

3 MR. CLIFFORD: As I stated earlier,

4 I've been -- I'm now logging an hour minimum.

5 MR. MILLS: Okay. Let's talk about

6 mileage. Same situation. You're on your way

7 home -- from your home in Tipton to your job in

8 Jefferson City, and you stop by here to check

9 out the system. How many miles would -- would
10 you record?

11 MR. CLIFFORD: Twenty-two miles.

12 MR. MILLS: Okay. Twenty-two miles
13 each way or --

14 MR. CLIFFORD: No. Total.

15 MR. MILLS: Twenty-two miles for that
16 trip?

17 MR. CLIFFORD: Yes.

18 MR. MILLS: Okay. That's all the
19 questions I have right now. Thank you.

20 JUDGE REED: Thank you. Anything
21 else from the bench? Thank you, Mr. Clifford.

22 MR. CLIFFORD: Thank you.

23 JUDGE REED: Bud Parry?

24 MR. PARRY: I'll pass.

25 JUDGE REED: Thank you. Bob Markham?

1 Mr. Markham, raise your right hand, please?

2 BUD MARKHAM,

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

5 JUDGE REED: State your name, please,
6 and spell it for us.

7 MR. MARKHAM: My name is Robert
8 Markham, M-a-r-k-h-a-m.

9 JUDGE REED: Thank you. Go ahead.

10 MR. MARKHAM: Thank you for this
11 opportunity, sir. Mr. Clifford, I would like
12 to say I think he's a very nice person, and
13 none of this is personal.

14 But I've lived in Hickory Hills since
15 August of '93, so a little over 12 years. And
16 I've absorbed the rate increases and wondered
17 at times why they had to go up over a hundred
18 percent.

19 And one thing to be certain, there's quite
20 a few of us who live in this community that are
21 retired and are on fixed incomes and sort of
22 swimming upstream, it seems like. And we take
23 pride in our homes and so forth. This is just
24 very hard for us to absorb with things going on
25 the way that they are.

1 I would like to tell the Commission that
2 110 and 140-some percent increases, we'd have
3 to give us something else, you know. And we're
4 in that category where some of them may have to
5 give up their medications or whatever. And I
6 know we're not the only people in the world
7 with these kind of problems, but I just wanted
8 you to be aware of where we stand.

9 And, also, it's hindered our opportunity
10 to sell our homes. There are quite a few of
11 them that are nice homes. And the market is
12 just -- there's no market for a home where
13 everything is so unsettled.

14 And that's about all I have to say at this
15 time. I appreciate you giving me the
16 opportunity.

17 JUDGE REED: Thank you, Mr. Markham.
18 Commissioner Appling?

19 CHAIRMAN DAVIS: Mr. Markham?

20 MR. MARKHAM: Oh, I'm -- excuse me,
21 sir.

22 CHAIRMAN DAVIS: Oh, I'm -- I'm
23 sorry. Judge, did you want to ask --

24 JUDGE REED: No. Go ahead.

25 CHAIRMAN DAVIS: Okay. You've been a

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1 resident since '93?

2 MR. MARKHAM: Yes.

3 CHAIRMAN DAVIS: Okay. And last
4 year, we -- we approved a -- a big rate
5 increase.

6 MR. MARKHAM: Yes, sir.

7 CHAIRMAN DAVIS: Now, prior to that,
8 had there been one in a while? I mean, do you
9 recall?

10 MR. MARKHAM: There had been one,
11 yes, but I don't have it put into memory, sir.

12 CHAIRMAN DAVIS: Okay.

13 MR. MARKHAM: And it wasn't nearly
14 anything like that the percentages we
15 experienced last June.

16 CHAIRMAN DAVIS: Right. But in terms
17 of, you know, before, when you were paying, you
18 know, and the -- and the price went up -- I
19 mean, I don't remember exactly what the amount
20 was, but I think \$5 plus a month for water is
21 pretty cheap, isn't?

22 MR. MARKHAM: I've never paid
23 anything that cheap, no, sir.

24 CHAIRMAN DAVIS: Okay.

25 MR. MARKHAM: I think the cheapest

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1 bill I've had has been \$18.

2 CHAIRMAN DAVIS: And is that for
3 water and sewer?

4 MR. MARKHAM: Yes.

5 CHAIRMAN DAVIS: Okay. Did you think
6 -- think that was pretty reasonable?

7 MR. MARKHAM: I thought it was.

8 CHAIRMAN DAVIS: Okay. And so do you
9 think that the rates that you're paying right
10 now, which I think -- I mean, according to my
11 numbers, the average -- the average rate for a
12 customer in Hickory Hills is about \$40 a month
13 for water and sewer now.

14 MR. MARKHAM: Well, mine's been
15 running around 48.

16 CHAIRMAN DAVIS: Okay. So do you --
17 do you think that's -- do you think that's
18 fair? Or do you think that's a little high?

19 MR. MARKHAM: Well, I think it's a
20 little high, but we're living in inflated
21 times. I realize that.

22 CHAIRMAN DAVIS: Okay. Thank you,
23 Mr. Markham. Thank you for coming tonight. I
24 appreciate your input. I don't have any
25 further questions, Judge.

1 COMMISSIONER APPLING: Mr. Markham, a
2 couple of questions.

3 MR. MARKHAM: Yes.

4 COMMISSIONER APPLING: First of all,
5 thank you for coming out tonight. Okay? First
6 question is would you describe for me, just
7 briefly, since you've been there for 12 years
8 what is the service like at the present time?

9 MR. MARKHAM: Well, I've had two
10 back-ups of the sewer into my basement. And
11 they were addressed, I'd say, in a rapid
12 manner. Mr. Clifford, every time I've called
13 him, he's responded in a rapid manner. I have
14 no complaint in that department.

15 COMMISSIONER APPLING: Okay. Thank
16 you very much, sir. Thank you for coming out.
17 Appreciate it.

18 JUDGE REED: Mr. Berlin, do you have
19 anything for Mr. Markham?

20 MR. BERLIN: No, your Honor.

21 JUDGE REED: Mr. Mills?

22 MR. MILLS: No questions. Thank you.

23 JUDGE REED: Thank you, Mr. Markham.

24 Darlene Matthews?

25 MS. MATTHEWS: I'll pass.

0030

1 JUDGE REED: Thank you. Lorine
2 Parry? Did I say that right?

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

6 JUDGE REED: Thank you. State your
7 name and spell your last name.

8 MS. PARRY: My name is Lorine Parry,
9 L-o-r-i-n-e, last name is Parry, P, as in Paul,
10 a-r-r-y.

11 JUDGE REED: Go ahead.

12 MS. PARRY: Okay. If I understood
13 Mr. Crocker correctly, he said he took \$35 a
14 month total for the two of them per month,
15 which, to me, would figure \$420. And yet on
16 our expense, it looks like \$1,404 for -- for
17 retirement and benefits.

18 On July 21st, I had a copy of a letter
19 that Mr. Crawford (sic) sent to the Secretary
20 of the Commission of Public Service Commission
21 in which he was asking for this raise that
22 you're thinking about now for the 2,000 in the
23 water system and the 2500 in the sewer system.

24 And, also, at the last of one of the
25 paragraphs, he said, In addition, the company

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1 asks for a debt reduction surcharge in the
2 amount of \$15 per customer per month for 24
3 months. That was on July 21st.

4 On the 27th, we received a letter from
5 Mr. Crawford talking about a -- a meeting, and
6 he was talking about the expenses that was
7 coming up, the \$300,000 that I think has been
8 mentioned before and that we were looking at a
9 bill of \$127.50 cents a month using 6,000
10 gallons of water.

11 Then on August -- no. Excuse me. On
12 September 9th, we received the letter in regard
13 to this raise of the 2,000 and the \$2500 that
14 he's requesting. And yet in this letter, he
15 never mentioned the \$15 flat fee that he wanted
16 each month from us. We got that from another
17 source somewhere.

18 The other thing I had to say is that for
19 almost a year, our address has been used as the
20 address for Hickory Hills Water & Sewer. And
21 we get mail in our mailbox. I don't know. He
22 said he was going to correct that, but he
23 didn't.

24 The other thing I would like to note is
25 that I asked a question earlier about -- on our

1 list of expenses, the -- the employee
2 retirement and benefits. And I asked who the
3 employee was, and they said it was him. And so
4 I assume that that pension money must be in an
5 account somewhere and not being spent. I would
6 think that since he's not of age -- I guess my
7 question is -- or we're not supposed to ask
8 questions. I guess he's not spending pensions
9 at this point anyway.

10 Oh, and also in that -- in that list of
11 expenses that we have, we have chemicals and --
12 chemicals for sewer treatment and some of the
13 things that he mentioned when he sort of
14 alluded to the fact that part of his salary was
15 going for those expenses.

16 I think that's all. I have a few
17 questions for DNR, but they're not here,
18 unfortunately.

19 JUDGE REED: Mr. Chairman, do you
20 have any questions?

21 CHAIRMAN DAVIS: Ms. Parry, thank you
22 for coming. Do you know what this -- you
23 alluded to some \$300,000 expenses. Do you know
24 what that is?

25 MS. PARRY: Well, in the letter --

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1 CHAIRMAN DAVIS: Do we know which
2 letter she's referring to?

3 MS. PARRY: I'd be glad to let you
4 copy this. These are my copies, but the costs
5 are estimated -- do you want me to go ahead and
6 read it?

7 CHAIRMAN DAVIS: Actually, I think
8 I've got it. Somebody's going to bring me a
9 copy of it here.

10 MS. PARRY: Okay. That was actually
11 to the customers rather than to the Public
12 Service Commission, I think.

13 CHAIRMAN DAVIS: Okay. Okay. Okay.
14 I'm sorry. We're -- we're -- okay. Having
15 looked at this letter, it looks to me -- and
16 which Public Drinking Water and Clean Water
17 Commission regulations, he's saying that --
18 that they are required to make -- that he's
19 going to be required to make improvements and
20 the estimated costs for making those
21 improvements are \$300,000.

22 MS. PARRY: Well, at the very first,
23 he says it's engineering estimates for the
24 improvements.

25 CHAIRMAN DAVIS: Engineering

0034

1 estimates for costs. Okay. It's going to be
2 tough for a hundred people to pay a water and
3 sewer bill of \$120 if --

4 MS. PARRY: Absolutely. And we can't
5 even water our lawn anymore. It's a shame. We
6 haven't gone into --

7 CHAIRMAN DAVIS: You can't water it
8 because you can't afford to pay the water bill?

9 MS. PARRY: Right. Right. Right.

10 CHAIRMAN DAVIS: Okay.

11 MS. PARRY: We tried that. We had a
12 bill of, I think, \$84. It buckles your knees.

13 CHAIRMAN DAVIS: Okay. Did anybody
14 go to -- did you go to this meeting on Tuesday,
15 August 9th?

16 MS. PARRY: I sure did.

17 CHAIRMAN DAVIS: And was anybody from
18 the Public Service Commission there?

19 MS. PARRY: Yes. I think Mr. Russo
20 was there.

21 CHAIRMAN DAVIS: Mr. Russo. And was
22 somebody from DNR there?

23 MS. PARRY: I don't --

24 UNIDENTIFIED SPEAKER: Yes. Yes.

25 Yes.

0035

1 CHAIRMAN DAVIS: All right. Ms.

2 Parry, I don't think I have any other

3 questions. But --

4 MS. PARRY: Okay.

5 CHAIRMAN DAVIS: -- thank you for

6 bringing this to my attention.

7 MS. PARRY: All right.

8 COMMISSIONER APPLING: Ms. Parry,

9 how long have you lived in Hickory Hills?

10 MS. PARRY: Since 1974.

11 MR. PARRY: Thirty-one years.

12 COMMISSIONER APPLING: Thirty-one

13 years. Okay. Thank you.

14 JUDGE REED: Hold on, ma'am. Hold on

15 a second, please. Ms. Parry, hold on. I'm

16 sorry.

17 MS. PARRY: I'm sorry.

18 JUDGE REED: Hold on just one second.

19 Mr. Berlin, do you have --

20 MR. BERLIN: Yes, your Honor. Ms.

21 Parry, earlier you mentioned that you were

22 receiving mail for Hickory Hills?

23 MS. PARRY: Yes.

24 MR. BERLIN: Could you please

25 describe what kind of mail you're receiving?

1 MS. PARRY: Well, I don't open it. I
2 handed it to him like in the spring, and he
3 said, oh, he'll take care of this. But as long
4 as -- as recent as I think about ten days ago
5 -- I don't hand it to him anymore. My husband
6 has handed it to him, too.

7 I just put it in the mailbox right out
8 here and send it back. But I'm going to follow
9 through on that.

10 MR. BERLIN: Would you know if it was
11 mail from the Public Service Commission?

12 MR. PARRY: No.

13 MR. BERLIN: It would have said
14 Public Service Commission on the envelope.

15 MS. PARRY: Most of it looked like
16 the letter that we get for credit cards,
17 applications. But that's not the point.

18 MR. BERLIN: Oh, yeah.

19 MS. PARRY: That's not the point.

20 MR. BERLIN: I understand. Thank
21 you.

22 MS. PARRY: The point is I think he
23 could get an address if he wanted to. There's
24 a lot of numbers between us and the people next
25 door.

0037

1 JUDGE REED: Is that all, Mr. Berlin?

2 MR. BERLIN: Yes, your Honor. Thank

3 you.

4 JUDGE REED: Mr. Mills?

5 MR. MILLS: No questions. Thank you.

6 JUDGE REED: Thank you, Ms. Parry.

7 MS. PARRY: Thank you for coming.

8 JUDGE REED: Brenda Markham?

9 MS. MARKHAM: I pass.

10 JUDGE REED: Darlene Bess?

11 MS. BESS: I pass.

12 JUDGE REED: Bill Merritt?

13 MR. MERRITT: Good evening, sirs.

14 JUDGE REED: Mr. Merritt, could you
15 raise your hand, please?

16 BILL MERRITT,

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

19 JUDGE REED: Please state your name
20 and spell it for us.

21 MR. MERRITT: Bill Merritt,
22 M-e-r-r-i-t-t.

23 JUDGE REED: Go ahead, sir.

24 MR. MERRITT: Well, several of the
25 things that have been mentioned is things I

1 wanted to mention. But to go back to this
2 letter here on the improvements and the -- that
3 Mrs. Parry was talking about on July the 27th,
4 and it was talking about engineering estimates
5 for costs to make needed improvements.

6 And down about the fourth paragraph there,
7 it says, As stated in previous correspondences.
8 And when I got that, I thought, I can't recall
9 getting correspondences about that. But it
10 says, These improvements are required to meet
11 Public Drinking Water and Clean Water
12 Commission's regulations. The Hickory Hills
13 Water & Sewer has no operation -- option other
14 than to make the improvements and then pass the
15 costs on to the customers in the form of rate
16 -- increased rates.

17 It says, There may be actions that Hickory
18 Hills Water & Sewer customers could take to
19 maintain the convenience of having public water
20 distribution and sanitary sewer collections
21 without the exorbitant rates listed above.
22 A public meeting to discuss the need for
23 improvements and options available to the
24 customers have been scheduled. And that was
25 the meeting on August the 9th.

1 Now, we were at the meeting. And at that
2 meeting, they were talking about the customers
3 out there forming a Homeowners Association. To
4 do that, we would have to get legal advice,
5 legal help. We would have to form a Homeowners
6 Association. And then they said that we could
7 apply and get grants.

8 Well, we could apply and we might get
9 grants. We might get grants enough to take
10 care of the expenses. If not, then we would be
11 required to do the improvements.

12 But before we could do that, we would have
13 to buy Hickory Hills Water & Sewer from
14 Mr. Clifford. Now, it would seem strange to me
15 that we would want to take on something where
16 we are going to have to pay out over \$300,000,
17 because it says that this is an estimate. In
18 those estimates at the time, they were talking
19 about the sewer system. The only talk that
20 they did at that meeting about the sewer system
21 was putting in a lift station and the cost that
22 that would be.

23 Now, they were also talking about putting
24 in a water well and -- and water tank and some
25 upgrading, perhaps, on the water lines and

1 stuff like that. But if you put in a lift
2 station, that doesn't take care of anything
3 except that you're going to put the sewage to
4 somebody else.

5 They had in reference to that, I think at
6 that time that the City of California taking
7 that. But we wouldn't be able to do that. We
8 would have to build a treatment plant,
9 especially if the City said, Well, we don't
10 want your sewage. A treatment plant would have
11 cost more than a lift station, so that \$300,000
12 still doesn't come in. I mean, it -- it's --
13 it simply seems unreasonable.

14 We, of course, formed a committee, and we
15 studied on that for some time and finally
16 determined that the people of Hickory Hills
17 didn't want to form an association. We didn't
18 want to go through the County Commissioners and
19 get a neighborhood improvement grant, which
20 would come back assessed to our taxes each year
21 to pay for it.

22 And it seemed to us that Hickory Hills had
23 an expense, but they were wanting to pass that
24 off on us, get us to say, Okay, we'll buy you
25 out and then we'll do the expenses and then

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1 we'll be happy.

2 Except somebody would have to run the
3 company then. Nobody there in Hickory Hills
4 felt capable, qualified to run the company.
5 Many of us are retired. Many of them have
6 jobs. Some of them have two jobs, perhaps both
7 parents work. Who is going to run the company?
8 We'd have to hire somebody to do that.

9 We still haven't gained anything. We have
10 put ourselves under a great debt. And so
11 that's where we are with that. How that
12 affects the rate increase, I don't know. I do
13 know that in figuring up the rate increases
14 from 2004 to this rate increase that he's
15 asking for now, if it goes in February the 1st,
16 which is the way I understood that it was
17 supposed to go in, that we will have had
18 approximately a 151 percent increase in our
19 water and sewer costs in 13 months.

20 I know things are expensive. I know
21 things have gotten high. But I can't see that
22 a business gets to the point where they have to
23 have that much increase that fast. I don't see
24 that the expenses for 2005 were that much
25 greater than 2004. Maybe I looked at it wrong.

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1 That's about all I have to say. I thank you
2 for the privilege.

3 JUDGE REED: All right. Hold on,
4 Mr. Merritt. Mr. Chairman, do you have any
5 anything?

6 CHAIRMAN DAVIS: Sir, when you --
7 when you were part of -- you were part of this
8 committee that decided the issue?

9 MR. MERRITT: Yes.

10 CHAIRMAN DAVIS: Did you determine
11 that the Clean Water Commission was requiring
12 additional upgrades that were going to cost
13 lots of money?

14 MR. MERRITT: This Clean Water Act
15 and the Department of Natural Resources, they
16 were the ones that were creating a lot of this,
17 yes. And I realize that is outside of the his
18 control.

19 CHAIRMAN DAVIS: Right.

20 MR. MERRITT: But, then again, as to
21 the way that he went about this --

22 CHAIRMAN DAVIS: He's not -- he's not
23 entitled to any return on his \$25,000
24 investment, is he? Stocks can go up and go
25 down.

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1 MR. MERRITT: Well, he -- he invested
2 this. Now, any time anybody buys a company,
3 any time anybody invests in the stock market,
4 there's a chance that you will make money.
5 There's also a chance that you will lose money.
6 There is -- as it came up in this company,
7 things were going along reasonably well,
8 evidently.

9 Then new laws passed by the Federal
10 Government, the State Government, whatever,
11 creates things which, hey, he can't handle. He
12 understands he can't handle that. He would
13 like for us to take it over. I don't know. It
14 -- I don't know how much I would be willing to
15 pay for water and sewer. I would have to be
16 faced with that before I would come to a time
17 when I would say enough is enough and I've got
18 to go something else.

19 CHAIRMAN DAVIS: Sir, thank you.
20 Thank you for coming. I appreciate your
21 participation and letting us know about this.
22 Thanks.

23 JUDGE REED: Commissioner Appling?

24 COMMISSIONER APPLING: No questions,
25 sir. Thank you very much for coming.

0044

1 MR. MERRITT: Okay.

2 JUDGE REED: Mr. Berlin?

3 MR. BERLIN: No questions, your
4 Honor.

5 JUDGE REED: Thank you. Mr. Mills?

6 MR. MILLS: Thank you. I have no
7 questions.

8 JUDGE REED: Thank you, Mr. Merritt.

9 MR. MERRITT: Thank you.

10 JUDGE REED: Gleneth Rowles? I hope
11 I said that right.

12 MS. ROWLES: Uh-huh.

13 JUDGE REED: Raise your right hand.

14 GLENETH ROWLES,
15 being first duly sworn to testify the truth, the whole
16 truth, and nothing but the truth, testified as follows:

17 JUDGE REED: Please state your name
18 and spell it for us.

19 MS. ROWLES: My name is Gleneth
20 Rowles, G-l-e-n-e-t-h R-o-w-l-e-s.

21 JUDGE REED: Thank you.

22 MS. ROWLES: I want to thank you for
23 the opportunity to let us voice our concerns in
24 this meeting. And some of this is the same as
25 what you have previously heard.

1 In a meeting on October 3rd, 2004, with
2 the City Council of -- of California, Missouri,
3 all the members of Hickory Hills and Temple
4 Terrace had agreed that it would be a good idea
5 if the City would take us, to annex us into the
6 City. And we were 100 percent in agreement as
7 far as the homeowners were concerned.

8 Councilwoman Ferguson asked Mr. Clifford
9 at this meeting if he was in compliant (sic)
10 with DNR regulations, that he had known for
11 over a year that he was not in compliant. He
12 stated at this meeting, no, he was not in
13 compliant.

14 Councilwoman Ferguson asked Mr. Clifford,
15 Are you doing anything toward being in
16 compliant? Mr. Clifford said at that time all
17 efforts to become compliant had ceased.

18 My question is -- or I guess not a
19 question. But we have received approximately a
20 109 percent increase on the water in the last
21 year or so, 173 percent increase on the sewer.
22 It just seems that there's no end to the
23 increases.

24 And our -- our properties, as Mr. Merritt
25 said, has suffered. Some other people are

1 putting their properties up for sale. They
2 have not been sold. We feel that in order to
3 maybe sell our properties, we would have to
4 take less than maybe even appraised values.

5 It's getting to the point to where if
6 these requirements are not met and if these
7 increases are constant, when you go to sell
8 your home and you say your water bill is \$40,
9 and sewer, it seems excessive. And we just,
10 you know, cannot handle very much more. And I
11 thank you for your time.

12 JUDGE REED: Mr. Chairman, do you
13 have any questions?

14 CHAIRMAN DAVIS: So the City wouldn't
15 take you because you -- the system wasn't
16 compliant with DNR? Is that a fair statement
17 or --

18 MS. ROWLES: Well, they did ask that,
19 but Mr. Clifford certainly would not give up
20 his business at that time.

21 CHAIRMAN DAVIS: Okay.

22 MS. ROWLES: You know, because he
23 owns his business and he's not interested in,
24 you know, turning his business over to the City
25 without them buying him -- he quoted them a

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1 price as well as he had quoted us a price.

2 CHAIRMAN DAVIS: And what was his
3 price?

4 MS. ROWLES: I don't -- I think it
5 was 25,000, somewhere along in there.

6 CHAIRMAN DAVIS: Okay. All right.
7 Again, thank you. I don't think I have any
8 further questions.

9 MS. ROWLES: Okay. Thank you.

10 JUDGE REED: Commissioner Appling?

11 COMMISSIONER APPLING: Ms.
12 Rowles, how are you doing?

13 MS. ROWLES: Just fine. Thank you.

14 COMMISSIONER APPLING: Thank you for
15 coming in.

16 MS. ROWLES: Thank you.

17 COMMISSIONER APPLING: How far is
18 Hickory Hills from the City sewage? I should
19 have asked this question to Mr. Clifford when
20 he was up here, but I didn't think of it.

21 MS. ROWLES: I think it's less than a
22 mile. Somewhere around a mile. The sewer is
23 in back of the new school that's on Highway 50
24 West.

25 COMMISSIONER APPLING: Right up the

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1 -- up the street.

2 MS. ROWLES: So it would probably be
3 less than a mile.

4 COMMISSIONER APPLING: Less than a
5 mile.

6 MS. ROWLES: Uh-huh.

7 COMMISSIONER APPLING: Okay. Thank
8 you, ma'am.

9 MS. ROWLES: You're welcome.

10 JUDGE REED: Thank you. Mr. Berlin?

11 MR. BERLIN: No, your Honor.

12 JUDGE REED: Mr. Mills?

13 MR. MILLS: No questions. Thank you.

14 JUDGE REED: Thank you. Lisa Schuss?

15 Schuss?

16 MS. SCHUSS: I pass.

17 JUDGE REED: Thank you. Bill Bess?

18 MR. BESS: I better pass.

19 JUDGE REED: All right. I have here

20 Don and Judy Parker?

21 MR. PARKER: We'll pass.

22 MS. PARKER: We'll pass.

23 JUDGE REED: All right. Karen

24 Dameron?

25 MS. DAMERON: Good evening.

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1 JUDGE REED: Ma'am, would you raise
2 your right hand, please?

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

6 JUDGE REED: State your name and
7 spell it, please.

8 MS. DAMERON: My name is Karen
9 Dameron, K-a-r-e-n. Dameron is D-a-m-e-r-o-n.
10 Thank you for giving all of us this opportunity
11 tonight. And I want to thank everybody else
12 for showing up tonight, too.

13 This has been a long road for a lot of
14 people. I've bought my house in Hickory Hills
15 in 2000. Earlier, there was a question asked
16 if we thought our rates right now were a little
17 high. I think they're a little high.

18 In September 2005, I had called the City
19 of California to check what their water and
20 sewer rates were at that time. For a monthly
21 total for a customer average usage of 6,000
22 gallons at that time was \$22.53. We're already
23 about double what the normal is for this area.

24 Like everybody else has stated, I know
25 things are high. I know things are going up.

1 But you know what? We get stuck with that just
2 as well as everybody else. I don't get a big
3 raise just because, you know, I need a new pair
4 of shoes or whatever.

5 You know, like I said, I bought my house
6 in 2000. There's been a rate increase once
7 since I've been there, and that was in January
8 of 2005. And that was a huge rate increase. I
9 can't see where anything new has happened,
10 where any new improvements have actually taken
11 place to cause another rate increase. Maybe
12 I'm missing something. I'm not sure.

13 We had called a meeting with Randy and Kay
14 Clifford, and a lot of their expenses that they
15 had given us at that meeting are a lot
16 different than what they came up with as
17 expenses. And maybe we got misinformed or --
18 and maybe the Cliffords at that time didn't
19 actually know what their expenses were. Maybe
20 they were just pulling figures off the top of
21 their head. I don't know. I don't know.

22 And as far as the mileage and what he
23 charges, what he writes down for his logs, like
24 everybody else, he drives by there every day to
25 go to work. He works in Jefferson City. He

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1 lives in Tipton. Even if he didn't own the
2 company, he's going to have to drive by there.
3 So why should he get paid to go to work? I
4 mean, to drive to work for mileage? I don't.
5 I don't think anybody in this room does.

6 That's about all I have to say. Thank
7 you.

8 JUDGE REED: Mr. Chairman, do you
9 have any questions?

10 CHAIRMAN DAVIS: Just one. Ma'am,
11 what was your impression of -- of our audit of
12 the expenses? Were -- was it your impression
13 that his expenses were -- that our Staff found
14 that they were more than he claimed to be or
15 less than he claimed to be -- than he claimed
16 that they were?

17 MS. DAMERON: More.

18 CHAIRMAN DAVIS: In terms of what he
19 was compensating himself or -- or what the
20 expenses of the business were?

21 MS. DAMERON: The expenses of the
22 business.

23 CHAIRMAN DAVIS: Okay. Thank you,
24 ma'am.

25 MS. DAMERON: You're welcome.

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1 JUDGE REED: Commissioner Appling?

2 COMMISSIONER APPLING: Karen, I have
3 no questions. Thank you for coming in. Thank
4 you.

5 MS. DAMERON: Thank you, sir.

6 JUDGE REED: Mr. Berlin?

7 MR. BERLIN: No questions.

8 JUDGE REED: Mr. Mills?

9 MR. MILLS: Just -- just briefly.

10 You know, we've had several people testify, and
11 no one so far has really given us a whole lot
12 of information about service quality. How --
13 how is the -- how is the water? How --
14 quality-wise, pressure-wise?

15 MS. DAMERON: As far as I know, where
16 I'm at, I'm -- mine's fine.

17 MR. MILLS: Thank you.

18 MS. DAMERON: I don't see any
19 difference. Is that it?

20 MR. MILLS: That's all I have.
21 Thanks.

22 JUDGE REED: Thank you.

23 MS. DAMERON: Thank you.

24 JUDGE REED: Gary Simpson?

25 GARY SIMPSON,

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

3 JUDGE REED: State your name and
4 spell it, please.

5 MR. SIMPSON: Gary Simpson, G-a-r-y
6 S-i-m-p-s-o-n. And I have a problem with the
7 sewer. In my back yard, there's a creek and
8 there's a manhole. When the creek gets up and
9 water rises, gets above the manhole, it backs
10 up into my basement.

11 I've asked Mr. Clifford is there anything
12 we could do to raise it up so it will stop. I
13 have flood insurance on the house, but it's no
14 good because it comes up through the basement,
15 through the sewer. I need -- I want someone to
16 help me with this problem. I asked him --
17 Mr. Clifford if he could raise it. No
18 response. And this has been going on since
19 1993.

20 JUDGE REED: Is there anything else,
21 Mr. Simpson?

22 MR. SIMPSON: That's all I have.

23 JUDGE REED: Okay. Mr. Chair?

24 CHAIRMAN DAVIS: How many back-ups
25 would you estimate that you have in an average

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1 year?

2 MR. SIMPSON: Sometimes one or two.
3 Just depends how much rain we get. If we get 5
4 inches of rain, water gets up, gets above the
5 manhole --

6 CHAIRMAN DAVIS: And every time you
7 get sewer water back-up in your basement?

8 MR. SIMPSON: Once it gets over the
9 manhole, then it backs up in my basement and my
10 neighbor, Janice Howard's basement. Now, if it
11 doesn't get over the manhole, there's not a
12 problem. But it needs to be raised or
13 something. I don't know.

14 CHAIRMAN DAVIS: And you've never had
15 anyone from -- from DNR or from -- inspect it
16 or anything like that?

17 MR. SIMPSON: No.

18 CHAIRMAN DAVIS: All right. Thank
19 you, sir.

20 COMMISSIONER APPLING: No questions.

21 JUDGE REED: All right. Mr. Berlin?

22 MR. BERLIN: No questions. Thank
23 you.

24 JUDGE REED: Mr. Mills?

25 MR. MILLS: I have no questions.

0055

1 Thank you.

2 JUDGE REED: Thank you, Mr. Simpson.

3 MR. SIMPSON: Thank you.

4 JUDGE REED: Janice Howard?

5 JANICE HOWARD,

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

8 JUDGE REED: Please state your name
9 and spell it for us.

10 MS. HOWARD: Janice Howard,

11 J-a-n-i-c-e H-o-w-a-r-d.

12 JUDGE REED: Go ahead, ma'am.

13 MS. HOWARD: I -- I'm having the same
14 problem that Gary's having. The sewer -- when
15 the manhole gets over -- you know, it goes into
16 the -- to the basement and everything. And
17 I've asked to have it done up. I mean, it's
18 just -- just brick it up, you know, so the
19 water don't come in. And it's a mess. It
20 takes a while to get your carpets cleaned out,
21 disinfected and all that. So that's all I have
22 to say.

23 JUDGE REED: Thank you, ma'am.

24 Mr. Chairman?

25 MS. HOWARD: I did show a picture to

0056

1 you.

2 JUDGE REED: To the Staff?

3 MS. HOWARD: Yes.

4 JUDGE REED: Okay. Thank you, ma'am.

5 CHAIRMAN DAVIS: Ma'am, I -- I

6 apologize. I don't have any questions. I'm

7 just trying to think about what we could do to

8 try to help your situation.

9 MS. HOWARD: Thank you.

10 CHAIRMAN DAVIS: Thank you.

11 COMMISSIONER APPLING: No questions,

12 Judge. Thank you for coming in.

13 MS. HOWARD: Thank you.

14 JUDGE REED: Mr. Berlin?

15 MR. BERLIN: No questions. Thank

16 you.

17 JUDGE REED: Mr. Mills?

18 MR. MILLS: Judge, I don't have any

19 questions for this witness. I wonder if it

20 would be possible to call Mr. Clifford when

21 we're done with the public witnesses and have

22 him address what he's done and what he's going

23 to about this. So I'd request him to come back

24 up and give us some information on this topic

25 when we're done with the public witnesses.

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1 Thank you. Thank you.

2 MS. HOWARD: Thank you.

3 JUDGE REED: Those are all the
4 witnesses I have on the list, unless I've
5 missed someone. Is there anybody else who
6 would like to testify?

7 JUDGE REED: Could -- could we have a
8 show of hands if anyone here has had the sewer
9 back-up in their basement? Show of hands.
10 Could you hold them up for a minute so we could
11 get a count, please.

12 UNIDENTIFIED SPEAKER: Yes. We're
13 together.

14 MR. MILLS: One hand per sewer.

15 COMMISSIONER APPLING: Just hold up
16 one hand, not both of them.

17 JUDGE REED: All right. Thank you.

18 CHAIRMAN DAVIS: Let the -- Judge,
19 would you let record reflect that I think we
20 had approximately four hands, Mr. Mills, is
21 that correct, that --

22 MR. MILLS: That was my count.

23 CHAIRMAN DAVIS: Okay. Four hands of
24 people who -- four hands of people that said
25 they had sewer water backing up in their

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1 basement.

2 JUDGE REED: Mr. Clifford, would you
3 come back to the podium, please? Mr. Clifford,
4 you were sworn earlier, and I want to remind
5 you that you're still under oath here this
6 evening. All right?

7 MR. CLIFFORD: (Mr. Clifford nods
8 head.)

9 CHAIRMAN DAVIS: Mr. Clifford, what's
10 going to happen if you don't get the -- the
11 \$300,000 to -- to make these upgrades? Are you
12 going to be out of compliance with the Clean
13 Water Act? Is that --

14 MR. CLIFFORD: Yes.

15 CHAIRMAN DAVIS: And is DNR going to
16 take you to court?

17 MR. CLIFFORD: I have been advised by
18 an attorney that that is possible, yes.

19 CHAIRMAN DAVIS: Okay. And so then
20 you'll be looking at fines and some civil
21 liability on top of that?

22 MR. CLIFFORD: Yes.

23 CHAIRMAN DAVIS: And it doesn't
24 appear too realistic that we're going to raise
25 rates to 120 or \$130 a month for these

0059

1 customers, does it?

2 MR. CLIFFORD: No. And I would not
3 look forward to trying to collect that type of
4 rate. That is the -- the reason the company
5 called a public meeting was to advise the
6 customers that -- that -- what the -- the costs
7 were going to be based on our engineering
8 estimates and that there might be other avenues
9 the customers could take in soliciting public
10 money to help make the improvements if the
11 customers were willing to take the company over
12 and make it a public-type company, a
13 cooperative effort or whatever.

14 CHAIRMAN DAVIS: All right. But you
15 still want your \$25,000 back?

16 MR. CLIFFORD: Well, included in that
17 \$25,000 is -- at that time, the company was in
18 debt \$15,000. And so after we paid off the
19 loans for the money that we had spent to keep
20 the company in operation, we were only going to
21 net 10,000 of our original \$25,000 investment.
22 So we were actually losing at that.

23 CHAIRMAN DAVIS: Well, but you -- at
24 least for the last year, you've been drawing
25 500-something dollars a month; is that correct?

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1 MR. CLIFFORD: Yes.

2 CHAIRMAN DAVIS: What were you
3 drawing prior to that?

4 MR. CLIFFORD: We have been at \$500 a
5 month for approximately six years. Prior to
6 that, it was \$350 a month.

7 CHAIRMAN DAVIS: Okay. So you -- you
8 have been drawing some. I mean, I understand
9 you've been doing a little work, too. But
10 you've been drawing some income off of your
11 investment?

12 MR. CLIFFORD: Well, it depends on
13 how you calculate it. You mentioned that we
14 had been taking some -- I'd been doing some
15 work. I have been doing quite a -- a lot of
16 work there. As I said earlier, I logged 675
17 hours.

18 CHAIRMAN DAVIS: Stop by on your way
19 to work to Jefferson City sometimes.

20 MR. CLIFFORD: Well, if you take off
21 -- take it off the top and take an hour a day,
22 which as I stated and as Mr. Russo stated
23 earlier in the meeting that some days it was
24 three-quarters of an hour, maybe half an hour
25 that I had logged. There were a lot of days

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1 there where I may have worked eight or ten or
2 twelve hours. And there was one day in
3 September when I worked 14 hours there.

4 And I've got to go back there tonight. I
5 was there just prior to the meeting and I've
6 got to go back after the meeting's over
7 tonight, and I don't know what time I'll get
8 done.

9 CHAIRMAN DAVIS: What have you got to
10 go work on tonight?

11 MR. CLIFFORD: We have a sewer
12 problem issue. I had a call at approximately
13 4:00 this afternoon that the water was backing
14 into a basement. And I was there to work on it
15 before the meeting. I stopped to come to the
16 meeting, and I'll go back to that after the
17 meeting is done.

18 CHAIRMAN DAVIS: How much debt does
19 Hickory Hills Water & Sewer Company have right
20 now?

21 MR. CLIFFORD: Approximately \$10,000.

22 CHAIRMAN DAVIS: So you've been able
23 to pay down on some of that debt the last --

24 MR. CLIFFORD: Yes.

25 CHAIRMAN DAVIS: -- last year.

1 MR. CLIFFORD: I think where the
2 customers are somewhat confused is that what
3 the Commission Staff has stated as income for
4 the operators, a lot of that income is going
5 towards the debt and not to the operators.

6 CHAIRMAN DAVIS: Well, but if it goes
7 towards debt, then that -- doesn't that
8 increase your equity in -- in the company?

9 MR. CLIFFORD: Yes.

10 CHAIRMAN DAVIS: So, theoretically,
11 you have an asset that's worth more money.

12 MR. CLIFFORD: Well, if -- it's worth
13 whatever the market will stand. And currently,
14 the market's not willing to pay anything for
15 it. So -- what the value is and what -- what
16 my equity is, I don't know.

17 CHAIRMAN DAVIS: But you're not ready
18 to abandon it here on courthouse steps yet, are
19 you?

20 MR. CLIFFORD: Well, not today.

21 CHAIRMAN DAVIS: Well, would -- when
22 that day does come, will you let us know?

23 MR. CLIFFORD: I'll have to seek
24 legal advice on that.

25 CHAIRMAN DAVIS: Okay. That's fair.

1 No further questions, Judge.

2 JUDGE REED: Commissioner Appling, do
3 you have any questions?

4 COMMISSIONER APPLING: Mr. Clifford,
5 I -- it is not my point here tonight to put you
6 on the spot in any way. I -- I really value
7 myself as being a very kind person. But
8 sitting behind you is about 30 or 40 people
9 saying that they're getting close to enough is
10 enough and something has to be done here.

11 Sooner or later, I will have to make a
12 decision on Hickory Hills and vote for you an
13 increase or against you. And that will come
14 here pretty soon. Talk to me a little bit
15 about your thoughts on tying this service into
16 the City of California. Do you have any
17 thoughts or have you had any discussion with
18 the City about doing that?

19 MR. CLIFFORD: Yes. We have had
20 considerable amount of discussion. I've
21 appeared before the Council two or three times
22 on the issue. I've sent several letters to the
23 Council.

24 In the DNR's -- in our new -- the latest
25 operating permit, a line it in -- and I'm just

1 going from memory here. It may not be exact.
2 But one line in the permit was that if a public
3 sewer become available, the company will
4 connect within 90 days. Now, it's -- I'm not
5 sure exactly how to --

6 COMMISSIONER APPLING: Pursue it?

7 MR. CLIFFORD: Understand this. But
8 after talking with engineers and having the
9 engineers do site surveys and what have you and
10 based on the engineer's recommendations, the
11 putting in the lift station, connecting to the
12 City of California would be the most cost
13 effective and the most permanent solution.

14 COMMISSIONER APPLING: For Hickory?

15 MR. CLIFFORD: It's been my opinion
16 from the time that this started that that would
17 be the -- the best solution. In the time that
18 I can remember, the city limits of California
19 have moved from approximately two miles away
20 from the subdivision to within a quarter of a
21 mile within the subdivision. And I have every
22 expectation that the City will continue to
23 grow. And when it continues to grow,
24 eventually, it will envelop this subdivision.

25 And I feel that whatever money is spent on

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1 these improvements should be spent in the
2 direction of connection with the City of
3 California so that the system can be
4 incorporated with the City system like it -- I
5 feel eventually will be done.

6 COMMISSIONER APPLING: All right.

7 MR. CLIFFORD: If we installed a
8 treatment plant or anything -- if we install a
9 treatment plant to meet the current standards,
10 we're still open for changing standards and
11 possibly needing improvements before these
12 improvements can be paid for.

13 CHAIRMAN DAVIS: So how much -- how
14 much would it cost to -- I'm sorry,
15 Commissioner Appling. How much would it cost
16 right now to try to hook up to the City system?
17 300,000?

18 MR. CLIFFORD: We had engineering
19 estimates of 300,000. I don't know. We have
20 not asked for any bids because -- and we have
21 not completed the engineering and -- and
22 applied for permits, construction permits, with
23 DNR and such because of the issue of capital.
24 We don't have -- we have no way to fund it at
25 this -- at this time. And so any efforts spent

1 that way would be premature.

2 It's possible that we could -- we could
3 pare the costs down some. I had estimated half
4 a mile of water main. We might be able to --
5 to cut a few hundred feet off of that. The --
6 the sewer is -- is going to take approximately
7 three-quarters of a mile of -- forced main and
8 a lift station to make the connection.

9 CHAIRMAN DAVIS: Okay. I don't have
10 any further questions.

11 COMMISSIONER APPLING: I don't have
12 any further questions other than this comment
13 that we're just kind of at a point here --
14 putting everything aside, something will have
15 to be done here. Even if we gave you the
16 increase of granting the increase that you're
17 asking for here, is that going to put you
18 within standards? And how long is it going to
19 put you in good standing?

20 MR. CLIFFORD: This increase here
21 will not help towards the improvements at all.
22 There's still -- the only benefit of this
23 increase will be to help the -- the cash flow
24 of the business and maybe make it easier for
25 the business to attract capital from a

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1 commercial lender.

2 COMMISSIONER APPLING: Thank you,
3 sir. Appreciate it.

4 MR. CLIFFORD: You're welcome.

5 JUDGE REED: Mr. Berlin, do you have
6 anything?

7 MR. BERLIN: Yes. One question.
8 Mr. Clifford, would you be willing to work with
9 Staff to seek a solution for the manhole cover
10 problem?

11 MR. CLIFFORD: Yes.

12 MR. BERLIN: Okay. Thank you.

13 JUDGE REED: Mr. Mills?

14 MR. MILLS: That's -- that brings up
15 a topic I want to talk to you about. You heard
16 testimony earlier tonight that at least a
17 couple of the residents have been having
18 problems with this one particular manhole cover
19 since 1993. Is that -- does that jive with
20 your understanding?

21 MR. CLIFFORD: Yes.

22 MR. MILLS: And what -- what exactly
23 is that manhole cover? Is that part of your
24 system?

25 MR. CLIFFORD: Yes.

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1 MR. MILLS: And the line flows into
2 the -- into the manhole and out from where to
3 where? Explain to me the -- the setup there.

4 MR. CLIFFORD: This manhole is the
5 third manhole upstream from the lagoon. It has
6 flow into it from the west, approximately half
7 of the sewer connections, from the south, four
8 sewer connections and it flows on to the -- to
9 the east to the lagoon. It's -- memory here
10 again, it's 8-inch clay pipe in and out on the
11 main and 6-inch on the tap to the four homes.

12 MR. MILLS: Okay. How -- how -- how
13 big is this -- is the vertical portion of the
14 manhole? What -- what size diameter?

15 MR. CLIFFORD: I -- well, from
16 memory, it's approximately 48-inch diameter on
17 the inside, connocult at the top with a
18 standard size cover.

19 MR. MILLS: And how -- you said it's
20 connocult at the top. Is it raised above the
21 surface of the ground now?

22 MR. CLIFFORD: Yes. It's
23 approximately 15 inches above ground level now.

24 MR. MILLS: Okay. Do you have an
25 estimate of how high it would have to be raised

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1 to avoid most of the flooding that occurs in
2 that area?

3 MR. CLIFFORD: I would guess about 36
4 inches.

5 MR. MILLS: In addition or instead of
6 the 15?

7 MR. CLIFFORD: In -- in addition to
8 what it is now.

9 MR. MILLS: Okay. So a little over 4
10 feet off the ground?

11 MR. CLIFFORD: Yes.

12 MR. MILLS: Do you have an estimate
13 of what that cost would be?

14 MR. CLIFFORD: No.

15 MR. MILLS: Have you ever sought an
16 estimate of that cost?

17 MR. CLIFFORD: No.

18 MR. MILLS: Okay. Do you have an
19 estimate of the cost of repairing out a
20 basement and drying it out a couple times a
21 year?

22 MR. CLIFFORD: No. I did contract a
23 masonry contractor one time and asked him to go
24 there and -- and use brick and mortar to build
25 up the -- the manhole. And he agreed to do it,

1 but the work never got done.

2 MR. MILLS: Did he run a price?

3 MR. CLIFFORD: No.

4 MR. MILLS: I don't have any more
5 questions. Thank you.

6 JUDGE REED: All right. Thank you.
7 Anything else from the bench? Chairman?
8 Commissioner Appling?

9 COMMISSIONER APPLING: No questions
10 from me.

11 CHAIRMAN DAVIS: I've got -- I've got
12 -- I've got one more. And I guess my question
13 is if you truly need cash flow to -- to make
14 some necessary repairs -- I don't know. Well,
15 I can't even think of a way to phrase my
16 question, so I'm not going to phrase it. Thank
17 you, Judge.

18 JUDGE REED: All right. Thank you,
19 Mr. Clifford. Okay. We've gone through the
20 list of witnesses. Are there -- yes, sir. Did
21 you want to come forward and testify?

22 MR. BESS: Yes, sir.

23 JUDGE REED: Okay. Come on. Step
24 up, please. Raise your right hand.

25 WILLIAM BESS,

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

3 JUDGE REED: State your name and
4 spell it for us.

5 MR. BESS: William L. Bess, B-e-s-s.
6 I've been a businessman for quite a few years.
7 I own my own business. What I don't understand
8 about the Hickory Hills Water & Sewer -- I know
9 how it went through hands. I've been out there
10 19 years.

11 It originally was sold for a dollar, and
12 then the next man bought it -- he bought it for
13 \$20,000. And I seen no improvements. The next
14 man bought it for \$25,000, and I don't see a
15 whole lot that he has done.

16 And like I said, I have had my own
17 business, and it was a trucking business. I
18 didn't go to my constituents to get money to
19 keep my business going. I had to put money
20 back to keep my business going. Everyone knows
21 that.

22 I don't understand why there wasn't any
23 money put back to take care of the business,
24 his business. He's selling me a service. And
25 now he's wanting to double, triple -- and I'm

1 understanding that just because he may get a
2 rate increase now, it's not the last one he'll
3 need. He's asking for more.

4 And I'm retired, too, now. I'll be 70
5 years old the last day of this month. I can't
6 afford to keep putting out money, money, more
7 money. I'm limited on my income, also. But
8 over the years, like I said, I had my own
9 business. I had to take care of it. No one
10 else put money back to do the repairs or
11 anything. I had to.

12 And on the other part, I understand that
13 he's already talked to the City and pretty much
14 has an approval to put this pump in, pump it in
15 to the City. The City in turn is going to
16 charge, I think it was, 11 to 13 percent to
17 him, and then he was going to have to charge us
18 another 12 percent, which is where all this
19 money come -- anywhere from 130 to \$175 a month
20 for water and sewer.

21 There's not a -- I don't think there's a
22 city in the state of Missouri pays anything
23 like that. There is no way that we can afford
24 -- and he's wanting to sell the business to us?
25 He has nothing to sell. If I was him and being

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1 the owner and no more than he is in debt, I
2 would file bankruptcy on what I owe, little
3 \$10,000, and -- and give it to the -- donate it
4 to the City.

5 That's all I have to say. Thank you, sir.

6 JUDGE REED: All right. Thank you.

7 Mr. Chairman, any questions?

8 CHAIRMAN DAVIS: No, sir. But your
9 points are well taken.

10 JUDGE REED: Commissioner Appling?

11 COMMISSIONER APPLING: No questions.
12 But you've been in business long enough to know
13 that if you start off in the hole, you will
14 likely never get out of the hole, do you?

15 MR. BESS: Yes, sir.

16 COMMISSIONER APPLING: So that's easy
17 to do if you don't start out with a capital
18 that is producing a profit in the beginning.
19 And I understand how Mr. Clifford got to where
20 he's at right now. It's not a pretty picture.

21 MR. BESS: I know. I understand,
22 too, how he's got there.

23 COMMISSIONER APPLING: Right. But
24 somewhere down that line, you guys are going to
25 have to have sewage, and you can't live out

1 there in Hickory Hills without it. And we're
2 going to have to work out something there
3 sooner or later to ensure that you continue to
4 have running water and that -- that we don't
5 have to build outside toilets for you guys out
6 there.

7 MR. BESS: Certainly.

8 COMMISSIONER APPLING: I don't think
9 that will work during the wintertime, so --

10 MR. BESS: No.

11 COMMISSIONER APPLING: We're going to
12 have to -- we're going to have to come to some
13 kind of understanding and conclusion because
14 unless we get some money from some place, this
15 is not going to improve. It's going to get
16 worse.

17 MR. BESS: Yes, sir.

18 COMMISSIONER APPLING: And I -- I'm
19 looking in your faces out there, and you're
20 telling me something I don't like to hear or
21 see. So something's going to have to take
22 place here pretty soon. So Staff is going to
23 have to -- you're going to have to nail it down
24 on all four corners and see if we can't work
25 with Mr. Clifford and come to some resolution

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1 on this Hickory Hills project. Thank you very
2 much for coming out. I think I've heard enough
3 today.

4 MR. BESS: Yes, sir.

5 COMMISSIONER APPLING: Okay. And
6 thank you for coming forward and -- and telling
7 us what you're thinking. Okay? Thank you.
8 That's all I have.

9 JUDGE REED: Mr. Berlin, did you have
10 anything for Mr. Bess?

11 MR. BERLIN: No further questions.

12 MR. BESS: Thank you.

13 MR. MILLS: No. I have no questions.
14 Thank you.

15 JUDGE REED: Thank you, sir.

16 MR. BESS: Thank you all.

17 JUDGE REED: All right. I take it
18 that's all that -- who wants to testify?
19 Everyone that wants to testify has done so or
20 passed? Any closing remarks from the Bench?

21 CHAIRMAN DAVIS: You know, I want to
22 -- I want to thank everyone -- I want to thank
23 everyone for coming here tonight. I
24 understand, you know, how important this issue
25 is to you. You know, I just -- I think you

1 need to be hooked up to the -- to the public
2 system here. I think we need to find a way to,
3 you know, facilitate this system joining into
4 that system.

5 But this -- quite frankly, at this moment,
6 I'm a little perplexed at how to get you, you
7 know, where you need to be in the most cost
8 efficient way possible. So -- and I guess
9 that's -- that's the issue that I'm wrestling
10 with.

11 And, certainly, I'll have the -- we'll
12 have the opportunity to talk to Mr. Mills and
13 some other people, and, you know, maybe we can
14 try to come up with some creative solutions for
15 you or something. I'm not sure at this point.
16 But we do understand. You know, we know it
17 affects your property values, your most
18 significant assets. For many of you, it may be
19 your most significant asset or your only asset.
20 So we are very mindful of that. And I
21 certainly want to -- want to protect that for
22 you.

23 So thank you for coming. And you have,
24 you know -- whether it be phone, water, sewer,
25 gas, electric, you know, if you have issues,

1 don't hesitate to call us. Thank you.

2 COMMISSIONER APPLING: Thank you,
3 Mr. Chair. And I -- the only thing I want to
4 say is that -- and this specifically is to the
5 Staff and OPC, too. In the future, this is a
6 America, the greatest country in the world.
7 And these people should not be going through
8 this. I understand how Mr. Clifford got there.
9 And I understand your concern. I can see it
10 written all over your faces here today.

11 So I just want to make it public, Staff,
12 that we want to make sure that anybody we
13 certificate -- give a certificate to in the
14 future here that more further down the road get
15 communities in the situation that we're in.

16 And I want you to know, Randy, to you and
17 your wife, I can see it written on your face,
18 too, I empathize with where you're at and how
19 you got there. We don't always make good
20 business decisions. I have been there and has
21 lost my pants on things before, too. But this
22 situation is going to have to be remedied
23 pretty soon or we'll be further into the hole.

24 And I've said enough. Thank you for
25 coming out. And I appreciate it. And

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1 hopefully we can sit down with the owner of
2 this water company and come to some resolution
3 pretty soon for all of us. Thank you very
4 much.

5 JUDGE REED: Well, that concludes the
6 hearing tonight. So at this time, we're
7 adjourned. Thank you everyone.

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