

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS
Public Hearing

May 31, 2000
St. Joseph, Missouri
Volume 8

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

KEVIN A. THOMPSON, Presiding,
REGULATORY LAW JUDGE
ROBERT G. SCHEMENAUER,
COMMISSIONER
CONNIE MURRAY,
COMMISSIONER

REPORTED BY: KAREN J. LYMAN, RPR, CSR, CCR
FOR ROBERTS & ASSOCIATES
117 E. 4th Street
Sedalia, MO 64501

A P P E A R A N C E S

For the Staff:

MR. KEITH R. KRUEGER
P.O. Box 360
Jefferson City, MO 65102

For Missouri-American
Water Company:

For St. Joseph Area
Public Water
Supply Districts:

For St. Joseph
Industrials;
Ag Processing,
Wire Rope & Friskies:

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

2 (Hearing commenced at 6:30 p.m.)

3

4 JUDGE THOMPSON: Good evening
5 ladies and gentlemen. We will go ahead and
6 convene this local public hearing. We are here in
7 the matter of Missouri American Water Company's
8 tariff sheets designed to implement a general rate
9 increase for water service provided to customers
10 in the Missouri service area of the company.

11 My name is Kevin Thompson. I am a regulatory
12 law judge employed by Missouri Public Service
13 Commission. It is my duty to preside over this
14 hearing this evening. With me tonight are two of
15 the five commissioners; Commissioner Connie
16 Murray, Commissioner Robert Schemenauer.

17 All of the remarks which are made tonight,
18 all of the testimony will be recorded verbatim by
19 the court reporter. It will be reduced to a
20 written transcript. This transcript will be read
21 by all of the commissioners. The fact that a
22 commissioner is not present tonight does not mean
23 that that commissioner will not read and consider
24 all of the testimony which is given this evening.

25 The purpose of this hearing is to take and

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1 record your testimony with respect to the proposed
2 water rate increase. The Commission is not here
3 to answer questions. The Company is not on trial
4 tonight. We will simply take testimony of members
5 of the public.

6 Every person who wishes to testify should
7 sign up on one of the witness sign-up sheets. I
8 will call the witnesses in the order in which they
9 have signed up. When I call your name, please
10 come forward to the podium. I will swear you in.
11 Your testimony must be given under oath just as in
12 a court proceeding. I will ask you your name and
13 I will ask you whether you are a customer of
14 Missouri-American Water Company, or if you are not
15 whether there is some other reason that you
16 believe the proposed rate increase affects you,
17 and then you will be permitted to make whatever
18 statement you would like to make.

19 There are two hours that have been allotted
20 for this hearing tonight. There are many persons
21 who have already signed up to speak. I would urge
22 you to please keep your remarks brief and to the
23 point. If another speaker has already made the
24 point that you wish to make, you may simply
25 testify that you agree with what that witness said

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1 and then sit down and that way we are able to take
2 the testimony of many witnesses in a relatively
3 brief period of time.

4 After you have given your statement, please
5 do not leave the podium until you are excused.
6 There may be questions from the Bench. There may
7 be questions from counsel. After opportunities
8 for those questions have been given, I will tell
9 you that you are excused and you may sit down. I
10 will then proceed to call the next witness.

11 At this time I will ask counsel to make oral
12 entries of appearance, please. Do not bother to
13 give me your addresses. I know your addresses.
14 Just tell me who you are and who you are
15 representing. Let's start with you, Mr. Krueger.

16 MR. KRUEGER: Keith R. Krueger
17 for the Staff of the Missouri Public Service
18 Commission.

19 MR. FISCHER: James M. Fischer
20 and Larry Dority appearing on behalf of Andrew
21 County Public Water Supply District No. 1 and 2,
22 on behalf of DeKalb County Public Water Supply
23 District No. 1, and Buchanan County Public Water
24 Supply District No. 1.

25 JUDGE THOMPSON: Thank you.

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1 MR. CONRAD: Stuart W. Conrad,
2 Kansas City, representing a group of three
3 industrial intervenors whose operations are
4 located here in St. Joseph; Ag Processing,
5 Friskies and Wire Rope.

6 JUDGE THOMPSON: Thank you, sir.

7 MR. COOPER: Dean Cooper, law
8 firm Brydon, Swearngen & England appearing on
9 behalf of Missouri-American Water Company.

10 MR. COFFMAN: I'm John B.
11 Coffman, appearing on behalf of the Office of the
12 Public Counsel and the rate payers.

13 JUDGE THOMPSON: Do we have
14 other counsel present at this time?

15 MR. ZOBRIST: Karl Zobrist
16 representing the City of St. Joseph.

17 JUDGE THOMPSON: Thank you, sir.
18 Any other entries of appearance of counsel? Very
19 well. Representative Charles Shields.

20 I notice there are many people standing.
21 There are some chairs available up here. Please
22 feel free to fill in. There's also some seats
23 over here at this table, or this table over here.
24 You are welcome to come up and fill in and sit in
25 the available seats. Particularly those, anyone

1 who's elderly or infirm, who's sensitive to that,
2 give them precedence, please, in finding a seat.

3 Sorry to keep you waiting, sir.

4 REPRESENTATIVE SHIELDS: That's
5 all right.

6 JUDGE THOMPSON: Very well.
7 Would you please raise your right hand.

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

12
13 JUDGE THOMPSON: Please state
14 your name.

15 REPRESENTATIVE SHIELDS:
16 Representative Charles Shields representing the
17 28th District of the Missouri legislature.

18 JUDGE THOMPSON: Sir, are you
19 presently a customer of Missouri-American Water
20 Company?

21 REPRESENTATIVE SHIELDS: Yes, I
22 am.

23 JUDGE THOMPSON: Please proceed.

24 REPRESENTATIVE SHIELDS: Thank
25 you. First of all, let me welcome Commissioner

1 Murray and Commissioner Schemenauer. For the
2 people who are not familiar, I became familiar
3 with these two people when they were in the
4 General Assembly I also welcome Judge Thompson.
5 On behalf of St. Joseph we're glad you're here.
6 We appreciate the opportunity for our citizens to
7 come and testify before you.

8 When the legislative session concluded two
9 weeks ago, one of the great successes, at least we
10 judged on behalf of St. Joseph, was that we were
11 able with the help of the entire legislative
12 delegation with Representative Kelly,
13 Representative Lawson, Representative Hegeman,
14 myself and Senator Johnson, was the ability to
15 preserve the ability of the Public Service
16 Commission to implement single tariff pricing and
17 to continue to implement single tariff pricing.
18 We fought hard to make sure that that was an
19 option that you would continue to have.

20 During the hearings before the utilities
21 committee in the House, the communities of
22 Warrensburg and Jefferson City brought out their
23 citizens. They brought out senior citizens; they
24 brought out working class families to testify and
25 say what an impact the proposed rates would have

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1 on them. Well, Commissioners, tonight is our
2 opportunity. We didn't have our citizens in
3 Jefferson City at those hearings because we knew
4 we'd have the opportunity tonight and you
5 ultimately would be the ones making the decisions.

6 We have a number of citizens who want to
7 testify. I'm going to keep my remarks very brief
8 so they can do that. We have working class
9 families, we have senior citizens who would be
10 dramatically affected by the proposed rate
11 increase that Missouri-American is asking for. We
12 simply ask that you listen to this testimony, take
13 the recorded testimony back to the commissioners
14 not present, and make the decision you are
15 encouraged to make. Thank you.

16 JUDGE THOMPSON: Thank you, sir.
17 Questions from the Bench. Commissioner Murray?

18 COMMISSIONER MURRAY: I don't
19 have any questions, but nice to see you,
20 Representative.

21 JUDGE THOMPSON: Commissioner
22 Schemenauer?

23 COMMISSIONER SCHEMENAUER: I
24 have no questions either, but it's good to see
25 you, Representative.

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1 JUDGE THOMPSON: Questions from
2 counsel? Hearing none, you're excused. Thank
3 you, sir.

4 REPRESENTATIVE SHIELDS: Thank
5 you.

6 JUDGE THOMPSON: Thank you.
7 Maurice Lawson.

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

12
13 JUDGE THOMPSON: State your
14 name.

15 REPRESENTATIVE LAWSON:
16 Representative Maurice Lawson. I represent the
17 29th District of St. Joseph.

18 JUDGE THOMPSON: Representative
19 Lawson, are you presently a customer of
20 Missouri-American Water Company?

21 REPRESENTATIVE LAWSON: Yes, I
22 am.

23 JUDGE THOMPSON: Please proceed.

24 REPRESENTATIVE LAWSON: I'm here
25 to represent the many people in my district that

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1 can't come. My district extends into Platte
2 County where they have rural water districts that
3 are customers of Missouri-American. I had several
4 complaints, and I'm here tonight to let you hear
5 them. The water they are receiving leaves a lot
6 of film on their dishes. It also leaves film on
7 top of coffee or tea. Anything they make they
8 have a film now. It's not the quality that it
9 once was.

10 When trying to register those concerns they
11 were treated rudely, many of the people that I've
12 talked to, even hung up on, some of them have told
13 me, by the employees that was answering the phone
14 at Missouri-American. If they can't vent their
15 concerns to the company, then they turn to their
16 legislators or whoever is there. And that's why
17 I'm here tonight, to say I wasn't there to see it
18 happen, but I've had many people tell me they have
19 problems.

20 I've had people, and I've be given some of
21 the names to Missouri-American, that their rates
22 for their sewers are set by the first quarter of
23 the year. Their bills for the two years prior
24 were running 40, \$50 a month. And when it came
25 time for the rates of the sewers to be set, it run

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1 170, one of them. 80 some on the other one.

2 That's -- I don't know if that's intentional.

3 Missouri-American said they can take care of
4 that, but somebody is not reading the meter the
5 way they should read them. If they don't read
6 them for two years and then read them at one
7 particular date, they're paying twice the sewer
8 tax they should be, and that concerns me.

9 Another -- I've already received complaints
10 that they aren't -- some even don't have the
11 record of where their meters are located. They
12 haven't upgraded the location of the water meter
13 so if somebody comes to reads meters he just
14 estimates it; he can't see, he can't find the
15 meter. Their records, I have a lady here tonight
16 would indicate that her meter is not anyplace
17 close to where the records show that it is. So
18 how can someone if they don't have updated records
19 actually come and read the meter and give a right
20 reading?

21 My district is a working class people and
22 many elderly, and I have a rural area that have
23 the rural water districts. They will be affected
24 drastically by a hundred dollar a year increase.
25 If it's a hundred in the city of St. Joseph, it's

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1 going to be more in the rural area; those rates
2 are a lot higher.

3 With that I'd like to thank you for coming to
4 St. Joseph. I'm a good friend of the chairman of
5 this committee, Sheila Lumpe, or Commissioner, and
6 I wish she were here tonight. Thank you.

7 JUDGE THOMPSON: Thank you,
8 Representative Lawson. Excuse me, sir. Questions
9 from the Bench? Commissioner Murray?

10 COMMISSIONER MURRAY:
11 Representative Lawson, thank you for being here.
12 I wanted to ask you, the complaints that you have
13 received from constituents as to water quality or
14 treatment by the representatives from the company,
15 what was the most recent complaint that you
16 received?

17 REPRESENTATIVE LAWSON: Probably
18 I received in the last -- within the last week
19 when people were preparing to come -- for me to
20 come to testify for them. They were telling me
21 some of them couldn't come, they couldn't be here,
22 but I have a friend that's here that was just
23 relaying some of these complaints to me as
24 recently as the last few days. It was the last
25 few days when I was made aware.

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1 COMMISSIONER MURRAY: And do you
2 know how recently the occurrences were?

3 REPRESENTATIVE LAWSON: No.

4 COMMISSIONER MURRAY: And have
5 you talked to anyone at the company?

6 REPRESENTATIVE LAWSON: Just
7 tonight. I gave them a copy of what I was going
8 to say.

9 COMMISSIONER MURRAY: Thank you.

10 JUDGE THOMPSON: Commissioner
11 Schemenauer?

12 COMMISSIONER SCHEMENAUER: Thank
13 you, Your Honor. Good evening, Representative.
14 It's good to see you.

15 REPRESENTATIVE LAWSON: Thank
16 you.

17 COMMISSIONER SCHEMENAUER: I'm
18 glad to see you here representing the folks. The
19 water quality, the film on the coffee and
20 everything, was that American Water customers or
21 the public water supply districts or both?

22 REPRESENTATIVE LAWSON: No, they
23 were in the city of St. Joseph, the water company.

24 COMMISSIONER SCHEMENAUER: The
25 water supply district who purchases water from

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1 Missouri-American, were any of those customers
2 complaining?

3 REPRESENTATIVE LAWSON: I
4 haven't received complaints among those customers.
5 I haven't received complaints, but I can tell you
6 from my own experience I have a film every morning
7 now on my coffee. When I brew it, there it is.
8 And it hasn't been there in the past, gentlemen.

9 COMMISSIONER SCHEMENAUER: And
10 have these folks complained to Missouri-American
11 Water again or was the rude treatment just once?

12 REPRESENTATIVE LAWSON: I don't
13 know that they returned, if they went back and
14 tried to complain again or not, but I know many
15 people working at Missouri-American and they are
16 good people.

17 COMMISSIONER SCHEMENAUER: The
18 Commission has a consumer complaint desk and we
19 have a staff of folks who listen to the
20 complaints, and there should be some pink cards
21 with the 800 number on it. If they want to call
22 us they can certainly call us because we will
23 investigate the complaints for them, and also
24 anyone here tonight that wants to talk to our
25 staff before they leave, they can certainly

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1 register complaints with our staff and they will
2 look at it. So thank you again for coming.

3 REPRESENTATIVE LAWSON: Thank
4 you, Commissioner.

5 JUDGE THOMPSON: Any questions
6 from counsel? Hearing none, you are excused.
7 Thank you, sir.

8 Gordon, are there pink cards available?

9 SPEAKER: Yes, there should be,
10 Your Honor.

11 JUDGE THOMPSON: Dale, would you
12 stand just for a moment? This is Dale Johannsen
13 from our water department. If you have one of
14 these issues you'd like to bring to the attention
15 of the Commission Staff, grab him after the
16 hearing, okay? Dan Hegeman.

17

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

21

22 JUDGE THOMPSON: State your
23 name, please.

24 REPRESENTATIVE HEGEMAN: Dan
25 Hegeman, Fifth District State Representative.

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1 JUDGE THOMPSON: Sir, are you
2 presently a customer of Missouri-American Water
3 Company?

4 REPRESENTATIVE HEGEMAN: I'm an
5 indirect customer of Missouri-American Water
6 Company.

7 JUDGE THOMPSON: So is it your
8 belief that the rate increase will affect you
9 personally?

10 REPRESENTATIVE HEGEMAN: I'm
11 sure that it will.

12 JUDGE THOMPSON: Please proceed,
13 sir.

14 REPRESENTATIVE HEGEMAN: Let me
15 start off and clarify how I am an indirect
16 customer and my concern about the water rate
17 increase. I'm a customer of Andrew County Water
18 Supply District No. 2 who is a customer of
19 Missouri-American's. I also have represented a
20 number of public rural water supply districts that
21 buy water from Missouri-American Water Company,
22 and my concern after some of the earlier testimony
23 that came about -- and it is a pleasure to see
24 Commissioner Murray and Commissioner Schemenauer.
25 I welcome you to northwest Missouri like everyone

1 else.

2 But my concern really goes to the single
3 tariff pricing issue and the debate that we had in
4 the legislature.

5 We, as you know, ensured that you will have
6 the opportunity to take a look at the spectrum of
7 single tariff pricing and as a good and sound
8 policy decision in rate making and we would hope
9 that you would, you know, see what the legislature
10 looked at, see where we stood on the issue, and
11 take that into consideration as you go forth in
12 your deliberations.

13 Now, it certainly sounds -- and you've heard
14 testimony before that many other states have
15 looked at the issue of single tariff pricing and
16 have found it a valid policy issue and decided to
17 go forth with it. In prior commission hearings
18 you've seen fit to have single tariff pricing as
19 an issue, and certainly the legislative delegation
20 up here in northwest Missouri, were very defensive
21 of their position allowing you the opportunity to
22 make that decision with regard to specific pricing
23 or single tariff pricing or a spectrum in between,
24 and so we were happy to provide you and give you
25 the opportunity to continue working in that

1 fashion.

2 With regard to the rate increase, I'm not
3 going to speak to that too much but, you know, I
4 do have many customers and many constituents that
5 will be affected by the rate increase and from the
6 rural areas of northwest Missouri, and certainly
7 we appreciate -- many of my district is just
8 simply happy to have water right now, too. I've
9 had many complaints from people who are not on a
10 rural water supply district and certainly we've
11 had droughting situations up here, and it's of
12 great concern to them. So first and foremost
13 we're happy to have the water.

14 At my location there's been some comments
15 about a film being on the new water that's being
16 produced. Evidently the rural water supply
17 district is doing a good job of providing water
18 because I have not noticed a film on our coffee or
19 in the water or anything such as that, but so I
20 attribute that to the good work of the rural water
21 supply district in Andrew County No. 2. With that
22 I don't have anything further. It's a pleasure to
23 have you up here and I appreciate you coming forth
24 to northwest Missouri and around the state to
25 solicit hearings, have these hearings and solicit

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1 correspondence and response from the people around
2 the state.

3 JUDGE THOMPSON: Thank you, sir.
4 Questions from the Bench. Commissioner Murray?

5 COMMISSIONER MURRAY: Good
6 evening, Representative Hegeman.

7 REPRESENTATIVE HEGEMAN: Good
8 evening.

9 COMMISSIONER MURRAY: Nice to
10 see you.

11 REPRESENTATIVE HEGEMAN: Thank
12 you.

13 COMMISSIONER MURRAY: Senator
14 Caskey today in the hearing in Warrensburg, at the
15 local public hearing we had in Warrensburg this
16 afternoon, indicated that in the Senate committee
17 hearing on the bill that he had filed to prevent
18 single tariff filing that there was only one
19 opponent that testified to the bill and that was
20 the company, and -- okay. Anyway, he indicated
21 there was only one opponent that testified. Now,
22 you had a hearing in the House --

23 REPRESENTATIVE HEGEMAN: We did.

24 COMMISSIONER MURRAY: -- on this
25 bill; is that correct?

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1 REPRESENTATIVE HEGEMAN: That's
2 correct.

3 COMMISSIONER MURRAY: And were
4 there witnesses in favor of the bill as well as
5 witnesses opposed?

6 REPRESENTATIVE HEGEMAN: There
7 were. There were numerous witnesses in favor of
8 the bill to eliminate single tariff pricing and
9 there were a number of witnesses opposed to the
10 bill to eliminate single tariff pricing.

11 COMMISSIONER MURRAY: Okay.

12 REPRESENTATIVE HEGEMAN: We had
13 good numbers on both sides of the issue.

14 COMMISSIONER MURRAY: All right.
15 Thank you very much.

16 JUDGE THOMPSON: Commissioner
17 Schemenauer?

18 COMMISSIONER SCHEMENAUER: Thank
19 you, Your Honor. I hope you can hear me. Maybe
20 if I speak a little closer to the mic. It's good
21 to see you, Representative Hegeman.

22 REPRESENTATIVE HEGEMAN: It's a
23 pleasure seeing you.

24 COMMISSIONER SCHEMENAUER: The
25 only questions I have, are you -- are you in favor

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1 of single tariff pricing company-wide or are you
2 limiting it to certain districts or --

3 COMMISSIONER HEGEMAN: I think
4 if you are going to do it you should do it
5 company-wide, and I think there's some valid --
6 and you've heard the valid support for the single
7 tariff pricing. The fact that, you know, it
8 broadens your base, the customer base that when
9 any improvement develops in any of the districts
10 it's less of an impact on all the customers, and
11 mind you, what goes around comes around. You
12 know, this time we had some improvements in this
13 area, in this district up here, this area up here
14 but, you know, there are other improvements
15 certainly down the road it will come time for us
16 to help with that and with those rate increases
17 when those times come around, so I mean in my mind
18 it is a good and valid policy decision, you know,
19 and I truly like the idea of spreading the cost of
20 doing service over a broader base which is what
21 you accomplish with a single tariff price, and
22 that quite honestly, that is the aspect that I
23 like about the concept the most.

24 COMMISSIONER SCHEMENAUER: And
25 if the situation changed down the line, if

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1 Missouri-American purchased another water company
2 and had some very large capital expenditures to
3 recover, your constituents would not object to it?

4 REPRESENTATIVE HEGEMAN: It
5 wouldn't change the idea; it wouldn't change the
6 concept of the broader base. You know, the
7 broader base, the company base, customer base
8 still would be there and would broaden the base,
9 therefore there would be less of an impact. As a
10 whole in the long term, in the long view of things
11 it would be less of an impact on the individual
12 customers, and I do like that.

13 COMMISSIONER SCHEMENAUER: Thank
14 you.

15 REPRESENTATIVE HEGEMAN: Thank
16 you.

17 JUDGE THOMPSON: Questions from
18 counsel? Mr. Conrad.

19 MR. CONRAD: Representative
20 Hegeman, thank you for coming. I just had a
21 clarifying question for you.

22 REPRESENTATIVE HEGEMAN: You
23 bet.

24 MR. CONRAD: You were here and I
25 think you specified just a moment ago that you had

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1 some public water supply?

2 REPRESENTATIVE HEGEMAN: It's a
3 rural water supply district.

4 MR. CONRAD: That you were here
5 speaking on behalf of them.

6 REPRESENTATIVE HEGEMAN: Well,
7 I'm speaking on behalf of the constituents of the
8 Fifth District which involve three rural water
9 districts.

10 MR. CONRAD: Is it your
11 testimony here today that the public water supply
12 district that's attached to the Joplin district
13 that is supplied from them should pay for the
14 St. Joseph plant?

15 REPRESENTATIVE HEGEMAN: I
16 cannot speak on behalf of the rural water district
17 around the Joplin area, nor can I truly speak on
18 behalf of the rural water districts up here, but I
19 think they certainly are in favor and they had
20 counsel that testified in favor of the
21 districts -- excuse me, single tariff pricing in
22 the House hearings.

23 MR. CONRAD: So what was -- I'm
24 still clarifying my question.

25 REPRESENTATIVE HEGEMAN: You

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1 asked me to speak -- you asked me to speak on
2 behalf of the Joplin Public Water Supply
3 District, and I cannot do that.

4 MR. CONRAD: Okay. What is your
5 position here today with respect to my question?
6 You're the witness here today. Should the public
7 water supply district in Joplin that also serves
8 residential customers, should those customers pay
9 for the St. Joseph plant? Is that your testimony
10 here today, sir?

11 REPRESENTATIVE HEGEMAN: My
12 testimony is that we should go with a single
13 tariff pricing that broadens the base. They are a
14 customer of Missouri-American Water Company;
15 therefore, my answer to that question would be
16 yes, I believe that all customers of
17 Missouri-American Water Company should be part of
18 this broader base to have a less of an impact on
19 the individual customers in the state of Missouri.

20 MR. CONRAD: Thank you, Your
21 Honor.

22 JUDGE THOMPSON: Thank you,
23 Mr. Conrad. Thank you, Representative.

24 REPRESENTATIVE HEGEMAN: Thank
25 you.

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1 JUDGE THOMPSON: You are
2 excused, sir. Pat Wessol.

3
4 PAT WESSOL
5 called as a witness herein, being first duly sworn
6 by the Judge, testified on her oath as follows:

7 JUDGE THOMPSON: Please state
8 your name.

9 MS. WESSOL: My name is Pat
10 Wessol, W-E-S-S-O-L.

11 JUDGE THOMPSON: Ms. Wessol, are
12 you presently a customer of Missouri-American
13 Water Company?

14 MS. WESSOL: I'm the clerk of
15 Public Water Supply District No. 6 in Platte
16 County.

17 JUDGE THOMPSON: Is it your
18 belief that the proposed rate increase will affect
19 you or the company you work for?

20 MS. WESSOL: Most definitely.

21 JUDGE THOMPSON: Please proceed.

22 MS. WESSOL: The district
23 purchases its entire supply of water from
24 Missouri-American in the Parkville district. At
25 the present time our average cost for water is

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1 .9623 dollars per 1,000 gallons, based on the
2 average monthly usage of approximately five
3 million gallons. Nearly all of the present
4 proposals before the Commission would
5 substantially increase the charges made to this
6 district which falls in the category of a resale
7 customer much more than residential customers who
8 purchase their water directly from
9 Missouri-American.

10 The district currently serves 726 residential
11 users and no commercial or other type users.
12 Retired persons and those living on fixed incomes
13 make approximately 27 percent of our customer
14 base. The average use per customer in the
15 district is 6,000 gallons per month for which they
16 pay \$29.52. The current rate for a residential
17 customer who is using 6,000 gallons per month
18 purchased directly from Missouri-American is
19 \$17.67.

20 We believe that since all of our water users
21 are residential in nature, it would be most unfair
22 to increase the rates to the district by a
23 substantially higher percentage than the rates to
24 those residential customers purchasing the water
25 directly from Missouri-American. We urge you to

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1 devise a rate schedule that will impose the same
2 rate increase for all residential customers
3 whether served by water districts or directly by
4 Missouri-American. We will also request that you
5 protect our water users by keeping these rates as
6 low as possible under the rules and guidelines of
7 the Commission. Thank you.

8 JUDGE THOMPSON: Thank you,
9 ma'am. Questions from the Bench. Commissioner
10 Murray?

11 COMMISSIONER MURRAY: No
12 questions, thank you.

13 JUDGE THOMPSON: Commissioner
14 Schemenauer?

15 COMMISSIONER SCHEMENAUER: No
16 questions. Thank you for coming.

17 MS. WESSOL: Thank you.

18 JUDGE THOMPSON: Questions from
19 counsel? Hearing none, you are excused, ma'am.
20 Thank you.

21 Larry Stobbs.

22 May I have order, please. We will not be
23 able to get through this hearing if we have
24 outbursts. Please proceed.

25 MR. ZOBRIST: Judge, I want to

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1 introduce Mayor Larry Stobbs, the mayor of
2 St. Joseph. He will be followed by Sterrit W.
3 Schanze, the city manager. The third witness
4 there, I think I had entered his appearance, was
5 Pat Lilly from the Chamber of Commerce. Speaking
6 in his absence will be Brad Lau. He's a member of
7 the Chamber of Commerce.

8 JUDGE THOMPSON: Brad, what was
9 the last name?

10 MR. ZOBRIST: Lau, L-A-U.

11 JUDGE THOMPSON: Thank you.

12

13 LARRY R. STOBBS
14 called as a witness herein, being first duly sworn
15 by the Judge, testified on his oath as follows:

16

17 JUDGE THOMPSON: State your
18 name, please.

19 MAYOR STOBBS: My name is Larry
20 R. Stobbs. I'm the mayor of the City of
21 St. Joseph, Missouri.

22 JUDGE THOMPSON: I apologize for
23 mispronouncing your name, sir.

24 MAYOR STOBBS: That's okay.
25 It's done all the time.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 JUDGE THOMPSON: Are you
2 presently a customer of Missouri-American Water
3 Company?

4 MAYOR STOBBS: Yes, I am.

5 JUDGE THOMPSON: Please proceed,
6 sir.

7 MAYOR STOBBS: Thank you.
8 Honorable Judge and members of the Commission,
9 first of all I want to thank you for responding to
10 my request for a hearing in St. Joseph, and we
11 want to welcome you to our community. You have a
12 very tough task to perform because the one you
13 make is going to be wrong to somebody, I
14 guarantee. It's a tough issue to do, but as we
15 started through this process after the floods of
16 1993 in trying to protect the water supply of not
17 only St. Joseph but our rural area around us --
18 and they are just as important as in-town water
19 supply is -- several decisions were made and the
20 water company formed a citizens committee of which
21 I was a part of and we walked through this from
22 the time of the inception to the time the plant
23 was finished.

24 STP was a very important part of that
25 decision-making process at that time. We

1 testified before the Commission in the courthouse
2 earlier on these issues, and so moving forward
3 with that we felt pretty confident. Is STP fair
4 or not; I think to those in our position it's fair
5 and to some of those that aren't drinking
6 Missouri-American Water coming out of this plant,
7 they may think it's unfair. In the past we've
8 paid some fees for some of that water in their
9 district that we didn't drink, too. We certainly
10 haven't complained about that. It's a matter of
11 fairness that's spread across the board, as
12 Representative Hegeman said, I think certainly the
13 larger the base, the lesser the cost and that will
14 fluctuate up and down by individual water
15 districts as they probably have a need, and all of
16 them will have a need at some point in time.

17 Our water plant was over a hundred years old,
18 and certainly it is still a good water plant but
19 it did not meet the current or the future needs of
20 our community which includes the surrounding areas
21 of Andrew and Platte and DeKalb and Clinton
22 Counties, and so we have to look out for that and
23 we did the best we could.

24 Mr. Schanze will give our position as the
25 city manager and I guess in finishing all I want

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1 to say is we would hope -- with no demand -- we
2 would hope that the Commission has enough
3 information and guidance to make a very wise
4 decision that would benefit the most people, and
5 we know as we said earlier that it isn't going to
6 satisfy everybody, and you have a very tough task
7 and we realize that. All we ask for is fairness
8 across the board for all citizens, not necessarily
9 St. Joe. Thank you.

10 JUDGE THOMPSON: Thank you, sir.
11 Questions from the Bench. Commissioner Murray?

12 COMMISSIONER MURRAY: No
13 questions, thank you.

14 JUDGE THOMPSON: Commissioner
15 Schemenauer?

16 COMMISSIONER SCHEMENAUER: No
17 questions, Your Honor. Thank you for coming.

18 JUDGE THOMPSON: Questions from
19 counsel? Mr. Conrad.

20 MR. CONRAD: Mr. Mayor, you've
21 heard of the St. Louis County Water Company?

22 MAYOR STOBBS: Yes, sir.

23 MR. CONRAD: Is your testimony
24 here today to be taken that as a representative of
25 this community that you are willing to accept

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1 potentially a significant share of the cost of
2 rehabilitation for the water system in St. Louis
3 City?

4 MAYOR STOBBS: I won't give you
5 an answer on that, and the reason I won't is that
6 is not part of this system at this time and it
7 hasn't gone before this Commission to put it in
8 this system. Until that time comes, I will
9 reserve my argument, and whatever that issue is at
10 that time, I'll argue it one way or the other.
11 But as of right now that is not part of this
12 issue; they are not part of this system.

13 JUDGE THOMPSON: Thank you, sir.

14 MAYOR STOBBS: Thank you.

15 JUDGE THOMPSON: You are
16 excused.

17

18 STERRIT (STET) W. SCHANZE
19 called as a witness herein, being first duly sworn
20 by the Judge, testified on his oath as follows:

21

22 JUDGE THOMPSON: Please state
23 your name.

24 MR. SCHANZE: Sterrit W.
25 Schanze.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 JUDGE THOMPSON: Schanze. Sir,
2 are you presently a customer of Missouri-American
3 Water Company?

4 MR. SCHANZE: I am.

5 JUDGE THOMPSON: Please proceed.

6 MR. SCHANZE: I would like to
7 first of all thank you for your attendance this
8 evening, holding a public hearing for the
9 residents of our community. The mayor made our
10 position clear on single tariff pricing. You are
11 now beginning to hear objections to single tariff
12 pricing in a call by the other districts for
13 district specific pricing due to the cost of the
14 plant in St. Joseph.

15 We certainly understand these concerns. To
16 some extent St. Joseph has been over-paying its
17 share of the company's costs for some time. We
18 simply ask that the Public Service Commission do
19 its charge under the Missouri State statutes, and
20 that is to protect our public's interest and to
21 regulate rates in a just and reasonable fashion.

22 We do not believe that it is just and
23 reasonable to consider changes to the rules of
24 single tariff pricing when a new plant is in the
25 process of going online. If we move away from

1 single tariff district -- single tariff pricing
2 and move to district specific pricing, then our
3 citizens could experience an increase in water
4 rates of well over 100 percent, as we've been
5 notified of the rates, and potentially closer to
6 200 percent. We believe this is unconscionable
7 for the citizens of St. Joseph, particularly our
8 senior citizens and our citizens on fixed incomes.

9 You are also hearing arguments on the
10 prudence of the investment, the \$70 million
11 investment that I just discussed. We understand
12 that others including, the Office of Public
13 Counsel, are questioning whether the cost of the
14 new plant are prudent. We will defer to the
15 Office of Public Counsel's position on the matter,
16 and we trust that the Commission will carefully
17 weigh the evidence and permit only those
18 investments and costs which were prudently
19 incurred to be included in the rate case.

20 In conclusion, I would like to state on
21 behalf of the City of St. Joseph and its citizens
22 and request that you protect us from rate shock
23 which will occur if we move away from single
24 tariff pricing. I ask that you continue the
25 policy of single tariff pricing, the concept of

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1 shared benefits and shared burdens which will
2 benefit all rate payers over the long term. Thank
3 you.

4 JUDGE THOMPSON: Thank you, sir.
5 Questions from the Bench. Commissioner Murray?

6 COMMISSIONER MURRAY: No
7 questions, thank you.

8 JUDGE THOMPSON: Commissioner
9 Schemenauer?

10 COMMISSIONER SCHEMENAUER: No
11 questions.

12 JUDGE THOMPSON: Questions from
13 counsel? Hearing none, you are excused, sir.
14 Thank you.

15 MR. SCHANZE: Thank you.

16 JUDGE THOMPSON: Brad Lau.

17

18 BRAD LAU

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

21

22 JUDGE THOMPSON: Please state
23 your name.

24 MR. LAU: Brad Lau.

25 JUDGE THOMPSON: Mr. Lau, are

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1 you presently a customer of Missouri-American
2 Water Company?

3 MR. LAU: I am.

4 JUDGE THOMPSON: Please proceed.

5 MR. LAU: The St. Joseph Area
6 Chamber of Commerce is a business organization of
7 1,200 local businesses and serves as the chief
8 economic development agency for Buchanan County
9 and the citizens of St. Joseph. The Chamber Board
10 of Directors considered the construction of the
11 new water plant by Missouri-American Water Company
12 and supports the needs for a modern facility that
13 provides a dependable source of water for the
14 community.

15 With respect to the rate request currently
16 before the Commission, the Chamber of Commerce
17 would offer the following comments in way of
18 testimony. Currently pricing for
19 Missouri-American Water customers is determined by
20 utilizing single tariff pricing or STP. This
21 pricing structure is currently under review by the
22 Commission. If it is determined that STP should
23 be modified or abandoned, then consideration
24 should be given to the impact on St. Joseph.

25 The original estimates of rate increases

1 associated with the cost of the new water plant
2 were based on STP rate structure. A change at
3 this time may have significant impact on the
4 community. This impact must be understood and
5 consideration given to mediating any adverse
6 impact. In addition, consideration must be given
7 to the impact on St. Joseph from the existing STP
8 rate structure.

9 In previous years this community has helped
10 pay for improvements in other communities.
11 Recognition of this should be included in any new
12 rate structure. The potential rate impact on
13 St. Joseph could be extreme. Consideration should
14 be given to minimizing its impact over a period of
15 time.

16 This is particularly important to businesses
17 who must budget costs 12 to 18 months in advance.
18 A multi-year implementation schedule for the rate
19 increase would be helpful and beneficial. As with
20 most communities, St. Joseph competes for new jobs
21 and new investments, and important consideration
22 for new and dependable businesses is utility
23 costs. The ability to offer utility rates which
24 are competitive with others should be a
25 consideration.

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1 Again, we would ask that any rate increase
2 associated with revising the existing rate
3 structure be minimized to the greatest extent
4 possible, and we thank you for the opportunity to
5 provide this testimony.

6 JUDGE THOMPSON: Thank you, sir.
7 Questions from the Bench. Commissioner Murray?

8 COMMISSIONER MURRAY: I have no
9 questions, but thank you.

10 JUDGE THOMPSON: Commissioner
11 Schemenauer?

12 COMMISSIONER SCHEMENAUER: No
13 questions, thank you.

14 JUDGE THOMPSON: Questions from
15 counsel? Mr. Conrad.

16 MR. CONRAD: Yes, sir. When you
17 were told originally by the company about this
18 project, what did they tell you about the proposed
19 increased percentage?

20 MR. LAU: Sir, I was not an
21 employee of the Chamber at that time, and the
22 testimony that I have given was the comment of the
23 board of directors.

24 MR. CONRAD: Thank you.

25 JUDGE THOMPSON: Thank you. You

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1 are excused, sir. Thank you.

2 R.G. Keatley.

3

4 R. G. KEATLEY

5 called as a witness herein, being first duly sworn

6 by the Judge, testified on his oath as follows:

7

8 JUDGE THOMPSON: Please state

9 your name.

10 MR. KEATLEY: Richard Keatley.

11 I feel a little out of place because I'm not

12 representing anybody except myself.

13 JUDGE THOMPSON: That's fine.

14 Sir, are you presently a customer of

15 Missouri-American Water Company?

16 MR. KEATLEY: Yes, sir.

17 JUDGE THOMPSON: Please proceed.

18 MR. KEATLEY: We own two mobile

19 home parks here in the city, and I will spend

20 probably at least 25 to \$27,000 a year for water.

21 Any increase like they are talking about would

22 really create quite a disadvantage or quite a

23 hassle. Part of that expense is for a fire

24 hydrant that we have in there that the fire chief

25 had asked me to put in there. For 27 years I've

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1 been paying standby on water for the electric fire
2 hydrant, and right now it's costing me over \$600 a
3 year. This should not have happened because that
4 fire hydrant is the same as any other residential
5 hydrant. It's for the protection and the help of
6 the citizens, not for my business or -- I have
7 nothing to lose. I can understand why they have
8 this on corporations or large buildings or
9 something like that because they need to do that
10 to protect their own buildings and their own
11 business. I have nothing to lose and nothing to
12 protect. It's strictly for the citizens of
13 St. Joseph who live in that community.

14 JUDGE THOMPSON: Thank you, sir.
15 Questions from the Bench. Commissioner Murray?

16 COMMISSIONER MURRAY: No
17 questions, thank you.

18 JUDGE THOMPSON: Commissioner
19 Schemenauer?

20 COMMISSIONER SCHEMENAUER: Just
21 one. On your water bill that you get for the two
22 mobile home parks, is that passed on to the
23 renters?

24 MR. KEATLEY: Yes, it's included
25 in the rent, yes.

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1 COMMISSIONER SCHEMENAUER: Okay.

2 Do you pass the specific costs on to them each
3 month or is that part of the monthly rent?

4 MR. KEATLEY: It's part of the
5 overall cost. The rate is set according to total
6 expenses and income. I don't think my people can
7 stand another 30, 40 percent of that part of the
8 cost.

9 COMMISSIONER SCHEMENAUER: Okay.
10 So you receive the water bill and you pay it?

11 MR. KEATLEY: I pay it, yes.

12 JUDGE THOMPSON: Questions from
13 counsel? Hearing none, you are excused.

14 Connie Field.

15

16 CONNIE L. FIELD
17 called as a witness herein, being first duly sworn
18 by the Judge, testified on his oath as follows:

19

20 JUDGE THOMPSON: Please state
21 your name.

22 MR. FIELD: My name is Connie
23 Field.

24 JUDGE THOMPSON: Mr. Field, are
25 you presently a customer of Missouri-American

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 Water Company?

2 MR. FIELD: No, I'm not. I am
3 the president of Andrew County Public Water
4 District No. 1, which I purchase water from them.

5 JUDGE THOMPSON: So you have
6 reason to believe that the proposed rate increase
7 will affect you or your business?

8 MR. FIELD: Yes, it will.

9 JUDGE THOMPSON: Please proceed,
10 sir.

11 MR. FIELD: Andrew County Public
12 Water District No. 1 was founded as a nonprofit
13 district in rural Andrew County. The district
14 presently serves about 1,691 customers, and of
15 that there is 1,665 households and 26 businesses.
16 We also serve the city of Amazonia. During last
17 month we purchased 14 million gallons of water
18 from Missouri-American which was about 150,000
19 gallon. This was sold to businesses which set up
20 in the community. We feel or I feel that along
21 with Senator Dan Hegeman that single tariff
22 pricing, should be spread out through the state of
23 Missouri or through the other areas in the area.
24 I also believe with what Mayor Stobbs said about
25 we should have some economic development. It

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1 would definitely have an impact on that on this
2 community. That's --

3 JUDGE THOMPSON: Does that
4 conclude your statements, sir? Questions from the
5 Bench. Commissioner Murray?

6 COMMISSIONER MURRAY: No
7 questions, thank you.

8 JUDGE THOMPSON: Commissioner
9 Schemenauer?

10 COMMISSIONER SCHEMENAUER: No
11 questions, Your Honor.

12 JUDGE THOMPSON: I'd like to
13 thank you, Mr. Field, for printing your name
14 carefully on the sign-up sheet.

15 Questions from counsel? None. You are
16 excused, sir. Thank you. Jack Livingston.

17

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

21

22 JUDGE THOMPSON: Please state
23 your name.

24 MR. LIVINGSTON: Jack
25 Livingston.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 JUDGE THOMPSON: Mr. Livingston,
2 are you presently a customer of Missouri-American
3 Water Company?

4 MR. LIVINGSTON: I am.

5 JUDGE THOMPSON: Please proceed,
6 sir.

7 MR. LIVINGSTON: My name is Jack
8 Livingston, and I'm president of Public Water
9 District No. 1 of DeKalb County, Missouri. The
10 district that I serve -- represent serves DeKalb,
11 Andrew, Buchanan, and Platte Counties and
12 currently has 2,148 users, 2,135 of which are
13 residential customers. In addition our district
14 serves water to Clarksdale, which has 130
15 customers, 126 of which are residential. Easton
16 which has 112 customers, 109 which are
17 residential. DeKalb which has 575 customers, 520
18 which are residential, and Stewartsville which has
19 305 customers, 265 which are residential. Average
20 residential use in the district is 5,650 gallons
21 which cost the user \$38.19. Commercial users
22 average 3,240 gallons which cost the user \$29.15,
23 so it is obvious that commercial users are not
24 large consumers.

25 The water supply district is paying for the

1 Missouri-American metering points from a third
2 location where the district purchases water from
3 Andrew 2 water district. Andrew 2 obtains all its
4 water from Missouri-American, so that the entire
5 supply of DeKalb 1 comes from Missouri-American.
6 With a possible exception of Missouri-American
7 Water Company, all of the proposed rate structures
8 submitted by the Staff, Office of the Public
9 Counsel and the various cities and companies that
10 have intervened increases the rate of the resale
11 customers by a much larger percentage than the
12 increase applied directly to customers in the
13 St. Joseph district.

14 This will result in an even larger
15 discrepancy between water district users and those
16 located elsewhere than the St. Joe district. At
17 the present time the current rate for those not in
18 the water district is 14.74 for 6,000 gallons
19 while the average bill in DeKalb County No. 1 is
20 slightly less than the amount of 38.19. If
21 this -- if these present proposals are adopted
22 whereby the resale customers will increase by such
23 large percentages, it is obvious that water
24 districts will have to pass that increase on to
25 its customers.

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1 Since nearly all water district customers are
2 residential users, this means that the cost of the
3 water residential users carry directly or
4 indirectly by water districts in the St. Joe
5 district will rise disproportionate to the other
6 residential users in the district. We ask that
7 this Commission adopt a more equitable rate
8 structure than any of those proposed and one that
9 is fair to all residential users who will be
10 served through the water districts or directly by
11 Missouri-American. Thank you for giving me the
12 opportunity to give this testimony.

13 JUDGE THOMPSON: Thank you, sir.
14 Questions from the Bench. Commissioner Murray?

15 COMMISSIONER MURRAY: No
16 questions, thank you.

17 JUDGE THOMPSON: Commissioner
18 Schemenauer?

19 COMMISSIONER SCHEMENAUER: No
20 questions, Your Honor, thank you.

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

24 Bob Knoell.

25

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1 BOB KNOELL
2 called as a witness herein, being first duly sworn
3 by the Judge, testified on his oath as follows:
4

5 JUDGE THOMPSON: Please state
6 your name, sir.

7 MR. KNOELL: Bob Knoell,
8 K-N-O-E-L-L.

9 JUDGE THOMPSON: Knoell. I
10 apologize for mispronouncing your name, sir. Are
11 you currently a customer of Missouri-American
12 Water?

13 MR. KNOELL: Yes, I am, and I'm
14 representing Friskies Pet Care today.

15 JUDGE THOMPSON: Please proceed.

16 MR. KNOELL: Thank you.
17 Friskies here locally employs approximately about
18 500, 520 people annually throughout the course of
19 the year, and as like most manufacturing
20 businesses, we are in a very, very competitive
21 market, not only domestically but also globally
22 throughout the world. However, we have other
23 Friskies factories right up the road in Crete,
24 Nebraska, Ft. Dodge, Iowa, and Jefferson,
25 Wisconsin, that all manufacture the same products

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 that we do here in St. Joe, and I might add that
2 none of the factories are at capacity. Our
3 position on the case is simple but we feel yet
4 important.

5 We feel that Missouri-American Water should
6 not be allowed to pass on the total cost of the
7 new plant for some of the reasons I have here. We
8 feel that St. Joe could have been better served by
9 renovating the old plant at approximately half the
10 cost and gradually passing on the costs.

11

12 (Applause.)

13

14 JUDGE THOMPSON: Ladies and
15 gentlemen, please. May I ask you to not applaud.
16 We have a large number of individuals who would
17 like to testify. Any time that's taken for
18 applause, then someone will not get their chance.
19 You may hold your applause til the end of the
20 hearing. Please continue, sir.

21 MR. KNOELL: Thank you. Like I
22 said, gradually passing on the cost over a period
23 of time versus the costs incurred of building the
24 entire new plant.

25 Secondly, we do not feel that the water

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1 company should be allowed to pass on the excessive
2 costs to the customers, but we know that the
3 factory, that the plant is not fully utilized and
4 therefore the customers should not have to pay the
5 excess -- pay for the excess capacity.

6 Lastly, when the original plans were
7 announced, I believe the increase to our rates
8 were projected to be somewhere in the 30 to 35
9 percent range. Now we see various ranges from 60
10 to 120, et cetera, for what the cost would be
11 impacted. I leave with you the fact that if those
12 increases do take into effect, that will have a
13 financial impact to our company anywhere from 200
14 to \$400,000 annually over the course of the next
15 few years. Thank you very much for your time.

16 JUDGE THOMPSON: Thank you, sir.
17 Questions from the Bench. Commissioner Murray?

18 COMMISSIONER MURRAY: No
19 questions, thank you.

20 JUDGE THOMPSON: Commissioner
21 Schemenauer?

22 COMMISSIONER SCHEMENAUER: No
23 questions, thank you.

24 JUDGE THOMPSON: Questions from
25 counsel? Hearing none, you are excused, sir.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 Thank you very much.

2 MR. KNOELL: Thank you, sir.

3 JUDGE THOMPSON: Terry -- I'm
4 having a hard time reading the last name here.
5 The address looks like 9806.

6 MR. McCLATCHEY: It is
7 McClatchey, M-c-C-L-A-T-C-H-E-Y.

8 JUDGE THOMPSON: McClatchey.

9

10 TERRY McCLATCHEY

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

13

14 JUDGE THOMPSON: Please state
15 your name.

16 MR. McCLATCHEY: Terry
17 McClatchey.

18 JUDGE THOMPSON: Sir, are you
19 presently a customer of Missouri-American Water
20 Company?

21 MR. McCLATCHEY: Yes, I am.

22 JUDGE THOMPSON: Please proceed.

23 MR. McCLATCHEY: I'm the
24 marketing manager for AGP at 900 Lower Lake Road
25 in St. Joseph. Thank you for the opportunity to

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 speak before you tonight. AGP serves farmers
2 purchasing and processing grain and marketing
3 agricultural product. We are owned by 285 local
4 cooperatives and ten regionals representing over
5 300,000 farmers. AGP operates in a competitive
6 global market and cannot pass on the typical
7 increases because of that competition. In
8 addition, in a commodity-driven market we must
9 operate under tight margins.

10 AGP St. Joseph plant processes soybeans and
11 markets soybean products such as soybean meal, soy
12 flour and vegetable oil. AGP contributes greatly
13 to the local economy by paying over \$384,000 in
14 property related taxes. We have over 160
15 employees with an annual payroll of over \$6.4
16 million. Our current annual water purchases is
17 \$268,000. I understand the proposed increase for
18 industrial customers is 67 percent which would
19 increase AGP's costs \$180,000 per year.

20 As a customer of Missouri-American Water, AGP
21 believes a \$70 million water plant was imprudent.
22 To expose customers to this size of a proposed
23 cost increase is unreasonable and illustrates poor
24 decision making by water company management. I do
25 not believe that the residents the businesses, or

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1 for that matter the PSC knew the magnitude of this
2 project both in terms of total dollars spent or
3 the size of an increase that would be requested.

4 We had four AGP employees tour the new water
5 plant last week, and upon returning the term
6 Taj Mahal was used several times in describing
7 this project which comparing it to projects
8 businesses would use in the marketplace for
9 profitability. Certainly this project would have
10 cost much less if the goal was for efficiency
11 rather than a return on invested capital.

12 Another concern we have is the standards used
13 in the cost of service rate. The minimal usage of
14 distribution systems by large users needs to be
15 recognized so as not to over allocate costs to
16 industrial and resale customer classes.

17 Our annual expenditures to Missouri-American
18 are equal to more than 1,300 average residential
19 customers. It seems hard to believe that the
20 costs associated with producing, delivering and
21 reading meters and accounting for our usage is the
22 same for over 1,300 residences. The impact to AGP
23 by increasing rates by \$180,000 or more per year
24 forces us to look at alternative measures such as
25 drilling wells, reducing production, or modifying

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1 the process. We are already looking at
2 alternatives at our current rate, let alone with
3 unreasonable increases. If the large users leave
4 the system, it puts even a greater burden on the
5 people of St. Joseph and surrounding areas.

6 AGP is a multi-location plant operation which
7 means the lowest operating cost facilities most
8 likely will have new product growth and production
9 expansions. In a competitive environment, high
10 cost operating plants normally are phased out over
11 time as we have seen with the recent announcement
12 about the closing of Quaker Oats in St. Joseph.
13 AGP just like other manufacturing facilities has a
14 commitment to their owners to use good judgment
15 and maintain production plant and maintain company
16 value both now and in the future.

17 Misjudgment by management should affect
18 stockholders, not their customers. The board of
19 directors which is elected by stockholders has the
20 responsibility and the means to deal with poor
21 management decisions. Passing poor judgment on to
22 the capital customers should not be an option in
23 today's environment. Thank you.

24 JUDGE THOMPSON: Thank you, sir.
25 Questions from the Bench. Commissioner Murray?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 COMMISSIONER MURRAY: No

2 questions, thank you.

3 JUDGE THOMPSON: Commissioner

4 Schemenauer?

5 COMMISSIONER SCHEMENAUER: No

6 questions, thank you.

7 JUDGE THOMPSON: Questions from

8 counsel? Hearing none, you are excused. Thank

9 you, sir.

10 MR. McCLATCHEY: Thank you.

11 JUDGE THOMPSON: Jack Barkley.

12

13 JACK BARKLEY

14 called as a witness herein, being first duly sworn

15 by the Judge, testified on his oath as follows:

16

17 JUDGE THOMPSON: Please state

18 your name.

19 MR. BARKLEY: John Peter

20 Barkley, Jr.

21 JUDGE THOMPSON: Mr. Barkley,

22 you are presently a customer of Missouri-American

23 Water Company?

24 MR. BARKLEY: Individually and

25 corporately.

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1 JUDGE THOMPSON: Please proceed.

2 MR. BARKLEY: First of all, I'd
3 like to thank you for this opportunity to address
4 the commissioners. I'll repeat, my name is John
5 Peter Barkley, Jr. I'm employed by the Wire Rope
6 Corporation of America, Incorporated, which is
7 headquartered in St. Joseph and operates
8 manufacturing and fabricating plants in
9 Chillicothe, Kansas City, Kirksville, St. Joseph,
10 and Sedalia, Missouri. My position is that of
11 chairman of the board and chief executive officer.

12 Wire Rope Corporation manufactures a broad
13 range of high carbon steel products. The primary
14 core product line is Wire Rope, from small
15 diameters such as aircraft cable for customers
16 like Boeing in Seattle to large diameter
17 excavation ropes for shovels and drag lines for as
18 an example Peabody Coal based in St. Louis.

19 Water is employed as a cooling and cleaning
20 agent in our St. Joseph plant, specifically in our
21 high carbon wire line. Since our system is
22 self-contained, we are able to hold our water bill
23 and consumption below \$100,000 per year. However,
24 in today's highly competitive environment with
25 foreign wire rope capturing nearly half of the

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1 U.S. market, any increase in costs cannot be
2 passed on to our customers and distributors, and
3 therefore we approach any increases with alarm,
4 particularly when they go into the area of two
5 digits; and in the case of Missouri-American Water
6 Company I believe the increase that has been
7 talked about for our company would be somewhere in
8 the area of 53 to 67 percent as proposed by
9 American Water Works Company.

10 Now, there is little more that I can add
11 relative to Wire Rope Corporation's situation and
12 our position on this issue. However, with your
13 permission, I would like to add several comments
14 for the record.

15 JUDGE THOMPSON: Please proceed.

16 MR. BARKLEY: No. 1, water
17 utilities across the United States are in a very
18 unique position. Their basic raw material, water,
19 is free. Each water system is wholly independent
20 from other water systems, having no linkage or
21 grid as you have experienced with electric
22 utilities.

23 Two, these independent systems are best
24 managed as cost centers based on operational
25 budgets that those managers in charge are

1 responsible for. Any synergies or economies of
2 scale are achieved by centralized purchasing such
3 as chemicals for a water utility, billing of
4 customers, testing the facilities and alike and
5 are completely unrelated to the subject of single
6 tariff pricing as proposed by the American Water
7 Works.

8 And the economies of scale should naturally
9 accrue to any system purchased by this multi
10 billion dollar utility based in New York City. Or
11 at least if they don't accrue to the local utility
12 then they certainly do accrue to the shareholders
13 as evidenced previously during the question and
14 answer period.

15 Three, when Mr. William Locquity (phonetic)
16 came to St. Joseph and assumed the position of
17 vice president and manager of the Missouri-American
18 Water Company, he openly asked for help in getting
19 acquainted with the community and establishing the
20 Missouri-American Water Company as a good citizen
21 in the community and be a participating company of
22 various good causes within the community. This
23 help was given generously, particularly by members
24 of the St. Joseph Area Chamber of Commerce.

25 The citizens advisory committee or council

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1 was proposed, formed, and met periodically. I
2 served on that committee. I attended few meetings
3 when it became very apparent to me that the
4 purpose was strictly public relations and that the
5 agenda had been set for a \$70 million investment
6 and single tariff pricing to be brought to
7 Missouri. I uphold most of the members of that
8 advisory board, and those that I have been able to
9 reach have agreed that advisory is not the
10 appropriate name for that citizens council.
11 Someone in my own office when I discussed this
12 subject suggested that it be called the rubber
13 stamp committee. At no time were specifics such
14 as comparative costs, amortization rates and
15 schedules, depression costs and schedules and
16 rates, proposed water rates and rate structures
17 ever discussed in detail with the members of that
18 committee, to the best of my knowledge. One trip
19 was made to the so-called old facility by that
20 advisory or so-called advisory group.

21 But I must confess that I was not impressed
22 by the fact that water was brought to the people
23 of St. Joseph in 1870 something. What I was
24 impressed with is how the old facility had been
25 maintained, retrofitted, expanded, improved upon,

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1 that there was much technical equipment, that
2 there was good maintenance, excellent quality
3 control and on and on. In other words, that
4 facility was functioning properly.

5 Last point. In the 50 years that Wire Rope
6 Corporation has been in St. Joseph, there have
7 been two major floods that impacted the water
8 company. First was in 1952. At that time a
9 channel was dredged by the Corps of Engineers to
10 prevent the water company from being separated
11 from their source, the Missouri River, and being
12 left high and dry. St. Joseph at that time made
13 the sacrifice of forfeiting their bridge across
14 the Missouri River to Rosecrans Field. The bridge
15 was never replaced as was promised.

16 The second flood was in 1993. The water
17 company was flooded and the water service was
18 interrupted for let us say two weeks. What I have
19 a problem with is how can we possibly have 50
20 years of good service in an adequate facility and
21 suddenly to prevent two weeks of interruption
22 spend \$70 million and increase the rates on the
23 citizens of this community and the industries here
24 by over 50 percent. Thank you.

25 JUDGE THOMPSON: Thank you, sir.

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1 (Applause.)

2 JUDGE THOMPSON: Questions from
3 the Bench. Commissioner Murray?

4 COMMISSIONER MURRAY: No
5 questions, thank you.

6 JUDGE THOMPSON: Commissioner
7 Schemenauer?

8 COMMISSIONER SCHEMENAUER: No
9 questions. Thank you for your input.

10 JUDGE THOMPSON: Questions from
11 counsel? Mr. Fischer.

12 MR. FISCHER: Mr. Barkley, over
13 here. I'm Jim Fischer. I represent some of the
14 rural water districts here around St. Joe. I was
15 curious while you were on the customer advisory
16 council of Missouri-American, was there any
17 information given to you or the community in
18 general about the general ballpark proposed
19 increase for the water treatment facility?

20 MR. BARKLEY: As I recall the
21 original discussions were something about a 30 to
22 35 percent increase, and this was all based on in
23 effect burdening other parts of the state with a
24 capital expenditure in St. Joseph, and I just
25 wonder at that time when you start talking about

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1 imposing a tax, because that's what it would be, a
2 tax on other communities without their having any
3 voice in that decision and then on top of it to
4 not even present or really explore the
5 possibilities of further renovation to the
6 existing facility, it just struck me as this is
7 purely a P.R. ploy and has absolutely nothing to
8 do with that committee being advisory to the water
9 company.

10 MR. FISCHER: Thank you very
11 much.

12 JUDGE THOMPSON: Further
13 questions from counsel? Mr. Coffman.

14 MR. COFFMAN: Yes. Mr. Barkley,
15 just to make sure I understand your testimony
16 about the advisory council. It was your
17 impression from those meetings that the decision
18 to abandon the river treatment plant and build a
19 new water treatment facility had already been made
20 prior to the committee meeting?

21 MR. BARKLEY: Absolutely. I
22 don't think there was any type of -- I think it
23 was a done deal from the beginning.

24 MR. COFFMAN: Thank you.

25 JUDGE THOMPSON: Further

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1 questions? Hearing none, you are excused, sir.

2 Thank you.

3 MR. BARKLEY: Thank you.

4 JUDGE THOMPSON: Kimberly

5 Johnson.

6

7 KIMBERLY JOHNSON

8 called as a witness herein, being first duly sworn

9 by the Judge, testified on her oath as follows:

10

11 JUDGE THOMPSON: Please state

12 your name.

13 MS. JOHNSON: Kimberly Johnson.

14 JUDGE THOMPSON: Ms. Johnson,

15 are you presently a customer of Missouri-American

16 Water Company?

17 MS. JOHNSON: Yes, I am.

18 JUDGE THOMPSON: Please proceed.

19 MS. JOHNSON: Short and sweet

20 and to the point. I don't think any of the

21 citizens want this increase for water that is not

22 any better; in fact, maybe worse. People on fixed

23 incomes and lower income families are not going to

24 be able to afford this increase. That's all I

25 have.

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1 JUDGE THOMPSON: Does that
2 complete your remarks, then?

3 MS. JOHNSON: Yes, it does.

4 JUDGE THOMPSON: Thank you.
5 Questions from the Bench. Commissioner Murray?

6 COMMISSIONER MURRAY: No
7 questions, Your Honor, thank you.

8 JUDGE THOMPSON: Commissioner
9 Schemenauer?

10 COMMISSIONER SCHEMENAUER: No
11 questions. Thank you, Your Honor.

12 JUDGE THOMPSON: I appreciate
13 your keeping your remarks succinct. Questions
14 from counsel? You are excused, ma'am, thank you.

15 JUDGE THOMPSON: Darrell Meeker.

16
17 DARRELL MEEKER
18 called as a witness herein, being first duly sworn
19 by the Judge, testified on his oath as follows:

20
21 JUDGE THOMPSON: Please state
22 your name.

23 MR. MEEKER: Darrell Meeker.

24 JUDGE THOMPSON: Sir, are you
25 presently a customer of Missouri-American Water

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 Company?

2 MR. MEEKER: Either a customer
3 or hostage. Not sure which.

4 JUDGE THOMPSON: Please proceed,
5 Mr. Meeker.

6 MR. MEEKER: Thank you,
7 Mr. Thompson, Commissioners. My concern is
8 directed towards the water quality and the
9 potential bad faith over the past decade by the
10 Missouri-American Water Company. The bad faith
11 might have come in the issue that was taken care
12 of about a decade ago, was fluoride addition of
13 the water.

14 Now, during that whole campaign to get that
15 passed, the concept was put in about calcium
16 fluoride as a natural product that would have
17 benefit and no harm, and yet what we heard from
18 the Missouri-American Water Company is the product
19 they are actually using is hydrofluoric acid which
20 is also used as a cement hardener. My concern is
21 was this a bait and switch operation and are we
22 getting product tampering with potentially product
23 adulteration as a result of this particular
24 product that's put in the water and what would be
25 the health impact of this cement hardener product;

1 what side waste products does it also have with
2 it.

3 I'd like to see a material safety data sheet
4 that shows all the other chemicals with this
5 because when it goes into the water there's
6 concern about whether it's contaminated with lead
7 or with potentially arsenic or other materials,
8 not just the fluoride. It's a byproduct of the
9 phosphate fertilizer industry and sometimes from
10 aluminum industry. It's an industrial waste
11 product and it is being put in the water, and the
12 public was not told that this would be the case on
13 any of this; and so there's been I think some
14 negligence on the water of those in charge to see
15 that we do have water that is sufficiently safe
16 and doesn't have some of the toxic minerals in it.

17 There have been some reports of children in
18 this city that were tested that had higher lead
19 levels than would be considered normal and were of
20 concern and we'd probably need much greater
21 testing along those lines.

22 The point was made earlier that the
23 Department of Natural Resources conducts all the
24 tests. There is a concern that I would have, and
25 probably many others, that we don't trust the

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1 Department of Natural Resources on their testing.
2 They have a history of lowering their water
3 quality standards every time a major industry such
4 as a Premium Standard Farms, Tyson Chicken or some
5 others want to have lower water quality standards.
6 It's done and without the input of any of the
7 state legislature or apparently much of anyone in
8 the executive branch.

9 It's just a matter of DNR makes the decision,
10 the water quality standards are dropped, and we
11 the public put up with what's left. So I would
12 like to find out if these products do have any
13 lead or other contaminants that are being released
14 and if there's -- if there is any on-going water
15 quality being perpetrated, then I think either the
16 Commission or the Public Counsel needs to look
17 into that and to check on the efficacy and safety
18 on what's being used in our water.

19 I don't think there's anyplace where
20 physicians would recommend medicating a public
21 through a water supply as opposed to individual
22 prescriptions, and I don't know of anyone who has
23 issued a license to any water company to play
24 doctor and to have medication in this manner.
25 They don't it do it for anything else, and this

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1 seems to be a serious problem; and there have been
2 on-going medical concerns over the whole issue of
3 fluoridation for decades, and it's gotten -- from
4 some articles that I've read recently even all the
5 EPA scientists that were in charge of this
6 recommended that it not be used, particularly not
7 for infants or children under the age of three and
8 it does no good for anyone over the age of
9 puberty, and when it does do any good is as a
10 topical application by the dentist rather than the
11 systemic throwing the stuff at everybody for
12 watering the lawn, car wash and drinking water
13 use.

14 So perhaps to avoid major problems with this,
15 this is something that needs to be looked into by
16 someone even other than DNR, of independent water
17 testing to see the quality of the water and at the
18 same time all these other issues of the water, the
19 scum, the taste, the smell, because some of the
20 jokes going around town is maybe they are using
21 this for the dumping off place for some of the hog
22 lagoons, these other chemicals. We certainly hope
23 not, and perhaps Mr. Barkley had a good idea; to
24 make amends the company could rebuild a bridge
25 across the Missouri into Rosecrans Airport. Thank

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1 you.

2 JUDGE THOMPSON: Thank you, sir.

3 Questions from the Bench? Commissioner Murray?

4 COMMISSIONER MURRAY: Just

5 briefly. Do you recall receiving what is called a

6 Consumer Confidence Report from the water company

7 within the last few months?

8 MR. MEEKER: Yes, ma'am. It had

9 very little information and certainly nothing that

10 would impact my concerns over the water quality of

11 potential lead and fluoride.

12 COMMISSIONER MURRAY: But you

13 did receive that report. Thank you.

14 JUDGE THOMPSON: Commissioner

15 Schemenauer?

16 COMMISSIONER SCHEMENAUER: No

17 questions, Your Honor, thank you.

18 JUDGE THOMPSON: Questions from

19 counsel?

20 MR. COOPER: I have one briefly.

21 JUDGE THOMPSON: Please proceed,

22 Mr. Cooper.

23 MR. COOPER: You spoke about the

24 implementation of fluoridation. Do you remember

25 approximately what year that was?

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1 MR. MEEKER: It was about a
2 decade ago, late '80s, early '90s time frame.

3 MR. COOPER: Thank you.

4 JUDGE THOMPSON: Thank you.
5 You're excused, sir.

6 JUDGE THOMPSON: Margie Lowry.

7

8 MARGIE LOWRY

9 called as a witness herein, being first duly sworn
10 by the Judge, testified on her oath as follows:

11

12 JUDGE THOMPSON: Please state
13 your name.

14 MS. LOWRY: Margie Lowry.
15 Actually it's Marjorie, but I don't go by that.

16 JUDGE THOMPSON: Ms. Lowry, are
17 you presently a customer of Missouri-American
18 Water Company?

19 MS. LOWRY: Directly and
20 indirectly.

21 JUDGE THOMPSON: Okay. Could
22 you bend the microphone down a little closer,
23 ma'am? Thank you. Please proceed.

24 MS. LOWRY: I work in town, and
25 several of the employees and I took the night off

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1 so that I could come and address this committee
2 and on their behalf and on my behalf. Not only is
3 the water quality decreased but it is also
4 undrinkable, to say the least. We also got a pay
5 increase when we came here in July. Should the
6 costs be passed on to the consumer, then our pay
7 increases will be null and void and any other
8 person who lives on a fixed income will find that
9 paying regular pay increases for the building of
10 the Taj Mahal would be essentially, you know, very
11 unreasonable except for certain private
12 individuals.

13 Also, whenever we get our bills they are
14 probably ten days ahead of time. Certain
15 districts cannot get their water bills rezoned or
16 reaffirmed so that they can come whenever they get
17 their paychecks such as the beginning of the
18 month. We also have the sewer costs included in
19 with our water bills which makes it twice as
20 inconvenient for anyone to take and budget, so if
21 nothing else I would request with the water
22 company for the sewer and water to be separate
23 bills so that someone can afford to be able to pay
24 the cost of increases.

25 JUDGE THOMPSON: Does that

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1 conclude your remarks, ma'am?

2 MS. LOWRY: Yes.

3 JUDGE THOMPSON: Questions from
4 the Bench. Commissioner Murray?

5 COMMISSIONER MURRAY: No
6 questions.

7 JUDGE THOMPSON: Commissioner
8 Schemenauer?

9 COMMISSIONER SCHEMENAUER: No
10 questions.

11 JUDGE THOMPSON: Questions from
12 counsel? Hearing none, you are excused, thank
13 you.

14 Warren Neudorff.

15

16 WARREN NEUDORFF

17 called as a witness herein, being first duly sworn
18 by the Judge, testified on his oath as follows:

19

20 JUDGE THOMPSON: Please state
21 your name, sir.

22 MR. NEUDORFF: My name is Warren
23 Neudorff.

24 JUDGE THOMPSON: Sir, are you
25 presently a customer of Missouri-American Water

1 Company?

2 MR. NEUDORFF: Yes, I am.

3 JUDGE THOMPSON: Please proceed.

4 MR. NEUDORFF: First off I want
5 to thank the judge and the two commissioners that
6 are here for listening to me, and I hope they will
7 hear these honest statements I've got to make.

8 No. 1, I want to say that Mr. Barkley covered
9 almost everything there is to be covered. It is
10 the true story. I think another truth that you
11 all may not know about is this turnout that we
12 have here tonight of people in St. Joe shows that
13 things are not only rotten in Denmark, they stink
14 here in St. Joe, and they do. I don't intend to
15 say that I know anything about how the water
16 company operates, but I heard some rebuttal here
17 tonight, I'm not sure they understand how this
18 particular water company operates, which is just
19 my opinion.

20 This whole situation has been nothing but a
21 comedy of errors, misstatements, sometimes
22 mistruths, and the continuity of the water company
23 in reply as these things come up is not there.
24 They say many different things at many different
25 times.

1 When this whole thing started the water
2 company evidently had the property bought, all the
3 details were settled, they for whatever reason are
4 just inside the city limits of St. Joseph but they
5 decided to put these wells up in the Amazonia area
6 which were published in the papers nationally that
7 it's one of the most -- the worst of areas for --
8 I don't know what the word is, but anyway, it is
9 not too desirable for the human being.

10 Then after that the company said that the
11 people who wanted this water company, we needed it
12 badly, we needed a state-of-the-art water company,
13 the people who were using it, and I would wonder
14 if the water company could come up with 25 letters
15 from anybody that said they wanted that water
16 company to have a state-of-the-art. I don't think
17 the users have ever had a say in it whatsoever and
18 I don't know that they care.

19 I hope that the Commission will have
20 something to say about it. The way they are
21 operating, one of the ways the rates to the
22 people -- which most of us can't afford -- it was
23 a monopoly, they are a monopoly, but if they -- if
24 it were a normal business practice, the company
25 would have to pay for these things that they have

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1 decided. I believe that's right.

2 Most companies have to pay for their own
3 errors, and I do think there have been a lot of
4 errors made. I happen to have an article here --
5 I hope it's all right to bring it in -- of a
6 statement in the Kansas City Star of May 10th
7 about the opening of a Nearman -- that is Nearman
8 water treatment plant in Kansas City, Kansas,
9 which just opened. It's a similar situation here
10 that they had failed to collect some insurance.
11 The financial for this plant which is a 50,000 or
12 \$50 million plant, the financing came to 27.7
13 million in revenue bonds, 15.1 million in federal
14 grants, and 92 -- 9.2 million from an insurance
15 settlement from the flood.

16 I think this is a similar situation here, and
17 these they do not state that the users are going
18 to have to pay the whole brunt of this. It came
19 from other sources. I don't know what caused this
20 error, if it was oversight or what or how they are
21 different, but it does seem like that we are
22 paying the brunt for maybe some errors in
23 judgment.

24 JUDGE THOMPSON: Does that
25 conclude your remarks, sir? Are you finished,

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1 sir?

2 MR. NEUDORFF: One other
3 statement I have to make. I'm a little hard of
4 hearing.

5 JUDGE THOMPSON: Please proceed.

6 MR. NEUDORFF: My eyes, my nose,
7 and my taste is not gone, and the water is -- it
8 has a taste that nobody would want to taste. It
9 has a film on top of it. It's cure me on coffee,
10 and the other night when I got out of the
11 bathtub -- I take it fairly often -- but when I
12 got out of the bathtub and I smell like the water
13 I came from and having used soap, something is
14 wrong in St. Joe. I am through.

15 JUDGE THOMPSON: Thank you, sir.

16 (Applause.)

17 JUDGE THOMPSON: Questions from
18 the Bench. Commissioner Murray?

19 COMMISSIONER MURRAY: I have no
20 questions, thank you.

21 JUDGE THOMPSON: Commissioner
22 Schemenauer?

23 COMMISSIONER SCHEMENAUER: No
24 questions, thank you, sir.

25 JUDGE THOMPSON: Questions from

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 counsel? Hearing none, you are excused. Thank
2 you, sir.

3 MR. NEUDORFF: Thank you very
4 much.

5 JUDGE THOMPSON: Hazel Hale.

6
7 HAZEL HALE
8 called as a witness herein, being first duly sworn
9 by the Judge, testified on her oath as follows:

10
11 JUDGE THOMPSON: Please state
12 your name.

13 MS. HALE: My name is Hazel
14 Hale.

15 JUDGE THOMPSON: Mrs. Hale, are
16 you presently a customer of Missouri-American
17 Water Company?

18 MS. HALE: Yes, I am.

19 JUDGE THOMPSON: Please proceed.

20 MS. HALE: And it's all been
21 said. I have nothing more to say except I think
22 I'll continue buying my drinking water. Thank
23 you.

24 JUDGE THOMPSON: Thank you,
25 ma'am. Before you step down, any questions from

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1 the Bench?

2 COMMISSIONER MURRAY: No, but
3 thank you for keeping your remarks brief.

4 COMMISSIONER SCHEMENAUER: No
5 questions, thank you.

6 JUDGE THOMPSON: Questions from
7 counsel? Hearing none, you are excused. Thank
8 you, ma'am.

9 John Auxier.

10

11 JOHN AUXIER

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

14

15 JUDGE THOMPSON: Please state
16 your name.

17 MR. AUXIER: John Auxier.

18 JUDGE THOMPSON: Okay. Are you
19 presently a customer of Missouri-American Water
20 Company?

21 MR. AUXIER: Yes, I am.

22 JUDGE THOMPSON: Please proceed.

23 MR. AUXIER: I think about
24 everything's been said that I needed to say, so
25 except for I wish they'd furnish us with water

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 filters.

2 JUDGE THOMPSON: Thank you, sir.

3 Before you step down questions from the Bench?

4 COMMISSIONER MURRAY: No

5 questions.

6 JUDGE THOMPSON: Questions from

7 counsel? Mr. Coffman.

8 MR. COFFMAN: Just briefly here

9 to clarify your testimony, are you saying that you

10 feel it necessary to have water filters now?

11 MR. AUXIER: Yes.

12 MR. COFFMAN: Where you didn't

13 need to in the past?

14 MR. AUXIER: The water was

15 always hard but not near the -- as hard as it is

16 now, all the film and the crud; and it may pass

17 somebody's standards but it doesn't pass mine.

18 MR. COFFMAN: It's not the same

19 quality water that you were used to having?

20 MR. AUXIER: True.

21 MR. COFFMAN: And you are going

22 to be expending more money to filter your water

23 now?

24 MR. AUXIER: Yes, I am.

25 MR. COFFMAN: Okay. Thank you.

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1 JUDGE THOMPSON: Any further
2 questions? You are excused, sir. Thank you.

3 Gerald W-A-S-L-E-S-K-I. Gerald Wasleski ?
4 V.A. Green.

5
6 V.A. GREEN
7 called as a witness herein, being first duly sworn
8 by the Judge, testified on his oath as follows:

9
10 JUDGE THOMPSON: Please state
11 your name.

12 MR. GREEN: Vernon A. Green.

13 JUDGE THOMPSON: Mr. Green, are
14 you presently a customer of Missouri-American
15 Water Company?

16 MR. GREEN: Yes. I wished I
17 wasn't.

18 JUDGE THOMPSON: Please proceed,
19 sir.

20 MR. GREEN: Well, I did get one
21 of the propaganda sheets, too. Well, the water
22 was -- we will note it tastes real bad and
23 looking, and we drank it for a while and I got to
24 having severe pains right down in the lower part
25 of my colon; and I had colon infection three years

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1 ago and the pains were that sharp. I called the
2 doctor's office and thought it was that again. He
3 prescribed me some antibiotics, so I went and got
4 them and I picked them up at noon. I took one at
5 noon and one that evening. I was to take three a
6 day.

7 The next morning I picked them up and I still
8 was in pain, and I had to go to Lawrence, Kansas,
9 for several days to do some work for my daughter,
10 and a couple days after I was down there a couple
11 days and drank the water in Lawrence, the pain
12 started leaving, and when I came home I didn't
13 have any. I was home two days, drinking water,
14 the pains were back again.

15 So then I started buying bottled water and
16 drinking it and making my coffee with it, and it
17 was too much of a nuisance so I had to buy a
18 filter and I had to -- it took two filters,
19 different filters before I could get one that
20 would -- to where I could drink the water. And by
21 the way, my wife couldn't -- she had the same
22 thing, and she couldn't stand the water so she
23 left and went to live with my daughter in
24 Lawrence, Kansas, a hundred miles away from here.
25 And that is bad if you had to -- the water is

1 rotten, and I -- when I get out of the shower I
2 feel very oil. I just -- like the oil on that
3 water is on me, and I presume other people have
4 felt it, too.

5 Of alkaline, let's talk about the alkaline in
6 the water. Alkaline is a poison. If you can
7 remember some of the history books, our
8 forefathers were made to drink alkaline. It
9 killed them. And about '48 I was a teenager. We
10 went on a vacation. My dad's second cousin had
11 one of his ranches about five miles south of
12 Wheaton, Wyoming, and they had a drought a few
13 years before that. That was end of the World War
14 II, and we was talking about that alkali because
15 there's some alkali in there, and this stood out.
16 When the streams all ran out, the cows got so
17 thirsty they drank the alkali water. He went out
18 the next morning and the whole herd was dead. And
19 alkali is poison, and most dogs won't even drink
20 it and, in fact, even the reptiles have nothing to
21 do with it.

22 They had a picture in the paper just a few
23 days ago a boa, a guy had a little box that he
24 kept water in for the boa to get into. Snakes
25 like to get into water, seven foot pit; and he

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1 stuck his tongue out at the water to smell it and
2 leaned over and rolled over and he'd curl and he'd
3 flip that litter box over to get rid of the water.
4 But there's a lot more but I don't want to go into
5 everything. They ought to apply what applies and
6 they should pay their own bills, and the flood we
7 had is not very likely to happen again because
8 they called it a 500 year flood. It didn't happen
9 for 500 years. That has been over a hundred years
10 and that's the first time any damage was done or
11 anything like that. I thank you for your time and
12 patience and letting me bend your ear.

13 JUDGE THOMPSON: Thank you,
14 Mr. Green. Questions from the Bench.

15 COMMISSIONER MURRAY: No, thank
16 you.

17 JUDGE THOMPSON: Commissioner
18 Schemenauer?

19 COMMISSIONER SCHEMENAUER:
20 Mr. Green, I can't resist asking this question.
21 Did your wife leave because of the bad water?

22 MR. GREEN: Because of the bad
23 water. She was in too big of pain and she didn't
24 like that, and I don't blame her because I had it
25 worse than she did, and it is very painful and --

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1 JUDGE THOMPSON: Questions from
2 counsel? Hearing none, you are excused. Thank
3 you, Mr. Green.

4 Larry G. Jones. Larry G. Jones?
5 W. Hamburger? W Hamburger, 3914 Westgate Drive?
6 Fern Hill.

7
8 FERN HILL
9 called as a witness herein, being first duly sworn
10 by the Judge, testified on her oath as follows:

11
12 JUDGE THOMPSON: Ma'am, please
13 state your name.

14 MS. HILL: Fern Hill.

15 JUDGE THOMPSON: Ms. Hill, are
16 you presently a customer of Missouri-American
17 Water Company?

18 MS. HILL: Yes, I am.

19 JUDGE THOMPSON: Please proceed.

20 MS. HILL: It's already been
21 covered, what I was wanting to talk about.

22 JUDGE THOMPSON: Thank you,
23 ma'am. Any questions from the Bench?
24 Commissioner Murray?

25 COMMISSIONER MURRAY: No

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 questions.

2 JUDGE THOMPSON: Commissioner

3 Schemenauer?

4 COMMISSIONER SCHEMENAUER: No

5 questions, thank you.

6 JUDGE THOMPSON: Counsel? You

7 are excused, ma'am.

8 JUDGE THOMPSON: Thank you.

9 Pat H-A-W-V-E-R.

10

11 PAT HAWVER

12 called as a witness herein, being first duly sworn

13 by the Judge, testified on his oath as follows:

14

15 JUDGE THOMPSON: Please state

16 your name.

17 MR. HAWVER: Pat Hawver.

18 JUDGE THOMPSON: Mr. Hawver, are

19 you presently a customer of Missouri-American

20 Water Company?

21 MR. HAWVER: No.

22 JUDGE THOMPSON: Do you have

23 some other reason to believe that the proposed

24 rate increase will affect you?

25 MR. HAWVER: I'm City

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1 Administrator of Parkville. I'm up here
2 representing those who didn't want to make the
3 long drive up here.

4 JUDGE THOMPSON: Are the people
5 in Parkville also customers of Missouri-American?

6 MR. HAWVER: Yes, the Platte
7 County division.

8 JUDGE THOMPSON: Please proceed,
9 sir.

10 MR. HAWVER: I just have three
11 brief points to make. One, we believe it is
12 unfair for Parkville, Brunswick, and other cities
13 to subsidize \$74 million in improvements to
14 St. Joe's system to such a large degree. 2., if
15 significant rate increases are considered, they
16 should be spread out to meet the shock to
17 customers; and 3., Missouri-American Water Company
18 should absorb more of the costs for the capital
19 improvement. That's all I have.

20 JUDGE THOMPSON: Thank you, sir.
21 Questions from the Bench. Commissioner Murray?

22 COMMISSIONER MURRAY: No
23 questions.

24 JUDGE THOMPSON: Commissioner
25 Schemenauer?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 COMMISSIONER SCHEMENAUER: No
2 questions. Thank you for coming.

3 JUDGE THOMPSON: Questions from
4 counsel? You are excused, sir. Thank you.
5 William Quitmeier.

6
7 WILLIAM QUITMEIER
8 called as a witness herein, being first duly sworn
9 by the Judge, testified on his oath as follows:

10
11 JUDGE THOMPSON: Please state
12 your name.

13 MR. QUITMEIER: William
14 Quitmeier.

15 JUDGE THOMPSON: Mr. Quitmeier,
16 are you presently a customer of Missouri-American
17 Water Company?

18 MR. QUITMEIER: I am.

19 JUDGE THOMPSON: Please proceed.

20 MR. QUITMEIER: I'm also the
21 mayor of Parkville, Missouri, and
22 Missouri-American and Parkville provides good
23 quality water at a fair price. My concern is the
24 waffling on single tariff pricing that both the
25 legislature has done and maybe the Commission as

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1 well, and my concern is it is patently unfair for
2 the people of Parkville to help pay or the new St.
3 Joseph water plant unless there is a binding
4 commitment that the people of St. Joseph will help
5 pay for a new water plant in Parkville, which new
6 plant is inevitable, so it's not a matter of well,
7 we will do it this time and then when they get
8 around to us then they will want to change the
9 rules and we end up paying, subsidizing this and
10 then paying for our own.

11 Secondly, it is also unfair for you to have a
12 public hearing in St. Joseph, the area with the
13 new plant but not in Parkville, the area being
14 asked to subsidize the new plant, the new
15 St. Joseph plant. I think that the public
16 service, the legal counsel, the say for the
17 citizens that are representing us, Shannon Cook,
18 had told me that she asked the Commission to have
19 a public hearing in Parkville and you turned her
20 down, said nope, we're not interested in hearing
21 from the people of Parkville; and this crowd that
22 you have here today, it would make perfect sense
23 to come down to the area where you are asking us
24 to -- where we are the subsidizers, but I thank
25 you for having this hearing, and while I don't

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1 want to pay for St. Joe water, I would contribute
2 gladly to their air conditioning. Thank you.
3 (Laughter.)

4 JUDGE THOMPSON: Questions from
5 the Bench. Commissioner Murray?

6 COMMISSIONER MURRAY: I have no
7 questions. Thank you for being here. Please be
8 quiet. I would also -- I would like to say that
9 we have had five local public hearings on this
10 matter and we begin the evidentiary hearing in the
11 Commission offices in Jefferson City next Monday,
12 so we have many cases that we have to hold local
13 public hearings for and we really do have to
14 balance the areas that we think will reach the
15 most people and do it as efficiently and in the
16 time that we have allotted. So we apologize for
17 not being in your specific area but we are happy
18 that you had people that were able to attend
19 tonight's hearing.

20 JUDGE THOMPSON: Commissioner
21 Schemenauer?

22 COMMISSIONER SCHEMENAUER: Just
23 to repeat that we've had public hearings in
24 Mexico, St. Joseph, St. Louis, St. Charles,
25 Joplin, Warrensburg today and St. Joe tonight.

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1 We've tried to cover the area where the largest
2 concentration of the rate payers are, and I'm
3 sorry we didn't get to Parkville but maybe next
4 time we will show up in Parkville. But thank you
5 for coming.

6 MR. QUITMEIER: You're welcome.

7 JUDGE THOMPSON: Questions from
8 counsel? Mr. Fischer.

9 MR. FISCHER: Yes,
10 Mr. Quitmeier, is it my understanding that your
11 basic point was that the Commission needs to be
12 consistent in choices on policy and not go back
13 and forth between single tariff pricing and
14 district specific pricing?

15 MR. QUITMEIER: Absolutely.

16 JUDGE THOMPSON: Further
17 questions? You are excused. Thank you.

18 Ken Wright.

19

20 KEN WRIGHT
21 called as a witness herein, being first duly sworn
22 by the Judge, testified on his oath as follows:

23

24 JUDGE THOMPSON: Please state
25 your name.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 MR. WRIGHT: Ken Wright with a W.

2 JUDGE THOMPSON: Mr. Wright, are
3 you presently a customer of Missouri-American
4 Water Company?

5 MR. WRIGHT: Yes, I am.

6 JUDGE THOMPSON: Please proceed.
7 You might want to push the microphone up.

8 MR. WRIGHT: Yes, thank you. As
9 a representative of the homeowners association for
10 the Parkville homes, I'd just like to reiterate
11 Andrew Quitmeier's comments. Thank you.

12 JUDGE THOMPSON: Thank you, sir.
13 Questions from the Bench. Commissioner Murray?

14 COMMISSIONER MURRAY: No
15 questions, thank you.

16 JUDGE THOMPSON: Commissioner
17 Schemenauer?

18 COMMISSIONER SCHEMENAUER: No
19 questions, thank you.

20 JUDGE THOMPSON: Counsel? You
21 are excused, thank you, sir.

22 Frank Flesher.

23

24 FRANK FLESHER

25 called as a witness herein, being first duly sworn

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1 by the Judge, testified on his oath as follows:

2 JUDGE THOMPSON: Please state
3 your name.

4 MR. FLESHER: Franklin A.
5 Flesher.

6 JUDGE THOMPSON: Mr. Flesher,
7 are you presently a customer of Missouri-American
8 Water Company?

9 MR. FLESHER: Yes, both
10 individually and corporate.

11 JUDGE THOMPSON: Please proceed.

12 MR. FLESHER: I'd like to make a
13 couple points, and I'm not going to beliterate
14 (sic) or go over everything that's already been
15 said. I agree with what AGP said earlier. I
16 think this has been a poor business decision and I
17 think Missouri-American should -- stockholders and
18 the board should be held responsible for these
19 particular qualities or decisions.

20 In reference of poor quality of the water,
21 after this meeting I'd like to invite the judge
22 and the board down to my truck sitting out here in
23 the parking lot. I made a pot of coffee this
24 morning with Missouri-American water, and it's
25 sitting on the seat of my truck. If you'd like to

1 see it, I'd invite you down to have one. It's
2 cold, but maybe not at this time.

3 I will comment that at our home we quit using
4 Missouri-American water to make coffee with. We
5 buy it. I also represent a non-profit
6 organization that I'm looking forward to the day
7 where it does become non-profit, and I bought four
8 bottles of water just to make the coffee down
9 there because being military I drink coffee all
10 day long. And you can't drink it.

11 Also I'd like to comment about another
12 problem with our corporation, our non-profit
13 corporation. We pay \$120 a quarter to maintain
14 water in our sprinkler systems. That comes out to
15 \$480 a year. Now, if they double this, if they go
16 to 53 percent increase, that runs it up to over
17 \$720 just to have the water sitting there as a
18 safety factor. We can't afford what we've got
19 now, so what are we going to do if they double it
20 or if it goes up 53 percent?

21 Now, in closing I'd like to talk about two
22 people or two things that could not be here to
23 testify at this hearing. One was called spot and
24 the other one was so new she was called Matilda.
25 They were two goldfish that my wife had out in the

8 (Applause.)

10 JUDGE THOMPSON: Thank you,

12 Commissioner Murray.

20 JUDGE THOMPSON: Commissioner

22 COMMISSIONER SCHEMENAUER: No.

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1 JUDGE THOMPSON: Questions from
2 counsel? Mr. Conrad.

3 MR. CONRAD: Mr. Flesher, you
4 mentioned that you were having to purchase or you
5 made a decision to purchase water for your coffee
6 in the morning.

7 MR. FLESHER: Yes, sir, and
8 drinking water also.

9 MR. CONRAD: Is that an
10 inconvenience to you?

11 MR. FLESHER: Well, since it
12 comes out of our pocket, absolutely. It's very
13 expensive, and I've been getting two bottles for
14 six months. My order this month was four.

15 MR. CONRAD: Thank you.

16 JUDGE THOMPSON: Further
17 questions? You are excused, sir, thank you.

18 Dorothy Bonwell.

19

20 DOROTHY BONWELL
21 called as a witness herein, being first duly sworn
22 by the Judge, testified on her oath as follows:

23

24 JUDGE THOMPSON: Please state
25 your name.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 MS. BONWELL: Dorothy L.

2 Bonwell.

3 JUDGE THOMPSON: Ma'am, are you
4 presently a customer of Missouri-American Water
5 Company?

6 MS. BONWELL: I'm a customer of
7 public water No. 1 who is.

8 JUDGE THOMPSON: Okay. Please
9 proceed.

10 MS. BONWELL: It's come to my
11 attention that these wells they are using is in
12 the area of where the sludge and stuff from Lucite
13 Industries and Schuylkill dumped their waste, and
14 I want to know how safe it is. They told me it
15 tested safe, but when there's a heavy rainfall and
16 the watershed, is that going to be safe for me? I
17 have diabetes and a serious heart condition and I
18 don't believe it's safe.

19 Also, in '93 they updated this plant and I
20 don't see where we need another one when they are
21 making such a profit to make the stockholders to
22 pay for it. Thank you.

23 JUDGE THOMPSON: Thank you,
24 ma'am. Questions from the Bench. Commissioner
25 Murray?

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1 COMMISSIONER MURRAY: No

2 questions, thank you.

3 JUDGE THOMPSON: Commissioner

4 Schemenauer?

5 COMMISSIONER SCHEMENAUER: No

6 questions, thank you.

7 JUDGE THOMPSON: Questions from

8 counsel? You are excused, ma'am. Thank you.

9 W.E. Straub? W.E. Straub, 1311 South 30th?

10 Rosemary Straub, same address.

11 Bobby Cummings.

12

13 BOBBY CUMMINGS

14 called as a witness herein, being first duly sworn

15 by the Judge, testified on his oath as follows:

16

17 JUDGE THOMPSON: Please state

18 your name.

19 MR. CUMMINGS: Bobby Cummings.

20 JUDGE THOMPSON: Mr. Cummings,

21 are you presently a customer of Missouri-American

22 Water Company?

23 MR. CUMMINGS: I am.

24 JUDGE THOMPSON: Please proceed.

25 MR. CUMMINGS: Years and years

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1 ago, I was born with cerebral palsy and they told
2 my mom and dad at the time I was -- I would only
3 be around ten days. Well, they showed the medical
4 people they goofed by about 45 plus years.
5 Medicine today compared to back then is a
6 wonderful gift. Why can't the water company get
7 the stink out, get their life together and fix
8 these broken down system? After all, 40 years I
9 proved them wrong; why can't they take something
10 much more valuable than human being and fix it?
11 Thank you.

12 JUDGE THOMPSON: Thank you, sir.
13 Before you step down, questions from the Bench?

14 MR. CUMMINGS: Damn.

15 JUDGE THOMPSON: Commissioner
16 Murray?

17 COMMISSIONER MURRAY: No
18 questions, thank you.

19 JUDGE THOMPSON: Commissioner
20 Schemenauer?

21 COMMISSIONER SCHEMENAUER: No
22 questions, thank you.

23 JUDGE THOMPSON: Counsel? You
24 are excused, sir.

25 Wendell Cole.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1

2

WENDELL COLE

3

called as a witness herein, being first duly sworn

4

by the Judge, testified on his oath as follows:

5

6

JUDGE THOMPSON: Please state

7

your name.

8

MR. COLE: My name is Wendell

9

Cole.

10

JUDGE THOMPSON: Mr. Cole, are

11

you presently a customer of Missouri-American

12

Water Company?

13

MR. COLE: Yes, sir.

14

JUDGE THOMPSON: Please proceed.

15

MR. COLE: I have come to object

16

the high rate increase more than anything else.

17

The water and the quality of the water I will also

18

acknowledge, but I don't wash the dishes or wash

19

the clothes so I don't run into the problems like

20

my wife does. But I have a suggestion that the

21

city purchase the old -- purchase or receive the

22

old plant since the Missouri-American Water

23

Company does not feel it is any good anymore and

24

has abandoned it, that the city take that over and

25

become a water company as well as a sewer company

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 and furnish water for the City of St. Joseph.

2 JUDGE THOMPSON: Questions from
3 the Bench. Commissioner Murray?

4 COMMISSIONER MURRAY: I have
5 none, thank you.

6 JUDGE THOMPSON: Commissioner
7 Schemenauer?

8 COMMISSIONER SCHEMENAUER: No
9 questions, thank you.

10 JUDGE THOMPSON: Counsel?
11 Thank you, sir. You're excused.

12 MR. COLE: Well, we would have
13 to make an expense and the charges would be --
14 they probably wouldn't try to make a profit like
15 they would because they don't make it on our other
16 utilities in town, so I think this might be a
17 something that the city should at least consider,
18 and if we need furthermore water in the future or
19 even now, we can supplement it with the
20 Missouri-American wells out there.

21 JUDGE THOMPSON: Thank you, sir.

22 MR. COLE: Thank you.

23 JUDGE THOMPSON: Mary Lawson,
24 3709 Christie?
25 Dorothy Sandusky.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1

2

DOROTHY SANDUSKY

3

called as a witness herein, being first duly sworn

4

by the Judge, testified on her oath as follows:

5

6

JUDGE THOMPSON: Please state

7

your name.

8

MS. SANDUSKY: Dorothy Sandusky.

9

JUDGE THOMPSON: Ma'am, are you

10

presently a customer of Missouri-American Water

11

Company?

12

MS. SANDUSKY: Yes, I am.

13

JUDGE THOMPSON: Please proceed.

14

MS. SANDUSKY: Representative

15

Lawson spoke for us before, so I'm going to make

16

this short. My concern is not only for the

17

quality of the water, it's for what can be done to

18

improve this water. It's also that this is going

19

to affect everybody in St. Joe from the tiniest

20

infant to the hospitals, the schools, the

21

churches, the day centers, and what is it going to

22

do to the businesses coming into St. Joe? I have

23

other concerns, but I don't want to take up the

24

time. I can put them in a correspondence and send

25

them to the PSC, and I want to thank you for

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 coming.

2 JUDGE THOMPSON: Thank you,
3 ma'am. Questions from the Bench. Commissioner
4 Murray?

5 COMMISSIONER MURRAY: No
6 questions, thank you.

7 JUDGE THOMPSON: Commissioner
8 Schemenauer?

9 COMMISSIONER SCHEMENAUER: No
10 questions, thank you.

11 JUDGE THOMPSON: Counsel? Thank
12 you, ma'am.

13 Mrs. J.W. Duty?

14 Mr. or Mrs. Gary Nelson?

15

16 GARY NELSON

17 called as a witness herein, being first duly sworn
18 by the Judge, testified on his oath as follows:

19

20 JUDGE THOMPSON: Please state
21 your name.

22 MR. NELSON: Gary Nelson.

23 JUDGE THOMPSON: Mr. Nelson, are
24 you presently a customer of Missouri-American
25 Water Company?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 MR. NELSON: I get my water
2 through the public water district No. 1 of
3 Buchanan County which purchases the water from
4 Missouri-American Missouri water.

5 JUDGE THOMPSON: Please proceed,
6 sir.

7 MR. NELSON: When they made this
8 changeover in the water, our water condition went
9 bad and our coffee, it's like everybody else's,
10 had that oily film on it, but our ice when we take
11 the ice out, the ice cube trays, there's a white
12 coating on it, our drinking water, and the bottom
13 of our glasses we have this white grit. And so we
14 told, called the public water district, and they
15 said oh, yes, everybody's been complaining and it
16 will be taken care of within a month. Now, that
17 was back in February or March and we still got it.

18 Now, I did receive a deal in the mail at the
19 first of the year of everything they test for in
20 this water, and now that they've changed this
21 over, I don't feel that the paperwork that they
22 gave us means anything because I feel the stuff in
23 the water that we didn't have probably in the year
24 1999 we do now. So I'm complaining about the
25 quality of the water before I even think about

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1 having to pay a higher rate. Thank you.

2 JUDGE THOMPSON: Thank you, sir.

3 Questions from the Bench. Commissioner Murray?

4 COMMISSIONER MURRAY: No

5 questions, thank you.

6 JUDGE THOMPSON: Commissioner

7 Schemenauer?

8 COMMISSIONER SCHEMENAUER: No

9 questions, thank you.

10 JUDGE THOMPSON: Counsel?

11 You're excused. Thank you, sir.

12 Ted Curry. Ted Curry?

13 Joseph W. Moreland?

14

15 JOSEPH W. MORELAND

16 called as a witness herein, being first duly sworn

17 by the Judge, testified on his oath as follows:

18

19 JUDGE THOMPSON: Please state

20 your name.

21 MR. MORELAND: Joseph W.

22 Moreland.

23 JUDGE THOMPSON: Mr. Moreland,

24 are you presently a customer of Missouri-American

25 Water Company?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 MR. MORELAND: I am not.

2 JUDGE THOMPSON: You are not.

3 Do you have some other reason to believe that the
4 proposed rate increase will affect you?

5 MR. MORELAND: Not me personally
6 but those whom I represent.

7 JUDGE THOMPSON: And who are
8 those persons?

9 MR. MORELAND: I'm an attorney
10 representing the St. Joseph Building and
11 Construction Trades Council and its 2,500 some
12 members, the vast majority of whom are rate payers
13 and residents within the district.

14 JUDGE THOMPSON: Please proceed,
15 sir.

16 MR. MORELAND: There has been a
17 good deal of discussion about whether the new
18 plant was warranted or not, and I wouldn't take
19 issue with any of those who suggested that
20 refurbishing the old plant was sufficient, but I
21 represent construction workers and when you are in
22 the construction industry whenever anybody
23 suggests the prospect of building something, that
24 sounds like a good idea. Here, however, the
25 members of the St. Joseph Building Construction

1 Trades, although some are frightened by the
2 prospect by some work, soon learned that this
3 plant wasn't going to be built in a manner that
4 would benefit them inasmuch as Story Construction
5 Company out of Ames, Iowa, was soon going to be
6 the general contractor on this project and that it
7 intended to bring its own workers from out of the
8 area to do the majority of the work.

9 Now, all is fair, I suppose, if this was done
10 in open competitive bidding under the open bidding
11 statutes of the State of Missouri. One might not
12 like it but no basis to complain. Until it was
13 learned that that wasn't the case here; that, in
14 fact, the water company gave out private
15 invitations to bid to a handful of selected
16 invitees, among which was Story Construction.
17 They offered, they sent out an invitation to no
18 one in western Missouri or northwest Missouri
19 offering them an opportunity to bid. It has been
20 advised only one general contractor out of the
21 whole state of Missouri, Alberici out of
22 St. Louis, which refused to bid saying they
23 smelled a rat of a deal and elected not to bid.

24 So after having been saddled with the new
25 project and learning that the contract was to be

1 given to a general contractor out of Ames, Iowa,
2 who would be bringing employees here and the wage
3 is not even benefitting the local community but
4 being pumped back to Iowa, any initial glee, if
5 you will, over the building of this project and
6 the sweetheart deal as it was perceived to be with
7 the water company's hand-picked contractor, St.
8 Joseph Building and Construction Trades and their
9 membership began to complain to the water company
10 about that which occurred.

11 After that some local contractors got some
12 subcontracting work on the project and some local
13 employees actually gained employment on the
14 project, and there is much anecdotal information
15 concerning the quality of the work that's been
16 done on the project.

17 We're not engineers. We have relatively few
18 people on the project. Don't have inside
19 information except the anecdotal information that
20 causes one to be concerned about the quality of
21 the project, about concrete tanks that have been
22 damaged and should be repoured that are not being
23 repoured, and this is not just a hollow concern
24 for the persons, for the residents of St. Joseph
25 who will remember the debacle of public parking

1 garages built by out-of-town contractors which are
2 now practically unusable, about the sewer
3 treatment plant built in 1976 by an east coast
4 digger team that had to do a major and expensive
5 overhaul due to high maintenance costs from
6 structural defects. The essential complaint of
7 those of the St. Joseph Building and Construction
8 Trades is that they live here, they work here.
9 They didn't get an opportunity even to work and
10 make a living off of this project.

11 The arrogance of Missouri-American Water
12 Company throughout the entire project eschewing
13 the open bidding laws invites criticism as it
14 being a sweetheart contract now being saddled with
15 whatever proposed rate increase is suggested
16 before this body.

17 It doesn't appear too difficult for our
18 constituents to perceive what is going on; a
19 private decision made by a private company that
20 wants to keep its profits private but wants to add
21 \$70 million to its infrastructure and then spread
22 the cost out state-wide as it rolls this into its
23 capital accumulation and have rate payers
24 throughout the state pay it. It looks to us as if
25 the Public Service Commission should require any

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1 increase only that which would be tantamount to
2 having prudent management been involved in this
3 affair.

4 It's a private decision, privately selected
5 contractor under private regulations insofar as
6 whom they selected in that regard, but the cost --
7 the only public concern that appears to be an
8 issue here is their zealous concern to have the
9 public pay the cost of it. We think if the
10 decision here was private, the manner in which
11 they built it was private, that this body, the
12 Public Service Commission should discourage such
13 arrogance by requiring Missouri-American Water
14 Company to privatize and pay the private cost of
15 its own imprudence in this new plant. Thank you.

16 (Applause.)

17 JUDGE THOMPSON: Questions from
18 the Bench. Commissioner Murray?

19 COMMISSIONER MURRAY: No
20 questions.

21 JUDGE THOMPSON: Commissioner
22 Schemenauer?

23 COMMISSIONER SCHEMENAUER: No
24 questions.

25 JUDGE THOMPSON: Counsel? You

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1 are excused, sir, thank you.

2 MR. MORELAND: Thank you, Your
3 Honor.

4 JUDGE THOMPSON: Ladies and
5 gentlemen of the jury, at this time the hearing
6 will recess for five minutes. When we return I
7 urge you, we have approximately three more pages
8 of people who have signed up to testify. If your
9 testimony is cumulative, if you are simply
10 repeating a point that has already been made,
11 please simply say as much. Keep your remarks
12 brief and to the point as much as possible. As I
13 stated, we will recess at this time for five
14 minutes. Thank you.

15

16 (Recess taken at 8:35 p.m.)

17 (Back on the record at 8:45 p.m.)

18

19 JUDGE THOMPSON: At this time I
20 will call this local public hearing back to order.

21 Shirley Burton? Shirley Burton?

22

23 SHIRLEY BURTON

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

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1

2

JUDGE THOMPSON: Please state

3

your name, ma'am.

4

MS. BURTON: Shirley Burton.

5

JUDGE THOMPSON: Pull the

6

microphone --

7

MS. BURTON: Shirley Burton.

8

JUDGE THOMPSON: Thank you. Are

9

you presently a customer of the Missouri-American

10

Water Company?

11

MS. BURTON: Yes, I am.

12

JUDGE THOMPSON: Please proceed.

13

MS. BURTON: Well, I agree with

14

about everybody else here, so I don't have a thing

15

else to add.

16

JUDGE THOMPSON: Thank you,

17

ma'am. Before you leave, questions from the

18

Bench. Commissioner Murray?

19

COMMISSIONER MURRAY: No

20

questions, thank you.

21

JUDGE THOMPSON: Commissioner

22

Schemenauer?

23

COMMISSIONER SCHEMENAUER: No

24

questions, thank you.

25

JUDGE THOMPSON: Counsel?

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1 You're excused. Thank you, ma'am.

2 Marjorie Kimball.

3 MS. KUNBLE: Kunble.

4 JUDGE THOMPSON: Okay. Margie
5 Kunble.

6 MARJORIE KUNBLE
7 called as a witness herein, being first duly sworn
8 by the Judge, testified on her oath as follows:

9
10 JUDGE THOMPSON: I apologize for
11 mispronouncing your name, ma'am.

12 MS. KUNBLE: That's okay.

13 JUDGE THOMPSON: Please proceed.
14 State your name, ma'am.

15 MS. KUNBLE: My name is Margie
16 Kunble.

17 JUDGE THOMPSON: Are you a
18 customer of on Missouri-American Water?

19 MS. KUNBLE: Yes, I am.

20 JUDGE THOMPSON: Please proceed.

21 MS. KUNBLE: My sister is rather
22 sickly. She drinks a lot of water. The day
23 before yesterday she put this water in a bottle.
24 She took a drink and she sat it down, and a little
25 bit later she started to take another drink and it

1 looks like this. You'll notice the bottom, all
2 the coloring in there. So I called the water
3 company to complain about it, and the lady at the
4 water company told me it wouldn't hurt you. She
5 said, "It can't hurt you."

6 Well, I can't believe that drinking water
7 like this, that looks like this is healthy.
8 There's also a piece -- if she had drank this
9 stuff, this water out of a dark glass she wouldn't
10 have even noticed this. There was an article in
11 our paper about the water in the swimming pool
12 that the water would hurt your eyes; if this water
13 would irritate your eyes, what do you think the
14 water will do inside of our body?

15 I think a lot of people are wondering about
16 the quality of our water. It's costing so much
17 more money and has a film on it, and I think the
18 quality is a big question, and from all what we've
19 heard from all the other people, I think a lot of
20 the other people in St. Joe feel the same way.

21 JUDGE THOMPSON: Thank you,
22 ma'am. Mr. Krueger, could I get you to get the
23 exhibit and bring it so I can have a look at it?

24 MS. KUNBLE: It doesn't smell
25 but it's just --

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1 JUDGE THOMPSON: Thank you. Let
2 the record show that the exhibit is a soda pop
3 bottle approximately two-thirds full of a
4 brown-ish orange liquid in which particulate
5 matter can be discerned.

6 MS. KUNBLE: It's kind of
7 settled down a little. The color changes a little
8 when it sits. From moving it around it's a little
9 more.

10 JUDGE THOMPSON: Ma'am, this
11 came right out of your tap?

12 MS. KUNBLE: Out of the faucet,
13 uh-huh, and when I called the lady at the water
14 company she said it wouldn't hurt you. She said
15 if you get any more dark water just let your water
16 run til it gets clear and then you can drink it.

17 JUDGE THOMPSON: Okay.
18 Questions from the Bench. Commissioner Murray?

19 COMMISSIONER MURRAY: Yes. I
20 apologize for missing part of your testimony but
21 when did you collect this water?

22 MS. KUNBLE: Day before
23 yesterday.

24 COMMISSIONER MURRAY: Thank you
25 very much.

1 JUDGE THOMPSON: Commissioner
2 Schemenauer? Ma'am, please don't sit down just
3 yet.

4 COMMISSIONER SCHEMENAUER: Ms.
5 Kunble, did you try to leave the water run to see
6 if it cleared up?

7 MS. KUNBLE: Well, she just took
8 the water. She just wanted a drink and she just
9 put the water in a bottle. I don't know, I didn't
10 do it.

11 COMMISSIONER SCHEMENAUER: Was
12 this at her home or at your home?

13 MS. KUNBLE: What?

14 COMMISSIONER SCHEMENAUER: Was
15 this at your home?

16 MS. KUNBLE: At my home, yeah.

17 COMMISSIONER SCHEMENAUER: She
18 lives with you?

19 MS. KUNBLE: Uh-huh.

20 COMMISSIONER SCHEMENAUER: And
21 have you noticed this before? Is it a constant
22 problem?

23 MS. KUNBLE: Well, I never did
24 notice it before, but you could have been drinking
25 it and never known. You might not have known it

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1 if you wasn't drinking out of something clear. I
2 couldn't say. I haven't seen it before.

3 COMMISSIONER SCHEMENAUER: Okay,
4 thank you.

5 JUDGE THOMPSON: Questions from
6 counsel. Mr. Conrad.

7 MR. CONRAD: Your Honor, if it's
8 necessary to do so, I will certainly join Public
9 Counsel in offering that as an exhibit.

10 JUDGE THOMPSON: Mr. Coffman, do
11 you have anything to add?

12 MR. COFFMAN: I have some more
13 at home. I just want to make sure that the record
14 is clear that there may be an investigation. Did
15 you give your address?

16 MS. KUNBLE: 1024 Logan.

17 MR. COFFMAN: And this was taken
18 a couple of days ago?

19 MS. KUNBLE: Day before
20 yesterday.

21 MR. COFFMAN: And have you
22 noticed this problem yourself?

23 MS. KUNBLE: That's the first
24 I'd seen.

25 MR. COFFMAN: First you'd seen.

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1 MS. KUNBLE: But I didn't know
2 how much more we were going to get.

3 MR. COFFMAN: Have you noticed
4 the difference in the quality in the last couple
5 months?

6 MS. KUNBLE: Yes, the taste. I
7 have -- I take a pill every morning and late at
8 night. I drink a whole glass, and I had to start
9 drinking bottled water because it made me kind of
10 sick and I will almost vomit, but it does
11 definitely have a taste.

12 MR. COFFMAN: A bad taste?

13 MS. KUNBLE: I think it does.
14 It's kind of an oily or greasy or something. It's
15 not a good taste, and we didn't have that before.

16 MR. COFFMAN: Okay, thank you.

17 JUDGE THOMPSON: Now, counsel,
18 with respect on this exhibit, I described it for
19 the record. I do not propose to take permanent
20 custody of the exhibit. I believe a description
21 is sufficient. Is that acceptable to counsel?

22 MR. CONRAD: Fine with me.

23 JUDGE THOMPSON: Ms. Kunble, I
24 will return this exhibit to you.

25 MR. COFFMAN: Office of Public

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1 Counsel would take the water and take a look at it
2 if you wanted to.

3 JUDGE THOMPSON: Here you are,
4 ma'am, thank you.

5 WOMAN FROM AUDIENCE: She didn't
6 hear you, sir.

7 MR. COFFMAN: That's all right.

8 JUDGE THOMPSON: Nancy White.
9 Nancy White?

10 Eric Wattenbarger.

11

12 ERIC WATTENBARGER
13 called as a witness herein, being first duly sworn
14 by the Judge, testified on his oath as follows:

15

16 JUDGE THOMPSON: Please state
17 your name.

18 MR. WATTENBARGER: Eric
19 Wattenbarger.

20 JUDGE THOMPSON: Mr.
21 Wattenbarger, are you presently a customer of
22 Missouri-American Water Company?

23 MR. WATTENBARGER: Yes.

24 JUDGE THOMPSON: Please proceed.

25 MR. WATTENBARGER: I am here to

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1 request assistance of the PSC in protecting myself
2 and my family from unjust increases in the cost of
3 our water by a monopoly attempted to unjustly
4 wield its monopoly power. If you take a look at
5 the parent company of Missouri-American which is
6 American Water Works Company, they have a market
7 value of \$2.3 billion, 52 week EPS is 1.46; their
8 PE ratio is 16.01. Their gross profits reported
9 in December of 1999 for that year were \$542.3
10 million, and in January 2000 they just did a press
11 release which said their quarterly dividend will
12 be increased for the 25th consecutive time to be
13 .225, 22.5 cents a share.

14 This is a corporation who by definition they
15 are responsible for increasing shareholder wealth,
16 and as you've heard from several of the other
17 corporate representatives testifying today, it's
18 very hard for someone operating in a competitive
19 environment to pass on increases in operating
20 expenses. However, this company wants to increase
21 our costs by 53.97 percent where as a monopoly
22 they have that power unless the PSC steps in and
23 helps us out. We are captive customers, though;
24 we can't go somewhere else and buy the water that
25 supplies our home. Yeah, we can go to Wal-Mart

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1 and buy bottled water, but that's not a sufficient
2 alternative to meet the needs of a consumer in
3 this arena, and with the gross profit of \$542.3
4 million last year, requesting a higher ROR by this
5 company I think is outrageous, and hopefully it's
6 something that the PSC will not stand for.

7 In reference to the quality of the water, I
8 can speak for myself and my immediate family,
9 which would be two other households, my parents
10 and my grandfather; we've all had to go out and
11 buy water filters in order to bring the water to a
12 sufficient quality to meet our taste, and I would
13 be more than willing to bring the receipts and
14 give them to Missouri-American Water Company for
15 reimbursement for those increased costs that I've
16 incurred, and that is before they are even
17 attempting to increase my monthly water bill for a
18 commodity that I feel is not satisfactory.

19 I'm asking the PSC to keep this monopoly from
20 increasing prices while they are reducing the
21 product quality with record profits of over \$500
22 million. How much is enough? How much money do
23 these people have to make on the back of the
24 working families in St. Joe before their
25 shareholders are happy? Over 25 years they've

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1 been able to increase their dividend. These guys
2 aren't hurting for money, and the \$70 million
3 investment they made plus what some people are
4 calling the Taj Mahal, if they want to increase
5 their corporate infrastructure let them. Let them
6 incur the increased capitalization costs, not the
7 consumers of water in St. Joe. Thank you.

8 JUDGE THOMPSON: Thank you, sir.
9 Questions from the Bench. Commissioner Murray?

10 COMMISSIONER MURRAY: No
11 questions, thank you.

12 JUDGE THOMPSON: Commissioner
13 Schemenauer?

14 COMMISSIONER SCHEMENAUER: No
15 questions.

16 JUDGE THOMPSON: Counsel? You
17 are excused, sir. Thank you. Mr. Coffman, did I
18 miss you?

19 MR. COFFMAN: That's all right.

20 JUDGE THOMPSON: Okay. I
21 apologize. You have to make some noise or
22 something.

23 MR. COFFMAN: Okay.

24 JUDGE THOMPSON: I should
25 mention that during the recess a witness who

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1 testified earlier, Darrell Meeker, presented me
2 with a copy of a document, "The Fluoride Menace,"
3 which I have marked as Exhibit No. 3 and which
4 will be made part of the record in this matter.

5 Terry McGauhey

6

7

TERRY McGAUHEY

8

called as a witness herein, being first duly sworn

9

by the Judge, testified on her oath as follows:

10

11

JUDGE THOMPSON: Please state

12

your name.

13

MS. McGAUHEY: Terry McGauhey.

14

JUDGE THOMPSON: Ms. McGauhey,

15

are you presently a customer of Missouri-American

16

Water Company?

17

MS. McGAUHEY: Yes,

18

unfortunately.

19

JUDGE THOMPSON: Please proceed.

20

MS. McGAUHEY: I want to thank

21

you for coming here and letting us talk to you

22

because obviously as the number of people in this

23

room will show you, our frustration which deals

24

directly with the water company is at its peak and

25

you may be our only recourse.

1 I understand the needed change in the water
2 system because obviously the water has been bad
3 for a long period of time. I grew up in the Air
4 Force. I've traveled all over the country, and I
5 have never lived anywhere that has such a poor
6 quality of water in my life. When I moved here in
7 1980 the water was bad. The flavor of it is bad;
8 the quality, the clarity of it is bad. When
9 Missouri-American Water came here, I was hoping
10 they would bring a change in the quality. I have
11 not seen this change. If they want to raise the
12 rates, they should give us something to raise the
13 rates for. I don't agree with a change without a
14 drastic improvement in the quality of the water.

15 What I have seen since they proposed this
16 change and since they've built this system, this
17 new plant is that our water has now got an oily
18 film. I also experienced the white crust that is
19 in my ice cubes and on the bottom and sides of my
20 glass whenever I drink water or use ice cubes. I
21 think the water flavor has not improved. The
22 chlorination is still strong and now we have this
23 added problem of oil and crust. I don't think
24 that qualifies as an improvement.

25 The ground water that they are using requires

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1 a higher level of chlorination than the previous
2 supply used to need. The by-products of that
3 chlorination causes carcinogens to be in our
4 water. This information comes to me directly from
5 Missouri-American Water Company in the previous
6 bill that I got with their little consumer
7 confidence report. They said that there is -- the
8 byproduct of this chlorination, the levels that
9 are allowed by law are up to a hundred parts per I
10 believe they said billion, but I'm not sure if
11 it's billion or million. The levels that they
12 found in 1999 were anywhere from 80 to 144. I
13 don't know how often it reaches 144, but I don't
14 think that we should be willing to pay an
15 increased amount of money for an increased risk.

16 The more chlorination, the more carcinogens.
17 The higher the risk, the more we pay. I don't
18 personally think that's fair.

19 Whenever I go shopping anywhere for any
20 product, no matter whether it's in St. Joe or
21 elsewhere, if there is an increase of 50 percent
22 or more in cost and a decrease in performance or
23 in quality, I will shop elsewhere. Unfortunately
24 in this case I don't have that choice. So I turn
25 to you to help us find some way to make this a

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1 more fair situation for the citizens of
2 St. Joseph. Thank you.

3 JUDGE THOMPSON: Thank you,
4 ma'am. Questions from the Bench. Commissioner
5 Murray?

6 COMMISSIONER MURRAY: No
7 questions, thank you.

8 JUDGE THOMPSON: Commissioner
9 Schemenauer?

10 COMMISSIONER SCHEMENAUER: No
11 questions, thank you.

12 JUDGE THOMPSON: Questions from
13 counsel? You're excused, ma'am, thank you.
14 Kermit Smith?

15
16 KERMIT SMITH
17 called as a witness herein, being first duly sworn
18 by the Judge, testified on his oath as follows:

19 JUDGE THOMPSON: State your
20 name, sir.

21 MR. SMITH: Kermit Smith.

22 JUDGE THOMPSON: Mr. Smith, are
23 you presently a customer of Missouri-American
24 Water Company?

25 MR. SMITH: Yes, sir.

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1 JUDGE THOMPSON: Please proceed.

2 MR. SMITH: Okay. This is
3 basically not meant to be -- This is just my
4 opinion and this is not meant to be flippant or
5 anything like this. Maybe a little sarcastic, but
6 I don't think so.

7 I would just like to state that I think that
8 the pain should not be shared equally amongst the
9 citizens of St. Joseph and the stockholders of the
10 Missouri-American Water Company if it's going to
11 come down to that. Because they don't have a say
12 here and go through what we're going through with
13 the water. In that event I think this would be a
14 fair proposal but I think that the prospect of the
15 Missouri-American Water Company shouldn't be
16 applied in equal amounts to the customers' rate
17 increase until the new facilities are completed.
18 That way both sides tend to be equal contributors
19 and this would also ensure payment after the
20 facilities are paid for. And that's all I have to
21 say.

22 JUDGE THOMPSON: Thank you, sir.
23 Questions from the Bench. Commissioner Murray?

24 COMMISSIONER MURRAY: No
25 questions, thank you.

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1 JUDGE THOMPSON: Commissioner
2 Schemenauer?

3 COMMISSIONER SCHEMENAUER: No
4 questions, thank you.

5 JUDGE THOMPSON: Questions from
6 counsel? You're excused, sir. Thank you.

7 MR. SMITH: Thank you.

8 JUDGE THOMPSON: Susan Harris.

9
10 SUSAN HARRIS
11 called as a witness herein, being first duly sworn
12 by the Judge, testified on her oath as follows:

13
14 JUDGE THOMPSON: Please state
15 your name.

16 MS. HARRIS: Susan Harris.

17 JUDGE THOMPSON: Ms. Harris, are
18 you presently a customer of Missouri-American
19 Water Company?

20 MS. HARRIS: Yes, I am.

21 JUDGE THOMPSON: Please proceed.

22 MS. HARRIS: I would just like
23 to join with all the other witnesses who have
24 objected to the average residential 51 percent
25 water rate increase because it's way too high,

1 because the company is making enough money
2 already, and an extra nine dollars per month would
3 put a burden on many people in St. Joseph,
4 especially the elderly and those on fixed incomes
5 and people who are making low wages, which there
6 are many in St. Joe.

7 I also think that most of the people in
8 St. Joseph would have preferred that the old water
9 plant be refurbished had they known that they were
10 going to be bearing the cost of the new one in a
11 plant that they obviously cannot afford. I also
12 don't think that the water quality has improved.
13 I did used to -- I did previously buy my drinking
14 and cooking water and I still do.

15 JUDGE THOMPSON: Does that
16 conclude your remarks, ma'am?

17 MS. HARRIS: Yes, sir.

18 JUDGE THOMPSON: Thank you.

19 Questions from the Bench. Commissioner Murray?

20 COMMISSIONER MURRAY: No
21 questions.

22 JUDGE THOMPSON: Commissioner
23 Schemenauer?

24 COMMISSIONER SCHEMENAUER: No
25 questions.

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1 JUDGE THOMPSON: Counsel?

2 MS. HARRIS: Oh, sir? I would
3 like to thank the Office of Public Counsel for
4 representing us.

5 JUDGE THOMPSON: Thank you,
6 ma'am. Marjorie Powell. Marjorie Powell?
7 Sandra Colburn.

8
9 SANDRA COLBURN
10 called as a witness herein, being first duly sworn
11 by the Judge, testified on her oath as follows:

12
13 JUDGE THOMPSON: Please state
14 your name.

15 MS. COLBURN: Marjorie Colburn.

16 JUDGE THOMPSON: Ma'am, are you
17 presently a customer of Missouri-American Water
18 Company?

19 MS. COLBURN: Yes.

20 JUDGE THOMPSON: Please proceed.

21 MS. COLBURN: Well, I am a
22 single parent and I work two jobs. I work seven
23 days a week just to get my bills paid, and to me
24 it's offensive for the water company to come to me
25 and expect me to pay their bills. I'm responsible

1 for my bills, why can't they be responsible for
2 theirs?

3 And as far as the quality in the water, it's
4 gone down terribly. At first I blamed my son
5 because he wasn't washing the dishes right when I
6 got grease on top of my coffee in the morning. So
7 I started washing my own coffee cups, and it was
8 still there. And I had to go out and buy one of
9 those charcoal filter pitchers, and that's really
10 inconvenient to pour the water in the pitcher and
11 let it drain down and stuff just to make coffee.
12 And I don't care what they say about that it's
13 safe to drink. If it kills the fish, it can't be
14 healthy to drink; and it's always in the back of
15 my mind, it's in the back of my mind when I go and
16 pour water into my dog and cat's drinking bowl.
17 It's always there what am I doing to them making
18 them drink this water?

19 JUDGE THOMPSON: Does that
20 conclude your remarks, ma'am?

21 MS. COLBURN: Yes.

22 JUDGE THOMPSON: Thank you.
23 Questions from the Bench. Commissioner Murray?

24 COMMISSIONER MURRAY: No.
25 Questions, thank you.

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1 JUDGE THOMPSON: Commissioner
2 Schemenauer?

3 COMMISSIONER SCHEMENAUER: No
4 questions.

5 JUDGE THOMPSON: Counsel?

6 MR. COFFMAN: Yes.

7 JUDGE THOMPSON: Mr. Coffman.

8 MR. COFFMAN: Yes, for the
9 record, could you tell us how much you spent for
10 your charcoal filter pitcher?

11 MS. COLBURN: It was about \$14.
12 And you have to -- after the charcoal wears out
13 you have to keep buying filters to put in them.

14 MR. COFFMAN: Do you know, could
15 you estimate how much that would cost month to
16 month?

17 MS. COLBURN: I don't know. I
18 haven't had to replace the filter yet.

19 MR. COFFMAN: Thanks a lot.

20 JUDGE THOMPSON: Thank you,
21 ma'am. You're excused.

22 Charles Foster?

23 Amanda or Ray Allen?

24 RAY ALLEN

25 called as a witness herein, being first duly sworn

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 by the Judge, testified on his oath as follows:

2 JUDGE THOMPSON: Please state
3 your name.

4 MR. ALLEN: Ray Allen.

5 JUDGE THOMPSON: Mr. Allen, are
6 you presently a customer of Missouri-American
7 Water Company?

8 MR. ALLEN: I am an indirect
9 customer in St. Joseph and a direct customer in
10 DeKalb County through water district No. 1.

11 JUDGE THOMPSON: Please proceed,
12 sir.

13 MR. ALLEN: I have been a
14 customer in St. Joseph through low water outages
15 and high water outages. I was pleased when I
16 heard about the new plant. I expected it to be
17 well thought out and would deliver quality water
18 at a competitive price and not be subject to high
19 or low water outages.

20 As it has turned out we have extremely
21 low-quality water. It tastes terrible, it smells
22 terrible, and it looks terrible. The water
23 quality is simply not acceptable in St. Joseph
24 after the change. I understand that the price for
25 the new plant is double what it would have cost to

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 upgrade the old plant. In the business world, if
2 a management team makes a product that only it
3 wants, it's the shareholder that takes the hit,
4 not the customers.

5 I am requesting the Public Service Commission
6 to order the Missouri-American Water Company to
7 improve the quality of the water til it tastes as
8 good and looks as good as it did before and have
9 the shareholders to absorb any costs above the
10 costs of what an upgrade to the old plant would
11 have cost. Thank you for your attention.

12 JUDGE THOMPSON: Thank you, sir.
13 Questions from the Bench. Commissioner Murray?

14 COMMISSIONER MURRAY: No
15 questions.

16 JUDGE THOMPSON: Commissioner
17 Schemenauer?

18 COMMISSIONER SCHEMENAUER: No
19 questions, thank you.

20 JUDGE THOMPSON: Counsel?
21 You're excused, sir. Thank you.

22 MR. ALLEN: Thank you.

23 JUDGE THOMPSON: I'm unable to
24 read the next person. It is Dan and he lives at
25 1863 Edmond. Is that individual still here? (No

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1 response.)
2 Okay. F.K. Everett. F.K. Everett? Florence
3 Everett.
4 Margaret D'Huyvetter? Marie Walberg, 2509
5 Lucille Avenue?
6 Wilfred Jung?
7 Marge Buischer?
8 M.H. Daily?
9 Virgil Powell? 5106 looks like Eastern
10 Court.
11 Okay. Carolyn Stephens?

12
13 CAROLYN STEPHENS
14 called as a witness herein, being first duly sworn
15 by the Judge, testified on her oath as follows:

16
17 JUDGE THOMPSON: Please state
18 your name.

19 MS. STEPHENS: Carolyn Stephens.

20 JUDGE THOMPSON: Ma'am, are you
21 presently a customer of Missouri-American Water
22 Company?

23 MS. STEPHENS: Yes, I am.

24 JUDGE THOMPSON: Please proceed.

25 MS. STEPHENS: I just wanted to

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 say everything that's been said is about what I
2 would have said so -- but I am very concerned
3 about the well-being of the citizens, but the
4 people I know, you know, they have family, friends
5 and everyone. I take care of an '88 year old aunt
6 that she has to buy water filters and pitchers to
7 drink. She has to by doctor's orders drink four
8 glasses of water each day, and that's costing her
9 quite a bit on her income.

10 My father and my stepmother are still having
11 trouble with their finances, and this is not going
12 to help them or anybody else I know; and from what
13 heard about the things that I didn't know about
14 tonight, you know, with the financing of this
15 plant and money that they are making and
16 everything, I just think it's appalling, and I
17 just think that we need help, and I appreciate you
18 being here. Thank you.

19 JUDGE THOMPSON: Thank you,
20 ma'am. Before you step away, questions from the
21 Bench. Commissioner Murray?

22 COMMISSIONER MURRAY: No
23 questions.

24 JUDGE THOMPSON: Commissioner
25 Schemenauer?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 COMMISSIONER SCHEMENAUER: No
2 questions.

3 JUDGE THOMPSON: Counsel?
4 You're excused. Thank you, ma'am.
5 George C. Steidel?

6
7 GEORGE C. STEIDEL
8 called as a witness herein, being first duly sworn
9 by the Judge, testified on his oath as follows:

10
11 JUDGE THOMPSON: Please state
12 your name.

13 MR. STEIDEL: George C. Steidel.

14 JUDGE THOMPSON: Sir, are you
15 presently a customer of Missouri-American Water
16 Company?

17 MR. STEIDEL: Yes, sir, I am.

18 JUDGE THOMPSON: Please proceed.

19 MR. STEIDEL: I have many things
20 to say before I read my notes here. If we can get
21 this many people out to protest a 14 cent increase
22 in gasoline we've had in the last 36 hours, we'd
23 be doing pretty good.

24 If you have 95,000 customers in six cities
25 throughout Missouri and 31,000 of them are in

1 St. Joseph, according to our paper this morning, I
2 would say the majority rules that a single tariff
3 pricing should stand. Since we have and fronted
4 the capital cost of their districts, it is only
5 fair that they should pay us back. As Mr. Schanze
6 said earlier, quote: It is not right for those
7 communities to balk after our plant is already
8 built, unquote. The time for hollering was before
9 the plant was built.

10 Also, since the investors are wanting their
11 dividends, let them also go to the other six
12 cities and explain their situation, and also I
13 would like to know who they are, the investors.
14 Because we the people of the city of St. Joe are
15 also investors in this water company. By the
16 rates that they are putting upon us.

17 When we first started, the figures in the
18 paper some time back, it was 35 million. Then it
19 jumped up to 70 million. They are going to keep
20 on until you cause some people to drill wells or
21 put down sand points in order to save money, and
22 when that comes to be there will probably be a lot
23 more people sitting here than they are today.
24 What happens when the vein or aquifer that you are
25 tapping down there at a hundred feet or whatever

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 it is that you are drilling runs dry as did the
2 river a few years ago when it dropped to three or
3 four feet for several weeks? They need to take
4 that into consideration also.

5 Also, if the site is in the area of the Blue
6 Side dump site, shouldn't the EPA be contacted?
7 It seems as though the citizens of St. Joseph are
8 getting yanked around right and left. Thank you.

9 JUDGE THOMPSON: Thank you, sir.
10 Questions from the Bench. Commissioner Murray?

11 COMMISSIONER MURRAY: No
12 questions.

13 JUDGE THOMPSON: Commissioner
14 Schemenauer?

15 COMMISSIONER SCHEMENAUER: No
16 questions, thank you.

17 JUDGE THOMPSON: Counsel? Thank
18 you, sir.

19 Joy Louise Rau?

20 I'm not going to read the next name. The
21 address looks like 7211 Southeast Highway 169. Is
22 that anyone's address who would like to testify?
23 (No response.)

24 Elmer Bosley?

25 Ed or Lee -- I can't read the last name. The

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1 address is 2820 South 42nd Street. Either of
2 those people here?

3 Edna Chilcoat?

4 Allen R. -- it looks like Van Zigler

5 MR. VAN TEGLEN: Van Tegen.

6 JUDGE THOMPSON: Okay. Not even
7 close.

8

9 ALLEN R. VAN TEGLEN

10 called as a witness herein, being first duly sworn
11 by the Judge, testified on his oath as follows:

12

13 JUDGE THOMPSON: Please state
14 your name and spell it for the reporter, if you
15 would.

16 MR. VAN TEGLEN: Allen Van
17 Tegen, V-A-N T-E-G-L-E-N.

18 JUDGE THOMPSON: Sir, are you
19 presently a customer of Missouri-American Water
20 Company?

21 MR. VAN TEGLEN: I am.

22 JUDGE THOMPSON: Please proceed.

23 MR. VAN TEGLEN: I'd like to
24 approach this in a different way than the previous
25 speakers have. I have a concern over the cost

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 like the rest of them and the quality of the water
2 like the rest of them, but I think the water
3 company is kind of lying to us a little bit here.

4 Now, let me explain that term to you. They
5 say in their literature it's going to cost us
6 about 8.59, 8.60 a month. I don't believe it.
7 Now, let me tell you why I don't. We can get a
8 bill increase of 8.59 or 8.60 a month for the
9 water company, but what is it really going to
10 cost?

11 Gentlemen, the water's bad. It is really
12 bad. Let me tell you, if I can depend upon what
13 the paper says. There was an article in the paper
14 that says our water is running 20 grains per
15 gallon of hardness. Now, grains per gallon is a
16 layman's term. That is equal to 342 parts per
17 million. Coming from Michigan, hard water
18 country, that's hard water.

19 Now, what does that all mean? To the average
20 person it doesn't mean too much. It means that
21 every 120,000 gallons 119,904 gallons of water you
22 use, there are 342 pounds of impurities. Now,
23 what kind of impurities? The impurities that
24 we're getting is mostly calcium and magnesium.
25 Now, those two materials are dissolved in the

1 water because water is the universal solvent.
2 Those two materials are really costly to the
3 homeowner, to industry, to anyone that uses it.
4 How? Mama washes clothes, she uses more soap to
5 get the suds wash in the and the washing quality.
6 Industry. Anytime you use water, their costs are
7 increased for chemical treatment, their heat
8 exchange units are fouled. See, your water
9 company does that. They don't tell you these
10 things. Well, very expensive.

11 30 years ago I worked for Vulcan Laboratories
12 who did industrial water treating and consulting
13 service in Michigan. I saw what it can do.

14 Now, city government, the city says oh, gee,
15 nice to have a new water company. Well, city has
16 got a lot to learn too. They got boilers; they're
17 going to scale up those boilers and they are going
18 to have a real problem with them, and they've got
19 a lot of other areas.

20 Now, most of us who have been in hard water
21 country know what it can do. For example, you go
22 take a shower, you look at the shower and it
23 separates all over the place and it's got some
24 white stuff on it. That's calcium deposit. That
25 comes off on any area you have a heat exchange,

1 boilers, coffee pots, anything.

2 Gentlemen, the water's bad. The water is
3 really bad. Now, as far as Missouri-American
4 Water Company goes, I can tell you -- and this is
5 in my mind now -- I'm not saying gospel. I can
6 tell you why they moved the plant, why they don't
7 want to use the old plant.

8 If you take a look at the MO river, it's full
9 of suspended solids. That's what gives it the
10 color. What that woman brought in in that jug,
11 that's suspended solids, precipitates out. Well,
12 to get it to precipitate out in volume, you've got
13 to add a lot of chemical. Alum was one of the
14 ones they used to use. Coagulants.

15 Now, pumping it from a well they don't have
16 to do that or they do it a lot less and they save
17 big bucks in that chemical and that filtering
18 system. They're saving big bucks in the
19 combination of material chlorine and ammonia from
20 what the paper said. If they are adding that,
21 they are saving big dollars. So their savings are
22 great. I don't want to pay for their savings. I
23 don't want pay for their new plant.

24 Now, St. Joe has a problem of maintaining and
25 attracting new jobs, decent-paying jobs. One of

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 the things that a company like some of the ones
2 that I worked for, when they come into town they
3 want to know about water quality, they want to
4 know about recreation, they want to know about the
5 training of the people, and our water quality, you
6 can't tell them it's good. So that's all I've got
7 to say, but I hope that you will all sit down and
8 take into consideration what these people said
9 because they're right on line. Thank you.

10 JUDGE THOMPSON: Thank you, sir.
11 Questions from the Bench. Commissioner Murray?

12 COMMISSIONER MURRAY: No
13 questions, thank you.

14 JUDGE THOMPSON: Commissioner
15 Schemenauer?

16 COMMISSIONER SCHEMENAUER: No
17 questions, thank you.

18 JUDGE THOMPSON: Counsel?
19 You're excused. Thank you, sir.

20 Penny Roberts?

21 Jean Eaton?

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

1 JUDGE THOMPSON: State your
2 name.

3 MS. EATON: Jean Eaton.

4 JUDGE THOMPSON: Are you
5 presently a customer of Missouri-American Water
6 Company?

7 MS. EATON: Yes, I am.

8 JUDGE THOMPSON: Please proceed.

9 MS. EATON: I just came here
10 just because I felt that somebody needed to stand
11 up and say stop this and, you know, 50 percent, a
12 raise of 50 percent increase in our bill is
13 ridiculous; and I'm one of those people that's on
14 a fixed income, and the elderly are surely going
15 to be very worried about it. And then all the
16 stuff about the health business, the sediment;
17 I've noticed that that wasn't my priority. I saw
18 the 50 percent markup in the literature that they
19 sent, and that caught my eye more than anything.

20 But, you know, I have a real problem with
21 stuff being in my water and, you know, I have no
22 choices here. And I'm really glad that you people
23 came to listen to us because that's what I feel
24 like we don't have any choice, all this just comes
25 in. We're dependent on our water, take it or

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 leave it, you know. What are you going to do
2 without water? I can't afford to buy bottled
3 water. I certainly can't afford to use it to
4 clean with and things like that. You know, enough
5 is enough. 50 percent is just too much, and
6 there's many, many people here in town that feel
7 the same way that aren't here. And I hope you
8 will take a good look at all the people that were
9 here that aren't testifying because I know they
10 feel the same way I do. It's not right.

11 JUDGE THOMPSON: Does that
12 conclude your remarks, ma'am?

13 MS. EATON: Yes.

14 JUDGE THOMPSON: Thank you.
15 Questions from the Bench. Commissioner Murray?

16 COMMISSIONER MURRAY: No
17 questions, thank you.

18 JUDGE THOMPSON: Commissioner
19 Schemenauer?

20 COMMISSIONER SCHEMENAUER: No
21 questions.

22 JUDGE THOMPSON: Counsel?
23 Mr. Fischer.

24 MR. FISCHER: Just very briefly,
25 ma'am, is it your understanding that that 50

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 percent increase that you are talking about them
2 imposing is based on single tariff pricing?

3 MS. EATON: I'm not even sure
4 what single tariff pricing is. I know a lot of
5 other people here don't know that either. I just
6 saw the 50 percent increase and know that we can't
7 afford it.

8 MR. FISCHER: Would you be
9 opposed to an increase that was two or three times
10 that?

11 MS. EATON: Of course.

12 JUDGE THOMPSON: Other
13 questions? I'd like to commend you for your clear
14 handwriting, ma'am. Thank you. You're excused.

15 Maria Butcher?

16 Kathy Wood.

17

18 KATHY L. WOOD
19 called as a witness herein, being first duly sworn
20 by the Judge, testified on her oath as follows:

21

22 JUDGE THOMPSON: Please state
23 your name.

24 MS. WOOD: Kathy Wood.

25 JUDGE THOMPSON: Kathy Wood.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 Ma'am, are you presently a customer of
2 Missouri-American Water Company?

3 MS. WOOD: Yes, I am.

4 JUDGE THOMPSON: Please proceed.

5 MS. WOOD: First of all, I'd
6 like to say that I certainly agree with the
7 comments made by Mr. Barkley of Wire Rope. I've
8 been a resident here for 19 years. We've only had
9 two water failures in that period of time; one due
10 to low water conditions in the river, the other
11 time due to the flood. To me it's a very
12 unreasonable expenditure to spend \$70 million to
13 furnish water to approximately 30,000 users. The
14 current plan was functioning fine. They've over
15 built the new plant.

16 I firmly believe that there should be future
17 pre-approval of a capital improvement expenditure
18 of this nature. With the medical improvements
19 that go into the hospital, they go through the
20 need. I don't believe the St. Joe public was
21 informed for the kind of expenditure that was
22 going to be made here or the effect it would have
23 on our water rates. Missouri-American Water
24 should have to absorb the excess costs. The water
25 quality is very poor.

1 As an example, I walked into work one day
2 shortly after the water was changed, looked at our
3 coffee pot, commented to my secretary that
4 certainly Mr. Warren had made the coffee again,
5 and the secretary informed me, no, it was the
6 water. It was so nasty that we looked at it and
7 after that we went to using bottled water at work,
8 and that's an additional expense.

9 I believe the shareholders should have to
10 bear a large portion of this burden. I live in a
11 lower middle class working neighborhood. Lots of
12 elderly neighbors. They cannot afford this. Even
13 those of us who are working class can't really
14 afford it. I live alone, no pool, no spa,
15 nothing. Don't water my lawn. Every three months
16 I get a bill of about \$60 for combined water and
17 sewer. With these increases we could easily be
18 talking a bill up to 80 or \$90 for three months
19 for one person, and I think that's highly
20 unreasonable. That's all I have to say.

21 JUDGE THOMPSON: Thank you,
22 ma'am. Before you step away, questions from the
23 Bench. Commissioner Murray?

24 COMMISSIONER MURRAY: No
25 questions.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 JUDGE THOMPSON: Commissioner

2 Schemenauer?

3 COMMISSIONER SCHEMENAUER: No

4 questions.

5 JUDGE THOMPSON: Counsel?

6 You're excused, ma'am.

7 MS. WOOD: Thank you.

8 JUDGE THOMPSON: You also have

9 very clear handwriting I might mention.

10 Emmitt E. Southwick.

11

12 EMMITT E. SOUTHWICK

13 called as a witness herein, being first duly sworn

14 by the Judge, testified on his oath as follows:

15

16 JUDGE THOMPSON: Please state

17 your name.

18 MR. SOUTHWICK: My name is

19 Emmitt E. Southwick.

20 JUDGE THOMPSON: Mr. Southwick,

21 are you presently a customer of Missouri-American

22 Water Company?

23 MR. SOUTHWICK: Yes, I am.

24 JUDGE THOMPSON: Please proceed.

25 MR. SOUTHWICK: I will make it

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 very short since everybody has covered my issues.
2 I am on fixed income. When I first heard about
3 the rate increase, I called the Missouri-American
4 Water Company customer service. They refused to
5 talk to me. They told me to call Public
6 Commission, and I feel that's wrong because I feel
7 there should be a hotline number at the Missouri
8 Water Company since this increase, and I believe
9 they do have poor quality water, and that's
10 basically all I have to say.

11 JUDGE THOMPSON: Thank you, sir.
12 Questions from the Bench. Commissioner Murray?

13 COMMISSIONER MURRAY: No
14 questions.

15 JUDGE THOMPSON: Commissioner
16 Schemenauer?

17 COMMISSIONER SCHEMENAUER: No
18 questions, but did you pick up an orange card with
19 the 800 number for the Missouri Public Service
20 Commission?

21 MR. SOUTHWICK: Yes, the water
22 company did give me that number.

23 COMMISSIONER SCHEMENAUER: Okay,
24 thank you.

25 JUDGE THOMPSON: Counsel?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 You're excused, sir. Thank you.

2 Tina Black? Tina Black?

3 Merle Arnold?

4 Phyllis J. Conard?

5

6 PHYLLIS J. CONARD

7 called as a witness herein, being first duly sworn

8 by the Judge, testified on her oath as follows:

9

10 JUDGE THOMPSON: Please state

11 your name.

12 MS. CONARD: My name is Phyllis

13 J. Conard, C-O-N-A-R-D.

14 JUDGE THOMPSON: Are you

15 presently a customer of Missouri-American Water

16 Company?

17 MS. CONARD: Yes, I am.

18 JUDGE THOMPSON: Please proceed.

19 MS. CONARD: What I have to say

20 tonight is just something that I have observed.

21 And I will try to make it brief. I've lived in

22 St. Joseph all my life. I've sold Avon and went

23 in people's homes for five years. I've worked in

24 the general public retail business for 22 years.

25 And now I'm taking census and I've been doing that

1 for six weeks going in people's homes.

2 I am well acquainted because one year my
3 husband had lost his job, he could not find work.
4 I worked at retail but I went out and got another
5 job telephoning. The people that I talked to in
6 that period, like eight to ten weeks are all on
7 social security, fixed budgets, low income.

8 Now, that was personal knowledge that I
9 gained doing that. I've always told my children
10 do unto others as you would have them do unto you,
11 and I feel that the majority of people in
12 St. Joseph are retired senior citizens on a very
13 low fixed income. People don't have -- I don't
14 water my lawn. I may plant a few flowers, but I'm
15 afraid to water them with this water, and I cannot
16 afford it.

17 Two years ago the taxes were raised. Every
18 two years you have a tax increase. I went up and
19 talked about that. That was a hoax. You could
20 sit down at the table with a group of men, their
21 mind made up no matter what you said; you are
22 still going to pay that tax increase.

23 Do we still live in America? Do we still
24 believe in our families and our friends and our
25 loved ones? Are we concerned with their health?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 I told my children -- I've got four kids; they're
2 good kids, honest kids. Most of the homes I've
3 been in, those people are hard working people,
4 common people. They get down in the dirt and dig.
5 Build a house because they don't have the money to
6 do it, and I've done it with my husband because we
7 didn't have the money. We paid our bills on time.
8 I worked two jobs when my husband couldn't find
9 work.

10 This is wrong. It's not right. The values
11 are not here. We've got to put a stop to it
12 somewhere. That's why I'm here. I feel real
13 strongly about this.

14 JUDGE THOMPSON: Does that
15 conclude your remarks, ma'am?

16 MS. CONARD: Yes, it does.

17 JUDGE THOMPSON: Thank you.

18 Questions from the Bench. Commissioner Murray?

19 COMMISSIONER MURRAY: No
20 questions.

21 JUDGE THOMPSON: Commissioner
22 Schemenauer?

23 COMMISSIONER SCHEMENAUER: No
24 questions.

25 JUDGE THOMPSON: Counsel?

1 Mr. Coffman.

2 MR. COFFMAN: Yes, I was curious
3 about what concern led you to fear about watering
4 your flowers.

5 MS. CONARD: Well, my husband
6 and my coffee -- one thing about it, it never
7 tasted the same. It's horrible, and when you make
8 coffee there was a film on it; and I've tried two
9 filters, and my son give me one of those things
10 for Christmas one time that's purified water.

11 Well, I tried it, it was a big pain in the
12 neck, so I just put it back in the closet. Well,
13 that's been about four years ago. I dug the thing
14 out. And I don't feed my dog -- I don't give my
15 dog any water unless it's through that filter.
16 Well, you men may not know it but us women, we use
17 a lot of water. We cook. I still cook. And I
18 got worried I don't want my kids and my family
19 drinking that water. I don't know what it's doing
20 to their health.

21 I've been on a census. I go in people's
22 homes; I know their income, I know their health.
23 St. Joe has good people, they're common people,
24 hard working people, and it just really grabs my
25 bones. I've never done anything like this before

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 but this has got me stirred up. It's not right.
2 Right is right and wrong is wrong, and I feel
3 we've been just sent down the river. We have no
4 voice in it. I mean we got to live. How are we
5 going to do it? Our prices are going to increase
6 and water, gas, lights, health, medicine. People
7 don't even buy medicine. You know what elderly
8 people do on fixed incomes? They do without food
9 to have medicine. This is wrong.

10 What are we doing to our kids? What are we
11 showing them? That's what I have to say. I don't
12 like it. I'm an ordinary mom, mother of four and
13 grandmother of nine and one great-grandchild. It
14 just concerns me because I'm going to be passing
15 this old world pretty soon and the world will go
16 on, but I don't like it. I just want people to do
17 what's right. That's all I have to say.

18 MR. COFFMAN: Thank you.

19 JUDGE THOMPSON: Thank you,
20 ma'am. You're excused.

21 MS. CONARD: Thank you.

22 JUDGE THOMPSON: Sharon Courter.

23

24 SHARON COURTER

25 called as a witness herein, being first duly sworn

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 by the Judge, testified on her oath as follows:

2 JUDGE THOMPSON: Please state
3 your name.

4 MS. COURTER: Sharon Courter.

5 JUDGE THOMPSON: Ma'am, are you
6 presently a customer of Missouri-American Water
7 Company?

8 MS. COURTER: Yes, I am.

9 JUDGE THOMPSON: Please proceed.

10 MS. COURTER: I just want to
11 reiterate that everything I've heard I agree with,
12 but I want to add one more thing. I have a
13 daughter that has a disability which takes medical
14 supplies. We now have tripled our medical
15 supplies due to the water. We cannot sterilize
16 because of the sediment that stays on certain
17 equipment that we use for her, so we have to
18 constantly buy new catheters and things like this
19 because we can't reuse them. We can't even boil
20 them because of the water.

21 She is susceptible without any type of other
22 infections, and she just came out of the hospital
23 because of an infection. I'm not saying it's
24 because of the water, but I'm saying it certainly
25 doesn't help it. And I spent \$89.90 cents a month

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 just for medical supplies that I normally would
2 have spent \$12.50 for just because I cannot use
3 water to sterilize. And we had a plant that was
4 alive and working 114 years, didn't cost us \$70
5 million even with the cost of living raises.
6 That's telling us maybe 50 years for a \$70 million
7 plant. I'm a little confused. That's my
8 comments.

9 JUDGE THOMPSON: Thank you,
10 ma'am. Questions from the Bench. Commissioner
11 Murray?

12 COMMISSIONER MURRAY: No
13 questions, thank you.

14 JUDGE THOMPSON: Commissioner
15 Schemenauer?

16 COMMISSIONER SCHEMENAUER: No
17 questions, thank you.

18 JUDGE THOMPSON: Counsel?
19 You're excused, ma'am.

20 MS. COURTER: Thank you.

21 JUDGE THOMPSON: Tom Graham?
22 Tom Graham?

23 Gary McIntosh?

24 MR. MCINTOSH: Here.

25

1

2

GARY McINTOSH

3

called as a witness herein, being first duly sworn

4

by the Judge, testified on his oath as follows:

5

6

JUDGE THOMPSON: Please proceed.

7

MR. McINTOSH: Well, first off

8

I'd just like to say that I think the water

9

company was not very straightforward with our

10

local government and the citizens of this city

11

because nowhere did I read in the paper that my

12

water rates would go up this high when they talked

13

about building a new plant. And the other thing

14

is everything I read in the paper is our water has

15

the same treatment as St. Louis and Kansas City,

16

and I drink the water in St. Louis and Kansas City

17

on a regular basis, and believe me, if the water

18

tasted in those cities like it tastes in this

19

city, you'd have a riot in this state, because

20

I've been fortunate enough to drink water all over

21

the world and this is about the worst tasting

22

water I think I've ever drank, and I don't imagine

23

you could find anybody that worked for

24

Missouri-American Water Company that likes the

25

taste of this water either, and basically that's

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1 all I have to say. Thank you.

2 Oh, I do have one other question. For the
3 Judge and Public Service Commission. Will your
4 findings on this meeting be published in our
5 paper?

6 JUDGE THOMPSON: This is one of
7 five local public hearings.

8 MR. McINTOSH: Yes, sir.

9 JUDGE THOMPSON: Next week an
10 evidentiary hearing is beginning. That's one
11 that's like a trial in court. That's going to be
12 held in, excuse me, Jefferson City. All of these
13 lawyers and quite a few others, in fact, will be
14 there offering expert witnesses, offering
15 testimony. It will go on for quite some time.
16 The Commission will finally make its decision in
17 written form prior to the middle of September.

18 MR. McINTOSH: I see.

19 JUDGE THOMPSON: I am confident
20 that your local media will report that decision
21 when it is issued.

22 MR. McINTOSH: I just wanted to
23 be sure about that point, though.

24 JUDGE THOMPSON: Okay. Any
25 questions for Mr. McIntosh? Commissioner Murray?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 COMMISSIONER MURRAY: No

2 questions.

3 JUDGE THOMPSON: Commissioner

4 Schemenauer?

5 COMMISSIONER SCHEMENAUER: No

6 questions.

7 JUDGE THOMPSON: Questions from

8 Counsel?

9 Lloyd Nauman?

10

11 LLOYD NAUMAN

12 called as a witness herein, being first duly sworn

13 by the Judge, testified on his oath as follows:

14

15 JUDGE THOMPSON: Please state

16 your name.

17 MR. NAUMAN: Lloyd Nauman,

18 N-A-U-M-A-N.

19 JUDGE THOMPSON: Are you

20 presently a customer Missouri-American Water

21 Company?

22 MR. NAUMAN: Yes, and also I

23 have a -- I'm with Andrew County District 2.

24 JUDGE THOMPSON: Please proceed.

25 MR. NAUMAN: Okay. I'm

1 concerned about the direct and indirect costs and
2 the quality of the water and the taste. The taste
3 is terrible. The cost when I signed up with the
4 rural district in 1988 was \$8.50 per thousand
5 gallons for the first thousand gallons. Now I pay
6 \$12.50 for the same thousand galls of which it's a
7 farming operation but I don't use but about four
8 months a year, so eight months a year I don't even
9 use it at all. But it's going to go up along with
10 the other, and I don't think that I or anybody
11 else should have to pay for somebody else's
12 mistake.

13 They made a mistake when they put the \$70
14 million plant instead of renovating the old plant.
15 The good old Missouri River water tasted a heck of
16 a lot better than the well water, a heck of a lot.
17 I buy bottled water or I have to buy a filter. I
18 bought a \$16 filter deal which is really handy.
19 It works really well. Alls you got to do is pour
20 the water in, wait for it to drip through, and
21 every other month buy a new filter for nine
22 months. You can't even pay your bill local. You
23 have to mail your bill. You can't even go out to
24 the office and pay your water bill. You have to
25 mail it in. This is ridiculous. That's about all

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1 I have to say.

2 JUDGE THOMPSON: Thank you,
3 Mr. Nauman. Questions from the Bench. Commissioner
4 Murray?

5 COMMISSIONER MURRAY: No
6 questions.

7 JUDGE THOMPSON: Commissioner
8 Schemenauer?

9 COMMISSIONER SCHEMENAUER: No
10 questions.

11 JUDGE THOMPSON: Counsel?
12 Mr. Conrad.

13 MR. CONRAD: One quick one, sir.
14 You mentioned, Mr. Nauman, that the rate payers of
15 St. Joe should not pay for the mistake.

16 MR. NAUMAN: Yes, that American.

17 MR. CONRAD: Do you think it
18 would be fair for the rate payers in any of the
19 other districts to pay for the mistake?

20 MR. NAUMAN: I don't think
21 anybody should have that pay -- I think anybody
22 should have to pay for their mistakes. Mistakes I
23 make I have to pay for it, and they should too.

24 MR. CONRAD: Thank you, sir.

25 JUDGE THOMPSON: Thank you.

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1 You're excused, sir. Fred White?

2 Dyas Brown.

3 MR. BROWN: Dyas.

4 JUDGE THOMPSON: Dyas, excuse
5 me.

6

7 DYAS BROWN

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

10

11 JUDGE THOMPSON: Please state
12 your name.

13 MR. BROWN: Dyas Brown.

14 JUDGE THOMPSON: Could you
15 please spell your first name.

16 MR. BROWN: D-Y-A-S.

17 JUDGE THOMPSON: Mr. Brown, are
18 you presently a customer of Missouri-American
19 Water Company?

20 MR. BROWN: Yes, sir, I am.

21 JUDGE THOMPSON: Please proceed.

22 MR. BROWN: First thing I want
23 to know, how come that little lady up there is
24 drinking bottled water? How come she's not
25 drinking the water out of this town?

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1 COMMISSIONER MURRAY: Actually
2 it's tap water. I just refilled the bottle here
3 when we had the break.

4 MR. BROWN: That's out of the
5 bottle to me, ma'am. That don't mean nothing to
6 me, ma'am, you saying that.

7 JUDGE THOMPSON: Mr. Brown, do
8 you have a statement you would like to make?

9 MR. BROWN: Yes.

10 JUDGE THOMPSON: Would you
11 please give it at this time.

12 MR. BROWN: My wife can't drink
13 this water. We have to buy the water. It makes
14 her sick. She was in the hospital about five
15 times last year, once this year. She's diabetic.
16 She got four bleeding ulcers. She's got heart
17 trouble. And she drinks this water, I end up
18 taking her back to the hospital. And we don't
19 cook with this water. None of us drink it. We
20 don't make tea with it or nothing like this. We
21 buy all our water. And what about the time that
22 guy or someone bought a filter and it caught on
23 fire in the refrigerator? What about that? Is
24 anybody going to explain anything about that?

25 JUDGE THOMPSON: Excuse me, sir?

1 MR. BROWN: That time it come
2 out and it caught on fire in the refrigerator when
3 he put this water in it. What about that?

4 JUDGE THOMPSON: I have no
5 knowledge of that, sir.

6 MR. BROWN: It come out in this.
7 I know everybody ranted and heard about it.

8 JUDGE THOMPSON: Does that
9 conclude your remarks, sir?

10 MR. BROWN: And how come that --
11 I agree with all these other people, too, on this
12 water. How come that in all these places, these
13 offices you see this bottled water? You don't see
14 any glass of water like you used to. Like where
15 they went and got it out of the tap or something
16 like that. They have bottled water.

17 How come they can't drink it and how come
18 that we are going to have to pay for like the
19 people says, the mistakes, and how come they can't
20 fix this old water thing here in St. Joe, instead
21 just go build us another one to take people where
22 people can't afford it. People on low income and
23 stuff like that. People's retired like I am. I
24 can't work on account of doctor says I can't.
25 I've got asthma and stuff, and my wife's got a

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1 plate in her leg and had a back operated on twice.
2 How come we have to pay for all this? How come
3 all this is going up? How come some of these guys
4 making a heck of lot more money than we are, how
5 come they can't get out and pay?

6 You call this an All-American city? I sure
7 as heck don't. All-American city is Indians.
8 It's not an All-American city. None of this is
9 All-American. People's not helping one another
10 here like they should. If they was helping one
11 another, we wouldn't be doing all this. We
12 wouldn't have to get up here and talk like this.

13 People should help one another like the Bible
14 says, like God, Jesus wants us to, but they won't
15 do it. They're for their shelf, put money in
16 their own God-found pockets. It's just get out
17 there and help people who can't afford it. Now,
18 answer that.

19 JUDGE THOMPSON: Does that
20 conclude your remarks?

21 MR. BROWN: That sure does.

22 JUDGE THOMPSON: Questions from
23 the Bench. Commissioner Murray?

24 COMMISSIONER MURRAY: No
25 questions.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 JUDGE THOMPSON: Commissioner
2 Schemenauer?

3 COMMISSIONER SCHEMENAUER: No
4 questions, thank you.

5 MR. BROWN: I still want an
6 answer on that.

7 JUDGE THOMPSON: Counsel? Thank
8 you, Mr. Brown.

9 MR. BROWN: You're welcome.

10 JUDGE THOMPSON: Calvin Goodson.

11

12 CALVIN GOODSON
13 called as a witness herein, being first duly sworn
14 by the Judge, testified on his oath as follows:

15

16 JUDGE THOMPSON: State your
17 name, please.

18 MR. GOODSON: Calvin Goodson.

19 JUDGE THOMPSON: Mr. Goodson,
20 are you presently a customer of Missouri-American
21 Water Company?

22 MR. GOODSON: I'm sorry to say I
23 am.

24 JUDGE THOMPSON: Sir, please
25 proceed.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 MR. GOODSON: I just wanted
2 to -- they wrote out a letter for a questionnaire
3 here the other day and sent it out to us, and in
4 it it says this: "Could you have improved water
5 service in St. Joe without an expensive new
6 plant?"

7 Now, this is a question that the water
8 company asked. I sure could have.

9 JUDGE THOMPSON: Does that
10 conclude your remarks, sir?

11 MR. GOODSON: Yes, sir.

12 JUDGE THOMPSON: Questions from
13 the Bench. Commissioner Murray?

14 COMMISSIONER MURRAY: No
15 questions.

16 JUDGE THOMPSON: Commissioner
17 Schemenauer?

18 COMMISSIONER SCHEMENAUER: No
19 questions.

20 JUDGE THOMPSON: Counsel?
21 You're excused, thank you, sir.

22 John Glenn. John Glenn?

23 Wesley Fitzgerald?

24 Claire Neil?

25 MS. NEIL: I'll try not to rant

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1 and I'll try not to be redundant. Oh, sorry about
2 that.

3 JUDGE THOMPSON: That's quite
4 all right, ma'am.

5
6 CLAIRE NEIL
7 called as a witness herein, being first duly sworn
8 by the Judge, testified on her oath as follows:

9
10 JUDGE THOMPSON: Please state
11 your name.

12 MS. NEIL: Claire Neil.

13 JUDGE THOMPSON: Are you
14 presently a customer of Missouri-American Water
15 Company?

16 MS. NEIL: Unfortunately, yes.

17 JUDGE THOMPSON: Please proceed.

18 MS. NEIL: About a very short
19 time ago in the decade, maybe five years ago, I
20 went to a public meeting where my rural water
21 district met with the American Company and heard
22 any number of promises from the American Company
23 if we just let them take us over. Many of us
24 protested, but we were not heard, and among other
25 things they promised that the rates would never go

1 up because there was mass production.

2 Well, two months it took for the rates to go
3 up. They haven't since until now, and now we're
4 being asked for them to go up a lot.

5 The other group that I want to make a pitch
6 for is farmers, and I did take a little break so
7 maybe some farmer said something, but I'm a
8 farmer's wife and if we have the proposed drought
9 that we are supposed to and we have to buy water
10 from American, we might as well just give up.
11 We're a small farmer. And we've managed to hang
12 on through thick and thin and Mama working and
13 Papa taking a job in town, but it will be
14 prohibitive to any small farmer if they have to
15 water their cattle or water their grain or
16 whatever. It just can't be done on a farmer's
17 income.

18 I'm retired. My husband's retired. We can't
19 go to town anymore and get a new job to support
20 the farming; and I would like very much to invite
21 the representatives, Mr. Hegeman to come over to
22 my house and drink my coffee.

23 JUDGE THOMPSON: Ma'am, before
24 you sit down, are there any questions from the
25 Bench? Commissioner Murray?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 COMMISSIONER MURRAY: No

2 questions.

3 JUDGE THOMPSON: Commissioner

4 Schemenauer?

5 COMMISSIONER SCHEMENAUER: No

6 questions.

7 JUDGE THOMPSON: Counsel?

8 Mr. Dority.

9 MR. DORITY: Just for the
10 record, ma'am, could you identify what public
11 water district you are a customer of?

12 MS. NEIL: It's DeKalb County
13 District 1, I think.

14 MR. DORITY: Thank you.

15 JUDGE THOMPSON: Thank you,
16 ma'am.

17 Erma Cruz? Erma Cruz?

18 Albert Thomas?

19 James or Sharon Merritt?

20

21 JAMES MERRITT

22 called as a witness herein, being first duly sworn
23 by the Judge, testified on his oath as follows:

24

25 JUDGE THOMPSON: Please state

1 your name.

2 MR. MERRITT: James R. Merritt.

3 JUDGE THOMPSON: Mr. Merritt,
4 are you presently a customer of Missouri-American
5 Water Company?

6 MR. MERRITT: Yes, I am.

7 JUDGE THOMPSON: Please proceed.

8 MR. MERRITT: I work for local
9 579 building and trade, and about the middle of
10 last year I was asked to be a salt, and that meant
11 to go into a non-union job, and I was asked like I
12 said to be a salt, to go into a non-union job.
13 Sometimes we can convert people over to become
14 union, specifically to help on the non-union
15 people, but we were real slow, we were real teed
16 off we did not get a cut of this while the plant
17 was being built, and I'm really sad to say it's a
18 not a quality built plant. You can't expect these
19 fellows to build a plant and Iowa company that the
20 people brought in, some was educated enough and
21 skilled enough to build it, but their Taj Mahal is
22 going to fall apart and that's why they are asking
23 for this increase because it's not going to stay
24 online; and where they built the wells they pretty
25 much worried about the sludge and stuff down

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1 there, and there was a another non-union company
2 from Wyoming and Wisconsin and a few other places
3 that build these.

4 The quality of water, it's the worst I've
5 ever seen, and I really feel for everybody in this
6 town. We're going to be stuck with this bill.
7 Mexico, Missouri, same company went down there to
8 build it; Warrensburg, Missouri, same company went
9 down there to build it. They are not going to get
10 quality, and I don't know how people is going to
11 afford it. This is mostly a retired town. We do
12 not have high paying jobs anymore. Companies are
13 pulling out faster than we can get them to come
14 in. I would say the construction trade pays
15 pretty good but we have to travel quite a ways to
16 get work ourselves. And that's all I got to say.

17 JUDGE THOMPSON: Thank you, sir.
18 Questions from the Bench. Commissioner Murray?

19 COMMISSIONER MURRAY: No
20 questions.

21 JUDGE THOMPSON: Commissioner
22 Schemenauer?

23 COMMISSIONER SCHEMENAUER: No
24 questions.

25 JUDGE THOMPSON: Counsel?

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 You're excused, thank you, sir.

2 Mike Donihoo?

3 MR. DUNIHOO: Dunihoo.

4 JUDGE THOMPSON: I'm sorry.

5

6 MIKE DUNIHOO

7 called as a witness herein, being first duly sworn

8 by the Judge, testified on his oath as follows:

9

10 JUDGE THOMPSON: Please state

11 your name.

12 MR. DUNIHOO: Mike Dunihoo.

13 JUDGE THOMPSON: Mr. Dunihoo,

14 are you presently a customer of Missouri-American

15 Water Company?

16 MR. DUNIHOO: Yes, I am.

17 JUDGE THOMPSON: Please proceed.

18 MR. DUNIHOO: I got a flier in

19 the mail the other day. I don't know if it was

20 from Missouri-American Water or who it was from,

21 but it said there would be a 54 percent increase

22 in paying on the water bill here in St. Joe, and I

23 can't see how you can charge St. Joe 54 percent

24 and spread the rest out over the rest of the

25 state. It doesn't make sense. And I grew up in

1 Savannah, and from the age of seven til 17, and
2 once a year the regulator they would turn over;
3 the bottom will come to the top and the top will
4 go to the bottom, and you knew when it changed,
5 but it only changed for like two weeks and then it
6 was better. I moved to St. Joe. Now the quality
7 ain't there, and it's like the way it was in
8 Savannah turning over all the time. It's just
9 nasty. And like I say, I can't see the rate
10 increase. That's all.

11 JUDGE THOMPSON: Thank you, sir.
12 Questions from the Bench. Commissioner Murray?

13 COMMISSIONER MURRAY: No
14 questions.

15 JUDGE THOMPSON: Commissioner
16 Schemenauer?

17 COMMISSIONER SCHEMENAUER: No
18 questions, thank you.

19 JUDGE THOMPSON: Counsel?
20 You're excused, thank you, sir.

21 Leonard Cross?

22 I'm not going to read the next sir name. The
23 first name is Tim. It looks like it's 4821
24 Mockingbird Lane.

25

1

2

TIM SCHMIDT

3

called as a witness herein, being first duly sworn

4

by the Judge, testified on his oath as follows:

5

6

JUDGE THOMPSON: Please state

7

your name.

8

MS. SCHMIDT: Tim Schmidt.

9

JUDGE THOMPSON: Mr. Schmidt,

10

are you presently a customer of Missouri-American

11

Water Company?

12

MS. SCHMIDT: Yes, sir, I am.

13

JUDGE THOMPSON: Please proceed.

14

MS. SCHMIDT: First I'd like to

15

thank each and every one of you for your patience

16

to have this opportunity to speak. I agree with

17

just about everything that's been said tonight

18

through small brief issues. First, though not as

19

impressive as Mrs. Kunble, but I've got a couple

20

exhibits in case the counsel want to see what

21

happens after the water comes out of the

22

dishwasher and what it does to the glasses and

23

silverware.

24

The other issue is the idea that prior to

25

activating this plant the water company sent

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1 around a flier indicating that the water was not
2 to be used for dialysis or other medical
3 activities and it would probably kill your fish.
4 You heard Friskies and a couple of other companies
5 tonight talk about the economic impact. I would
6 like to suggest that if Friskies or one of these
7 other companies sent around the flier said that
8 we're going to put something in the water that may
9 kill fish, the EPA would close the plant down. I
10 don't see that that's going to happen, however. I
11 just wonder how the water company can put
12 something in the water that will kill your fish
13 and not have any repercussions from it. Thank
14 you.

15 JUDGE THOMPSON: Thank you, sir.
16 Questions from the Bench. Commissioner Murray?

17 COMMISSIONER MURRAY: No
18 questions.

19 JUDGE THOMPSON: Commissioner
20 Schemenauer?

21 COMMISSIONER SCHEMENAUER: No
22 questions, Your Honor, thank you.

23 JUDGE THOMPSON: If I could,
24 sir, ask you to just describe for the record what
25 the nature is on the exhibits.

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1 MR. SCHMIDT: Well, on the
2 silverware it's an oily sheen. If you hold it up
3 to the light you get the rainbow effect as if
4 there were oil on top of water; and on the
5 glassware there is a white residue. Not so much
6 water spots but a white residue cake on the sides
7 of the glass. This is after changing the dish
8 washing soap two or three different times to
9 different brands.

10 JUDGE THOMPSON: Thank you, sir.
11 Questions from counsel? You're excused. Thank
12 you, sir.

13 Jack -- I'm afraid I can't read the last
14 name. The address is 1804 looks like Gooden
15 perhaps.

16 MR. TEEGARDEN: Garden.

17 JUDGE THOMPSON: Garden.

18

19 JACK TEEGARDEN
20 called as a witness herein, being first duly sworn
21 by the Judge, testified on his oath as follows:

22

23 JUDGE THOMPSON: What is your
24 name, sir?

25 MR. TEEGARDEN: Jack Teegarden,

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1 T-E-E-G-A-R-D-E-N.

2 JUDGE THOMPSON: Mr. Teegarden,
3 are you presently a customer of Missouri-American
4 Water Company?

5 MR. TEEGARDEN: I am.

6 JUDGE THOMPSON: Please proceed.

7 MR. TEEGARDEN: I'm one of those
8 people that they talked about 70 years old and
9 older, fixed income, trying to make ends meet. To
10 tell you the truth, the way things are going up,
11 not just this particular one but everything's
12 going up and it's going to be a ripple effect all
13 the way across if this is allowed. I see this as
14 another infringement on the people where they have
15 no voice in what's being said or how things are
16 happening. Contrary to this opportunity we had
17 none and we appreciate that.

18 The other point that I'd like to make, we've
19 had other utilities build plants that were more
20 expensive than this one, but their rate increases
21 weren't what they were, and that was the
22 electrical company. And this is not just St. Joe.
23 It's not just Missouri. This is a company that
24 manipulates, if you want, the whole spectrum of
25 the water supply. There's only two things people

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 need to live; air and water. The rest of it, why,
2 we can kind of break even, but once you get a
3 monopoly like this, it does make it very,
4 very hard for people to try to make ends meet.

5 The other point is that here's a company that
6 has a management team that evidently did not do
7 what they should have done, that overlooked the
8 possibilities of what the impact is. I don't see
9 anybody that can afford what this is going to
10 cost, the schools, the whatever. It's going to
11 have an impact on them. I know I can't afford
12 more taxes, and that's where it's going to have to
13 come from to support the cities and support the
14 county and things like that. So it's a ripple
15 effect, and that's all I have to say.

16 JUDGE THOMPSON: Thank you, sir.
17 Questions from the Bench? Commissioner Murray?

18 COMMISSIONER MURRAY: No
19 questions, thank you.

20 JUDGE THOMPSON: Commissioner
21 Schemenauer?

22 COMMISSIONER SCHEMENAUER: No
23 questions, thank you.

24 JUDGE THOMPSON: Counsel?
25 Mr. Conrad.

ROBERTS & ASSOCIATES BY KAREN J. LYMAN, RPR, CSR

1 MR. CONRAD: Yes, Mr. Teegarden,
2 you mentioned the idea of a choice. One or more
3 parties in this proceeding have proposed that at
4 least in the future that before this company would
5 engage in another capital expenditure project that
6 they would go -- be required to go to that
7 community and present that to the people in that
8 community and obtain at least some indication from
9 them that they were in support of that project.
10 Would you agree with that kind of a requirement if
11 it were imposed by this company by the Public
12 Service Commission?

13 MR. TEEGARDEN: Certainly.
14 That's the way it ought to be, and I believe we
15 are a country of individuals who have a right to
16 speak their mind and share their thoughts, either
17 good or bad, but what you are proposing certainly
18 makes sense, and that's certainly the way that can
19 find the bottom line to this. I see across the
20 board price increases. That's the way you go,
21 but I would think if they had a moderate increase
22 we could live with that, but my gosh, everything's
23 going up except you all don't but --

24 MR. CONRAD: Thank you, sir.

25 JUDGE THOMPSON: Further

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1 questions? You're excused. Thank you, sir.

2 William Miller? William Miller?

3 Isabel Bush?

4

5 ISABEL BUSH

6 called as a witness herein, being first duly sworn

7 by the Judge, testified on her oath as follows:

8

9 JUDGE THOMPSON: Please state

10 your name.

11 MS. BUSH: Isabel, I-S-A-B-E-L,

12 Bush, B-U-S-H.

13 JUDGE THOMPSON: Ms. Bush, are

14 you presently a customer of Missouri-American

15 Water Company?

16 MS. BUSH: Yes.

17 JUDGE THOMPSON: Please proceed.

18 MS. BUSH: I want to thank you

19 for the time that you have given us this evening.

20 I am the last person. I would like to ask,

21 because I'm not wise enough, when a company comes

22 into a city and builds a facility really without

23 the people asking for it, is it the responsibility

24 of that city to pay for the facility? If

25 Dillard's came into St. Joe with a proposition I'm

1 going to build a beautiful department store that
2 will enhance your shopping, you will not have to
3 go to Kansas City and you are going to help us pay
4 for this facility, the people of St. Joe would
5 have jumped up and down and beat their heads
6 against the wall we aren't going to do that; and
7 I'm just wondering if the public utility is
8 different than and has different guidelines that
9 it can follow than other businesses. That is one
10 of my questions because I don't know.

11 I don't think the people of St. Joseph were
12 given an opportunity to know the impact that this
13 was going to have on the city. I do -- I work for
14 a large company here in St. Joseph. They use --
15 they use so much water, and when their costs go
16 up, it's not going to be the company that's paying
17 for it. This is going to be passed to the general
18 public which is, as Mr. Teegarden said, the ripple
19 effect.

20 If companies are coming into St. Joseph and
21 they are -- now the companies that are here are
22 going to have to find some way to be competitive.
23 Probably the unions are going to come in and say
24 we want to increase the salaries and the company
25 says no and the fellows say well, we're going to

1 strike and then we have all of this, but I'm
2 wondering when companies look at
3 St. Joseph, Missouri, who heaven knows needs good
4 paying jobs, they look at the competitiveness of
5 the area and the utilities that they have, and
6 when they see terribly, terribly high utilities, I
7 wonder if they might go someplace else, and the
8 City of St. Joseph needs to have new industry.

9 Also I'm wondering this \$70 million, has
10 anyone ever said how long it's going to take to
11 get this debt paid? Does anyone know? Did
12 someone say 40 years? I won't be here then, but I
13 wonder if when this debt is paid are the costs
14 going to go down or is it going to be like the
15 luxury tax on luggage during World War II that
16 they took it off about 20 years ago.

17 Also I wonder the poor construction -- and
18 we've certainly had enough poor construction in
19 the city of St. Joseph with the parking garages --
20 if poor construction has been experienced in this
21 building, I wonder who's going to be responsible.
22 Is it going to be the people of St. Joseph again
23 asking -- they are being asked to help pay for
24 repairs to this facility?

25 I want you to know that the people that have

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1 left, there isn't anything else that can be said
2 about what's been going on in our hearts and minds
3 here in St. Joseph, and it's not a discourtesy to
4 you that they've left because there's nothing else
5 to say. Thank you.

6 JUDGE THOMPSON: Thank you,
7 ma'am. Questions from the Bench. Commissioner
8 Murray?

9 COMMISSIONER MURRAY: No
10 questions, thank you.

11 JUDGE THOMPSON: Commissioner
12 Schemenauer?

13 COMMISSIONER SCHEMENAUER: No
14 questions, Your Honor.

15 JUDGE THOMPSON: Counsel? You
16 are excused, ma'am. Thank you.

17 MS. BUSH: Thank you.

18 JUDGE THOMPSON: You are the
19 last witness. At this time I'm going to adjourn
20 this local public hearing. If you've been holding
21 in your applause, you can go ahead and let it out
22 now.

23 (Applause.)

24 (Hearing concluded at 10:02 p.m.)

25

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C E R T I F I C A T E

STATE OF MISSOURI)

)

COUNTY OF BUCHANAN)

I, Karen J. Lyman, Registered Professional
Reporter and Notary Public of the State of
Missouri, do hereby certify that I appeared at the
time and place first hereinbefore set forth, that
said proceedings were taken before me and
thereafter transcribed into typewriting under my
direction and supervision; and I hereby certify
that the foregoing transcript of proceedings is a
full, true and correct transcript of my shorthand
notes.

I further certify I am neither counsel, nor
related to any party to said action, nor otherwise
interested in the outcome thereof.

IN WITNESS WHEREOF, I have hereto set my hand
and affixed my seal this 12TH Day of JUNE, 2000.

KAREN J. LYMAN, RPR, CSR, CCR

COSTS: COSTS DUE FROM: PSC