

1 STATE OF MISSOURI  
2 PUBLIC SERVICE COMMISSION  
3  
4  
5 TRANSCRIPT OF PROCEEDINGS  
6 Public Hearing  
7 June 13, 2007  
8 St. Louis, Missouri  
9 Volume 8  
10 In the Matter of ) Case No. WR-2007-0216, et al.  
Missouri-American )  
11 Water Company's )  
Request for Authority )  
12 to Implement a General )  
Rate Increase for )  
13 Water Service Provided )  
in Missouri Service )  
14 Areas. )  
15  
16 COLLEEN M. DALE, Presiding,  
DEPUTY CHIEF REGULATORY LAW JUDGE  
17 CONNIE MURRAY,  
ROBERT M. CLAYTON III,  
18 COMMISSIONERS  
19  
20  
21 REPORTED BY: Sheila Field, CCR NO. 1226  
22  
23  
24  
25

1 APPEARANCES:

2 Missouri-American Water Counsel:

3 Mr. John J. Reichert

4

5 Office of the Public Counsel:

6 Mr. Michael Dandino

7

8 Public Service Commission Staff:

9 Mr. Gregg Ochoa

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 PROCEEDINGS

2 JUDGE DALE: My name is Colleen Dale. We are  
3 here, June 13, 2007 in the matter of Missouri-American  
4 Water Company's request for authority to implement a  
5 general rate increase for water service provided in  
6 Missouri, Case No. WR-2007-216. Our procedure is that  
7 you'll come up here, you'll be sworn and make your  
8 statement. There may be questions from the bench, so  
9 please stay at the podium until we have all of our  
10 questions answered.

11 At this time, if there are counsel present, I  
12 would like for them to make entries of appearance.

13 MR. DANDINO: Thank you, your Honor.  
14 Michael Dandino, Office of the Public Counsel, Post  
15 Office Box 2230 Jefferson City, Missouri 65102,  
16 representing the Office of Public Counsel and the  
17 public.

18 MR. REICHERT: Thank you, Judge. Appearing  
19 on behalf of Missouri-American Water Company,  
20 John J. Reichert. My address is 727 Craig Road, St.  
21 Louis, Missouri 63141.

22 JUDGE DALE: Thank you. Are there any  
23 others? Mr. Ochoa, has the -- has someone from  
24 Missouri-American been able to address the group?

25 MR. OCHOA: Yes.

1 JUDGE DALE: Okay. With that then, we'll  
2 begin with our first witness who is -- oh, I'm sorry.  
3 I have two commissioners with me. This is the chairman  
4 of the Commission, Jeff Davis.

5 CHAIRMAN DAVIS: Jeff Davis.

6 JUDGE DALE: And this is Connie Murray, one  
7 of the other commissioners. I'm sorry. Now, with  
8 that, we'll have our first witness, Annette Veech.

9 ANNETTE VEECH,  
10 after being first duly sworn to tell the truth  
11 testifies as follows:

12 JUDGE DALE: Thank you. Please proceed with  
13 your remarks.

14 DR. VEECH: My name is Annette Veech. I'm a  
15 PhD full-time faculty member at Washington University.  
16 My background consists of training as an evaluation  
17 researcher. I'm trained to be logical and analytical.

18 I purchased my home at 121 Old Oaks in  
19 Ballwin, Missouri in 1994. Just so you can envision  
20 where my house sits, my house sits at the corner of  
21 Brooktree and Old Oaks.

22 In the interest of full disclosure, I filed  
23 in 2005 and later withdrew in August 2006, a lawsuit  
24 against Missouri-American Water Company. I have also  
25 filed a complaint with the PSC in June 2007. I have

1 spent thousands of dollars related to excessive water  
2 at my property and my husband and I are now ready to  
3 spend upwards of 14 to \$15,000, trying to remedy the  
4 water on my property.

5 First, the big picture. After my home  
6 purchase in '94, the original owners of 121 Old Oaks  
7 gave me slides and photographs, showing the dry  
8 excavated earthen foundation of 121 Old Oaks Drive.  
9 There was no water in that basement. Then and suddenly  
10 in 2002, water appeared and in effect, liquefied a  
11 portion of my backyard and the common ground to which I  
12 front or back I should say. I had to buy a  
13 nonmotorized push mower in 2002, just to try to mow  
14 through the muck.

15 Standing water remains year-round, even  
16 during our recent two year drought, creating potential  
17 health hazard, West Nile disease, mosquito breeding.

18 For years, this is my second point, neighbors  
19 and I have seen water coming up between the street  
20 pavement slabs and running down Old Oaks Drive.

21 Point three, water has almost always filled  
22 one of two water company main lines shutoff valves,  
23 which happen to be located on my property. The valve  
24 in my driveway -- now, this is not the individual  
25 shutoff valve to my home. The valve in my driveway for

1 the main line shutoff almost always has water in it.  
2 Sometimes filled completely to the top. The valve  
3 located in my front lawn for the main line shutoff is  
4 dry and has been dry.

5 Since July 26, 2006, nine or ten water main  
6 breaks have occurred on the streets of Brooktree and  
7 Old Oaks Drive. And if you recall, I live at the  
8 corner of Brooktree and Old Oaks Drive.

9 Second, I would like to state a service  
10 example, as well as service incidents that I have  
11 experienced. Service incident one. When I called  
12 Missouri-American water for help regarding the standing  
13 water in my backyard, two water company employees  
14 showed up to my property, looked around, and told me  
15 the water standing in my backyard and the common ground  
16 was ground water. They conducted no test.

17 Service example number one. On March 18,  
18 2005, a Missouri-American Water employee responded to  
19 another of my calls. This employee did conduct on site  
20 tests. The report that he wrote is Report No. 150403.  
21 He also placed a marker on Old Oaks where he had tested  
22 for and found chlorinated water. Within days, I must  
23 note that that marker was removed. I will now read a  
24 portion of Report 150403 written on the  
25 Missouri-American Water Company leak report.

1           Customer is concerned if leak is on  
2   Stonebriar Court. Signs of chlorine in front of 116  
3   and 117 Old Oaks. Red flag marking leak correlator  
4   crew needed to pinpoint leak. Also signs of chlorine  
5   in main line valve box in driveway and the valve number  
6   is noted. And I think it reads 20LL or 20U -- I'm not  
7   sure -- 96.

8           Again, that was a report dated March 18, '05,  
9   by a Missouri American Water Company employee. Now, I  
10   will read the note added to that March 18, 2005  
11   reported. The note was dated March 22, 2005. And I  
12   read, quote, close ticket clogged drain pipe, 8/22/05.  
13   End quote.

14           I explain to you today that it is physically  
15   impossible for a clogged drain in my backyard to cause  
16   running water on Old Oaks. Why? Because my back yard  
17   sits well below and away from the street level of Old  
18   Oaks. Water would have had to be pumped uphill and run  
19   quite a distance.

20           Service incident three. I called  
21   Missouri-American Water when my tap water tested,  
22   tasted, and smelled foul. A water company employee ran  
23   his bare fingers across the filters in my faucet. He  
24   then went into my basement and shined a flash light  
25   along the water pipes in my basement. He told me the

1 water was fine. I demanded that he take a water  
2 sample. He filled only one bottle, a brown bottle with  
3 tap water. Missouri-American Water has standards that  
4 more than one bottle of tap water be filled. It is not  
5 just the brown bottle. I asked when the results would  
6 be in and he told me it could take as long as two  
7 months.

8 I asked him when the water leak reported  
9 March -- on March 18, 2005 would be fixed. He told me  
10 that the other employee who conducted these tests and  
11 wrote the report, quote, doesn't know what he is doing,  
12 end quote. He's, quote, only been with the company for  
13 six months, end quote. Later, ladies and gentlemen, I,  
14 Annette Veech, found out that that so-called six month  
15 water company employee has, in fact, worked for the  
16 water company for years and is close to retirement.

17 On Easter Sunday, March 27, 2005, the water  
18 company employee, who had used a flashlight on the  
19 pipes in my basement surprised me by calling me on  
20 Easter Sunday at home twice. I asked my then fiance,  
21 now husband, to get on the phone extension with me.  
22 The water company employee told us that the water  
23 company had no leak anywhere around my home.

24 Service incident number four. In late March  
25 and early April 2005, Old Oaks Drive was excavated to



1 install my new sewer lateral line. The excavated hole  
2 caved in. One cave-in occurred when a private company  
3 worker was in that hole, endangering his life. That  
4 company employee stated -- those employees of that  
5 company stated that the cave-ins were caused by  
6 excessive water in the earth under the street. That  
7 was the same water that typically ran down Old Oaks.  
8 Now, we could see it running toward and dumping into  
9 the excavated hole.

10 I called Missouri-American Water, as well as  
11 the City of Ballwin. The first water company employee  
12 to arrive was the man who had used a flashlight on  
13 pipes in my basement. He looked at water running out  
14 from under the street into the excavated hole and  
15 simply said, groundwater. A Missouri-American Water  
16 supervisor and other employees arrived, none of the  
17 them tested the water on site. They took water samples  
18 from the valve box in the driveway, the valve box that  
19 always has standing water and standing water from the  
20 backyard.

21 I asked him to take water samples from my  
22 sump pump. The supervisor refused. The supervisor  
23 asked me to go into -- this is the water company  
24 supervisor -- asked me to go into my backyard, into the  
25 creek behind the common ground. There he asked me to

1 write my name and address on a piece of paper at least  
2 twice. I can tell you that I felt intimidated and I  
3 refused. The supervisor also asked me quote, if the  
4 water gets fixed, will that be the end of it, unquote  
5 or end of quote. A water company correlator crew  
6 walked up and down the street with a machine that said  
7 that they did not find a leak.

8 On that day, I asked where the tap water  
9 results were and that I and my attorney wanted written  
10 documentation of those results. One of the  
11 Missouri-American Water Company employees laughed at my  
12 request.

13 Other service issues. Since 2002, when the  
14 standing water, the excessive water, appeared in my  
15 backyard, Missouri-American Water employees have said  
16 the following about the water running down Old Oaks  
17 Drive and the excessive water in my backyard. One, the  
18 water is groundwater. My response as Annette Veech,  
19 homeowner, who has lived there since '94 and who has  
20 gardened that property and understands that property  
21 and who has asked neighbors have you seen such water  
22 before. That water was in evidence starting in 2002  
23 and that water was in evidence even during the recent  
24 two year drought. If the water comprised groundwater  
25 alone, that groundwater would probably recede during a

1 two-year drought.

2 Two, the water could be caused by neighbors  
3 washing their cars or watering the lawns the  
4 Missouri-American Water Company employees have told me.  
5 My response as Annette Veech, I would have to live  
6 under the grate of a 24-hour, car wash to get that much  
7 water.

8 Number three, my French drain clogged in the  
9 backyard and caused the water. My response as  
10 homeowner, first, the standing water in my backyard was  
11 evident for a full year before I had a drain installed.  
12 Second and again, water would have to be pumped uphill  
13 and quite a distance from my lower backyard and up to  
14 the higher street level of Old Oaks Drive before  
15 backyard water could reach a height to fill a main line  
16 shutoff valve in the driveway and/or run down Old Oaks  
17 Drive.

18 Missouri-American water could not hear any  
19 leaks via their correlator. My response, I hired a  
20 leak detection company that documented running water.

21 And now, finally the list of water main  
22 breaks, locations, and dates. Nine or ten water main  
23 breaks have occurred around streets and on the streets  
24 of Brooktree and Old Oaks Drive since July 26, 2006.  
25 The gushing water runs downhill toward the corner of

1 Brooktree and Old Oaks Drive, which is exactly where I  
2 live. I have been told by engineers and a  
3 Missouri-American Water employee that leaks can occur  
4 for days, months, or years and leak underground before  
5 they gush above ground and have to be fixed. These  
6 breaks and issues have been documented in many cases  
7 via photographic and videotaped documentation.

8               Water main break one, between 431 and 433  
9 Brooktree on July 26, 2006. Number two, September 1,  
10 2006, water main break at 403 Brooktree. Number three,  
11 September 10, 2006 water main break at Hideaway and  
12 Brooktree. Number four, September 11th, 2006 water  
13 main break at 425 Brooktree, which is my next-door  
14 neighbor's house.

15               During that repair, I sat on the ground, on  
16 my own front lawn and videotaped the Missouri-American  
17 workers fixing that break. One of the  
18 Missouri-American Water Company's employees walked away  
19 from the job site, on to my property and towered over  
20 me and told me to stop videotaping. I felt intimidated  
21 yet I refused, saying I was on my own property and I  
22 could videotape public activity. He told me then that  
23 I was being hostile, quote, unquote.

24               Number five, September 19, 2006, at the site  
25 of a street repair on Brooktree, near Hideaway, the

1 ground under a portion of the street was gone and about  
2 a foot of standing water could be seen under the empty  
3 space. Number six, October 10, 2006, a water main  
4 break at 109 Old Oaks Drive. Number seven, November  
5 16, 2006, water main break at 421 Brooktree, which is  
6 next door to my next-door neighbor, Number eight,  
7 May 30th, 2007 water main break at Kingridge and  
8 Brooktree. Number nine, June 6, 2007, water main break  
9 at Brooktree near Hideaway. Number ten, June 8, 2007  
10 water main break at Old Oaks Drive and Trailwood.  
11 Number 11, June 9, 2007, on a walk around my  
12 neighborhood that morning, I saw what might be a recent  
13 water main repair on Trailwood near Old Oaks.

14 That same morning, I also saw water trucks,  
15 Missouri-American Water trucks at the site of the water  
16 main break at Old Oaks Drive and Trailwood. I thought  
17 they might have fixed the leak the night before on June  
18 8th. They were still there. When I reached the corner  
19 to turn on my walk, on Trailwood, one of the  
20 Missouri-American Water Company employees stepped out  
21 from behind the truck and sang, Goodnight, sweetheart,  
22 it is time to go.

23 The water main breaks on Brooktree only range  
24 across a distance of about four-tenths of a mile. The  
25 water main break at Old Oaks and Trailwood is about

1 two-tenths of a mile from my home.

2           In my opinion, Missouri-American Water  
3 Company must first fulfill its obligation as the lone  
4 utility supplying the water that's necessary for life  
5 itself. Missouri-American Water Company must stop the  
6 recurring water main breaks in Ballwin by replacing  
7 what appear to be old and worn out water mains and/or  
8 main line shutoff valves. A water utility company  
9 should only be rewarded for doing a job, a good job and  
10 for serving tax paying citizens who only have one  
11 source for water. Any other business in a competitive  
12 market would neither be in business for long, nor earn  
13 additional revenues if they failed to give their  
14 customers proper service.

15           Employees of Missouri-American Water Company  
16 should only receive incentives or bonuses when they fix  
17 problems, not when they keep repair costs down.

18           The water problems that began on my property  
19 in 2002 continue now in 2007. I have been informed by  
20 engineers and a Missouri-American Water Company  
21 employee that chlorine quickly leaches out as treated  
22 water travels through the ground or when hot sun hits  
23 treated water, making it almost impossible for the  
24 common citizen to prove the existence of treated water  
25 that is leaking.

1           Based on my experiences as outlined above and  
2   in my opinion, Missouri-American Water Company is  
3   neither entitled to rate increases, nor the additional  
4   revenues that would ensue. Thank you.

5           COMMISSIONER MURRAY: Thank you. And I don't  
6   plan to ask you any questions because I understand you  
7   have a formal complaint filed and we will address your  
8   issues in that complaint.

9           DR. VEECH: I filed a complaint with the PSC.

10          JUDGE DALE: Can you tell me when you filed  
11   that complaint?

12          DR. VEECH: I filed in -- I believe in  
13   June -- I filed it in June. I don't remember the exact  
14   date because I don't have that paperwork with me. It  
15   was early in June.

16          JUDGE DALE: Okay. Can you tell me with the  
17   exception of the one time that you reported that foul  
18   taste and smell, have you had other quality problems  
19   with your water?

20          DR. VEECH: Occasionally, it does taste and  
21   smell funny. We have bought a Pur water filter for our  
22   kitchen faucet. So we only drink bottled water that we  
23   purchase or filtered water now.

24          JUDGE DALE: Have you experienced any billing  
25   problems?

1 DR. VEECH: No, I have not.

2 JUDGE DALE: Thank you, very much.

3 CHAIRMAN DAVIS: How about me, Judge?

4 JUDGE DALE: Oh, I'm sorry.

5 CHAIRMAN DAVIS: Ms. Veech, I'm really sorry  
6 to hear -- this is the first that I have heard that you  
7 had had those problems. And are there other neighbors  
8 similarly situated to you that have not filed  
9 complaints?

10 DR. VEECH: There is a neighbor across the  
11 street from me who has filed a complaint with the PSC.  
12 One of my next-door neighbors lives on a slab. He has  
13 no basement.

14 CHAIRMAN DAVIS: Okay.

15 DR. VEECH: And my other next-door neighbor  
16 has called Missouri-American Water because she's a  
17 nurse and water that she would fill into a water bottle  
18 from her tap would turn moldy during the day at the  
19 hospital. She called Missouri-American Water Company.  
20 The same man who shined a flashlight around my basement  
21 and ran his bare fingers on my own faucet traps told  
22 her that perhaps her P-trap was clogged.

23 CHAIRMAN DAVIS: Can you give us the names  
24 and addresses of those people, possibly?

25 DR. VEECH: Mary Lou Schneider has filed a



1 complaint with the PSC. Sue Harris has called and  
2 interacted with the Missouri-American Water Company  
3 employee in her home. Other neighbors have expressed  
4 concern because of the constant breakages, the street  
5 that was repaired and there was no ground underneath a  
6 portion of the street and about a foot of standing  
7 water. The young couple who have purchased and greatly  
8 modified that home have a toddler. They are also  
9 collecting evidence and they are quite upset. They are  
10 afraid that their toddler will walk onto a sidewalk for  
11 the street and the street will collapse.

12 My sidewalk dropped in front of a tree and I  
13 was told that it was caused by tree roots. I know for  
14 a fact that tree roots will cause a sidewalk to buckle  
15 up, not drop down 6 inches in a slab. Ballwin has  
16 replaced that portion of the sidewalk. My driveway is  
17 ruined. My patio is ruined. And literally, I can sink  
18 to my ankles in a portion of my backyard and have been  
19 able to do that since 2002, during the drought, during  
20 the winter, during four seasons a year.

21 CHAIRMAN DAVIS: Okay. Dr. Veech, do you  
22 have a theory about what it would take to fix the  
23 problems there on your street and I know you're not an  
24 engineer. I'm just saying --

25 DR. VEECH: I'm not an engineer.

1           CHAIRMAN DAVIS: Do you have -- I mean, if  
2     there is anything -- I mean, obviously you want it  
3     fixed. The question is do you know of anything off the  
4     top of your head for it to be fixed.

5           DR. VEECH: I have been told by more than one  
6     engineering company that standing water should not be  
7     in a main line shutoff valve, as is the case in my  
8     driveway. I have been told by engineers that nine to  
9     ten water main breaks in less than a year, since the  
10    end of last July is more than excessive.

11          CHAIRMAN DAVIS: Okay. I've never heard of  
12    that, ma'am, in my three plus years --

13          DR. VEECH: Nor have I and I'm 53 years old.

14          CHAIRMAN DAVIS: Okay. All right. No  
15    further questions. Thank you, Ms. Veech.

16          MR. DANDINO: Your Honor, may I ask a  
17    question? Dr. Veech, just a quick question. Has the  
18    City of Ballwin been involved in your problem? Have  
19    they been helpful?

20          DR. VEECH: In late March, early April when  
21    the new sewer lateral line was put in across Old Oaks  
22    and the cave-ins occurred and I called  
23    Missouri-American Water Company, I also called the City  
24    of Ballwin and several people from Ballwin showed up  
25    that day. At least one or two of those Ballwin

1 officials walked my property with the Missouri-American  
2 Water supervisor. And when I asked Ballwin officials  
3 what I should do, they told me that they had nothing to  
4 do with the water company. That the relationship was  
5 hit and miss. That I should call and file a complaint  
6 with the PSC.

7 MR. DANDINO: Okay. Thank you very much.

8 DR. VEECH: Thank you.

9 MR. DANDINO: Thank you, your Honor.

10 JUDGE DALE: The next witness is  
11 Gwendolyn Lanzer.

12 MS. LANZER: I'm Gwendolyn Lanzer. I  
13 currently live at 3822 Pointe Forest Drive in  
14 Florissant and I would like to say something positive  
15 about the water company.

16 JUDGE DALE: But wait.

17 GWENDOLYN LANZER,  
18 after being first duly sworn to tell the truth  
19 testifies as follows:

20 JUDGE DALE: Thank you. All right.

21 MS. LANZER: For years, my family and I have  
22 been water company customers and about ten years ago,  
23 we moved into an area of St. Louis County that does not  
24 have public water service. And we're currently working  
25 to have our subdivision connected to the

1 Missouri-American Water main.

2           And all I can say is just very good things  
3 about the engineering department at Missouri-American  
4 Water. They have been more than accommodating in  
5 helping us to get the water main extended. They have  
6 performed the engineering, they have walked the  
7 engineering site with a number of engineers. And they  
8 have been available to answer virtually all of our  
9 questions.

10           Hopefully, soon, we will be connected to the  
11 Missouri-American main and it's just -- what I want to  
12 make a point of is that it's very easy to take public  
13 water service for granted, until you do not have it.  
14 The service relies upon a complex system that needs  
15 continual upgrade and maintenance and without it, the  
16 service suffers. So the way I look at it, a five, six,  
17 seven, eight dollar rate increase is simply a bargain  
18 for the service that's actually offered.

19           JUDGE DALE: What kind of service do you have  
20 now?

21           MS. LANZER: We currently are on wells.

22           COMMISSIONER MURRAY: Where did you say the  
23 subdivision is located?

24           MS. LANZER: It is North Pointe Forest, an  
25 unincorporated subdivision in North St. Louis County.

1 They are currently putting a new subdivision in about a  
2 half mile down the road from us. This is the first  
3 time that we have actually had the ability to be able  
4 to tie in to the main and have it affordable.

5 COMMISSIONER MURRAY: Thank you.

6 MS. LANZER: All right. Thank you.

7 JUDGE DALE: Thank you ma'am. The next  
8 witness is George Kossel.

9 GEORGE KOSSL,  
10 after being first duly sworn to tell the truth  
11 testifies as follows:

12 MR. KOSSL: First of all, about six years  
13 ago, Missouri Water Company come before this board and  
14 I was here at that time and I was opposing it at that  
15 particular time. They got that increase. They only  
16 had two, I believe, two, maybe three companies at that  
17 particular time they had bought out. Here I got a  
18 contractor's magazine, which its name is Contractor.  
19 And it was so quoted in that magazine at that time, in  
20 December of 2006, it was only nine companies they own.  
21 They were ready to purchase three more at that time.  
22 The president of this company says this time they  
23 already got 26.

24 Where do they get the money to buy 26, 24 to  
25 26? It says they -- not Missouri-American, but Water

1 Company owns now 26 state water companies. Here I got  
2 12 of them. I'm giving this as a record.

3 I called a water company three months ago.  
4 They worked on a fire hydrant right on the corner of my  
5 house -- not my house, but on the street I live on that  
6 day, about 300 feet maybe. They worked on it four  
7 different times. I called the first time, took them  
8 five days to come in there to fix that, because the  
9 water was gushing out, bubbling out. They worked on it  
10 four times. Here I called them a month and half ago  
11 and they haven't come out -- nobody come out there.

12 That water's running down in the sewer. Who  
13 pays for that thing? I do. It's unimportant.  
14 Somebody drives by, I don't see water on the street and  
15 you can hear it running through the storm sewer. And I  
16 measured it at my faucet, at 82 pounds per square  
17 inches. One gallon of water only took 24 seconds.  
18 Now, this water is running more at 82 pounds per --  
19 pressure down to the sewer a lot faster than my faucet  
20 is. I can guarantee you that thing.

21 They also had the fire hydrant, which they  
22 will lease or rent to trucks who work on the streets or  
23 in the subdivision, \$17 a day. And they can get  
24 thousands of gallons in one of those trucks and that's  
25 all day. They have never increased the pay on that

1     thing.

2                 Now, they can afford to buy all these other  
3     things, you know, why would we give them -- and here is  
4     this -- the contract here that states utility program  
5     covers plumbing emergencies inside your house, sewer,  
6     water heater, or whatever it is. I'm giving this as a  
7     record.

8                 Now, the gentleman who gave the statement on  
9     this thing is American Water Resource Director of  
10    Operations, Robert Birdwell. And he tells you that --  
11    well, you can read it. I mean, that's why I'm going to  
12    give you as a record for this thing.

13                On the other hand, right at the other corner  
14    of my house, six years ago -- seven years ago,  
15    actually. A year before the water company came here  
16    for a raise increase, the main broke. They repaired  
17    it. A year later, the water main broke again, same  
18    place. They come out and repair it. Eight months  
19    later, the water main broke at the same place. They  
20    come back and repair it. Three months after the water  
21    main broke again and they come out and repaired it and  
22    almost washed my thousand dollar mailbox out. And  
23    since that, they repaired it one more time.

24                So what do they do with that? They're giving  
25    bonuses to the big shots, but they can't fix the -- if

1 it needs to replace the main, let's replace that main.  
2 Nobody says anything about it, but patching it up is  
3 not going to do the job. And in that subdivision, in  
4 the last eight months it had five main breaks. That's  
5 in Bridgeton, Missouri.

6 So I'm opposing any kind of raise until they  
7 get up there. As the gentleman mentioned, they ask for  
8 this to repair the mains and we got to -- give the  
9 money into it, so where did they pay for it? We're  
10 paying for it. Well, that's about all I have to say.

11 COMMISSIONER MURRAY: Could you please  
12 identify those two documents that you want to put in  
13 the record, so the court reporter can mark them?

14 MR. KOSSL: Well, this is actually the  
15 notice. I just marked it on that thing that one gallon  
16 at 82 pounds takes 24 seconds.

17 COMMISSIONER MURRAY: It's a notice --

18 MR. KOSSL: Yeah, for this meeting. And the  
19 other one -- well, I got it over here 82 pounds per  
20 gallon on that thing and this is out of the contractors  
21 magazine. I'm a contractor. It's a contractor  
22 magazine. And they are selling repairing. Now, who's  
23 paying for the thing? Is that a separated one or in  
24 the thing in there? Up to now, anything happen, either  
25 electric company, gas company -- Laclede Gas offered



1     these services in the house and they took the money out  
2     of the general revenue. They didn't have a special  
3     lockbox for this, a special lockbox for that and paid  
4     it from those lockboxes. They put it all in one  
5     lump-sum and paying it from there. So you cannot trace  
6     it, what it costs them money for us to get service for  
7     \$3.65 or 95 cents, \$3.99 to replace a \$700 water  
8     heater? Please.

9                 Well, can I just --

10                JUDGE DALE: Actually, Mr. Ochoa, could you  
11     get these and also, get the contractor magazine that he  
12     has so that we can get the dates and --

13                MR. KOSSL: Oh, it's right in there. The  
14     paper's from that magazine. You can have it. I mean,  
15     you can have that. Here. You can have that, because I  
16     have a pressure on here.

17                JUDGE DALE: Do you have any question?

18                MR. KOSSL: And the water hydrant is still  
19     running down into the storm sewer and nobody has been  
20     out there as far as I can tell in a month and a half to  
21     repair that thing. If that's not running on the  
22     street, they can't fix it, I don't guess. You can hear  
23     it, from 300 feet when he started on that thing.  
24     That's how come I find it.

25                CHAIRMAN DAVIS: I don't think I have any

1 questions.

2 JUDGE DALE: Can you tell me if you have had  
3 any problems with your water quality?

4 MR. KOSSL: Well, I'm not that much of a  
5 water drinker, so I don't -- I can't address that. I  
6 drink water, but I drink more coffee than water so I  
7 don't drink as much water. I'm sorry. I can't -- not  
8 really. Our quality is not a factor as far as that  
9 goes, so...

10 JUDGE DALE: Have you had water outages more  
11 than eight hours or so?

12 MR. KOSSL: The only time when they repaired  
13 it, you know. The one time when it was ready to wash  
14 my mailbox out of the street. The water shot up about  
15 8 inches where a concrete slab was put together and  
16 took him about six hours to come, just to shut the  
17 water off so...

18 JUDGE DALE: And lastly, do you have any  
19 problems with billing?

20 MR. KOSSL: No, because the street, the way  
21 it's designed, you know, it slopes far back, so it runs  
22 directly to the storm sewer. So that's -- since my  
23 mailbox is right on the edge of the curb, so it was  
24 almost ready to wash out.

25 JUDGE DALE: Thank you. Mr. Dandino?

1 MR. DANDINO: Yes. Thank you, your Honor.

2 Mr. Koss1, you said you lived in Bridgeton?

3 MR. KOSSL: Bridgeton, Missouri.

4 MR. DANDINO: Okay. Where at in Bridgeton?

5 MR. KOSSL: 11873 Majella Drive, 63044.

6 MR. DANDINO: Okay. Have they torn down any  
7 houses around there?

8 MR. KOSSL: The only thing they've done over  
9 there about a thousand feet from my house, they built a  
10 new runway. It kept me up last night about an hour  
11 because they've been playing over there with engines.

12 MR. DANDINO: Has any of these problems with  
13 the main happened since they started the work on the  
14 runway?

15 MR. KOSSL: No. No. Because it's -- I don't  
16 think that -- well, that was a completely different  
17 subdivision and it was down the old subdivision, which  
18 they bought up these 2000 houses, the City of St.  
19 Louis, it was down in kind of like a valley, maybe a  
20 hundred feet below Natural Bridge Road.

21 MR. DANDINO: Right. I'm familiar with it.  
22 My house was one of those. Okay. That's all I have.  
23 Thank you. And I hope your coffee's okay.

24 JUDGE DALE: Thank you.

25 MR. KOSSL: Thank you.

1                   (WHEREIN, Exhibits 1, 2, and 3 were  
2 marked for identification by the Court Reporter.)

3                   JUDGE DALE: The next witness is  
4 Fayeh Abdelmalek. I'm sure I murdered that name.

5                   MR. ABDELMALEK: From Egypt. I was born in  
6 Egypt.

7                   JUDGE DALE: Excuse me?

8                   MR. ABDELMALEK: I was born in Egypt. We  
9 have the Nile there and good water quality there.

10                  FAYEH ABDELMALEK,  
11 after being first duly sworn to tell the truth  
12 testifies as follows:

13                  JUDGE DALE: Please go ahead.

14                  MR. ABDELMALEK: Probably what I'm going to  
15 say is a repeat of what we've heard, but in general,  
16 the water company doesn't have a good maintenance -- is  
17 not doing a good maintenance job and we have a lot of  
18 break in mains, which is wasting a lot of water and we  
19 shouldn't pay for this water, which is wasted because  
20 of the bad maintenance of the Missouri-American Water.  
21 And thousands and thousands of gallons is going down  
22 the drains, you know, and we shouldn't be punished for  
23 it.

24                  JUDGE DALE: I'm sorry. Which municipality  
25 do you live in?

1 MR. ABDELMALEK: St. Ann.

2 JUDGE DALE: Okay.

3 MR. ABDELMALEK: But I mean, this, you notice  
4 even driving in the city, you know, you see a lot of  
5 broken, you know, every other day, when you are  
6 driving, you can see, you know. And that's a lot of  
7 water wasted and really, we have -- I'm retired now,  
8 you know, we can't afford any more bills. The water  
9 company has to have good maintenance, or do a good  
10 maintenance job, in order to save water, not to cost us  
11 more, to pay for it. And that's all that I had to say.

12 JUDGE DALE: Okay.

13 MR. ABDELMALEK: Thank you.

14 CHAIRMAN DAVIS: No questions.

15 JUDGE DALE: I just have a couple of  
16 questions. How about your water quality at your home?

17 MR. ABDELMALEK: Well, the water is not  
18 drinkable and this is why we have to get water to drink  
19 it, because we use the water for other purposes, but  
20 not to drink it.

21 JUDGE DALE: Have you had any -- have you  
22 called and reported the fact that your water isn't  
23 drinkable?

24 MR. ABDELMALEK: No, I did not, because  
25 nothing they would do for me. I mean, is nothing. I

1 will just be wasting my time talking to them.

2 JUDGE DALE: Have you had any billing

3 disputes or --

4 MR. ABDELMALEK: No, I didn't dispute any

5 bills.

6 JUDGE DALE: Okay.

7 COMMISSIONER MURRAY: When you say your water

8 isn't drinkable, what do you mean?

9 MR. ABDELMALEK: Not drinkable. I mean I

10 can't drink it because, like you're drinking your

11 bottled water here because you wouldn't drink the

12 water.

13 CHAIRMAN DAVIS: This came out of the

14 drinking fountain. What do you mean it's not

15 drinkable?

16 MR. ABDELMALEK: Well, the chlorine is a

17 little high or whatever, you know and they advise you

18 not to drink it.

19 COMMISSIONER MURRAY: Who advises you not to

20 drink it?

21 MR. ABDELMALEK: I mean the people who

22 produce this water.

23 COMMISSIONER MURRAY: Produces the bottled

24 water?

25 MR. ABDELMALEK: Yeah.

1                   COMMISSIONER MURRAY: Of course. They want  
2 you to buy their water.

3                   MR. ABDELMALEK: Anyway, I personally don't  
4 drink water from the faucet.

5                   COMMISSIONER MURRAY: Okay. But you've never  
6 had the Health Department tell you that your water was  
7 unsafe to drink, have you?

8                   MR. ABDELMALEK: No. No.

9                   COMMISSIONER MURRAY: You just don't like the  
10 taste of it.

11                  MR. ABDELMALEK: Yeah. It may be not as pure  
12 as bottled water.

13                  COMMISSIONER MURRAY: You'd be surprised if  
14 you studied the facts. This water -- bottled water is  
15 not regulated the way your water, supplied by a water  
16 company is regulated. That's really the truth. You  
17 should check the facts because it's much safer to drink  
18 the water that you get from you're water supply company  
19 than it is to drink bottled water. And if you check it  
20 on Google or where ever you want to check it, those are  
21 the facts.

22                  MR. ABDELMALEK: Okay. Thank you.

23                  JUDGE DALE: The next witness is John Hasse.

24                  MR. HASSE: It's John Hasse and I'm speaking  
25 on behalf of the Hazelwood School District.

1                   JOHN HASSE,  
2   after being first duly sworn to tell the truth  
3   testifies as follows:

4                   JUDGE DALE:   Please proceed.

5                   MR. HASSE:   I just simply have one question.  
6   Is there any modification or deviation for government  
7   facilities such as school districts in this  
8   legislation?

9                   JUDGE DALE:   This isn't -- first of all, this  
10   isn't legislation this is an adjudicated contested case  
11   in front of the Public Service Commission.   And  
12   someone, one of our staff people will have to answer  
13   the question about whether or not there is any special  
14   rate involved.

15                  MR. HASSE:   And who would I get in touch with  
16   for that?

17                  JUDGE DALE:   Staff people, raise your hands.

18                  MR. HASSE:   Okay.   Thank you.

19                  JUDGE DALE:   Sure.   And the last witness on  
20   the list is Lowell Bredell.   Did I get it right?

21                  MR. BREDELL:   You did.

22                   LOWELL BREDELL,  
23   after being first duly sworn to tell the truth  
24   testifies as follows:

25                  JUDGE DALE:   Please proceed.



1                   MR. BREDELL: Let me start by saying I have  
2 no problem with the public utilities making a fair  
3 return on their investment. However, I think their  
4 definition of a fair return and my definition of a fair  
5 return are at great odds with one another.

6                   They're asking for merely a  
7 25 percent increase. Inflation over this period of  
8 time supposedly has been limited, government statistics  
9 will show that it's no where near 25 percent. We pay  
10 the surcharge to have the lines repaired. You have  
11 heard from several people stating that they haven't  
12 seemed to have been able to do the job, even though  
13 they're collecting money, they haven't been able to do  
14 the job.

15                  As far as taste of water is concerned, mine  
16 on various occasions has been undrinkable from a taste  
17 standpoint. It smells putrid, causes my coffee, which  
18 I am addicted to, to taste poorly. So -- and I have  
19 not complained to anybody about this. I just -- it  
20 lasts anywhere from six hours to two days and it goes  
21 away so I have not complained about it. But there are  
22 a lot of people -- I live in Robinwood West, which is  
23 pretty much a senior citizens' community and it's in  
24 the County.

25                  JUDGE DALE: It's an unincorporated county?

1                   MR. BREDELL: Yes. It's between Creve Coeur  
2     and Maryland Heights.

3                   And a 25 percent increase, you may say, well,  
4     it's only \$4, \$7, \$8 a month, but to a lot of these  
5     people, that's a lot of money. There are people that  
6     are scraping to buy medication. There are people that  
7     are scraping to buy food.

8                   And it seems to me that until  
9     Missouri-American Water can get their act together and  
10    start providing that which they're supposed to provide,  
11    because they have a monopoly, they're not entitled to a  
12    rate increase.

13                  And the gentlemen pointed out that they're  
14    buying companies like crazy. If they've got the money  
15    to do that, they surely have the money to do the  
16    repairs and provide the service that they're supposed  
17    to provide.

18                  JUDGE DALE: Thank you. Questions?

19                  CHAIRMAN DAVIS: No questions. Thank you,  
20    sir.

21                  COMMISSIONER MURRAY: I don't have any  
22    questions either.

23                  JUDGE DALE: The one thing that you haven't  
24    hit on is whether or not you've had any billing issues  
25    with the company.

1 MR. BREDELL: I'd rather not comment on that.

2 JUDGE DALE: Okay. And have you had -- I  
3 understand there's been the intermittent problems with  
4 the taste. Have you had outages as well or not?

5 MR. BREDELL: Well, I have allergies anyway,  
6 so I really couldn't say.

7 JUDGE DALE: Okay. How long are the outages?

8 MR. BREDELL: Oh, outages. I'm sorry. No,  
9 we have not had any.

10 JUDGE DALE: Okay. Thank you very much.

11 MR. BREDELL: Thank you.

12 JUDGE DALE: That was the last witness on the  
13 list. Is there anyone else here who would care to  
14 testify.

15 MR. JANISH: Yeah, I'd like to say something.  
16 My name is Dale Janish, J-A-N-I-S-H and I live off of  
17 Craig Road. And I just had a couple --

18 MR. DANDINO: Your honor.

19 JUDGE DALE: Yeah.

20 DALE JANISH,  
21 after being first duly sworn to tell the truth  
22 testifies as follows:

23 JUDGE DALE: And before you talk about it,  
24 could you please spell your name for the court  
25 reporter?



1 water.

2 COMMISSIONER MURRAY: Out of the drinking  
3 fountain.

4 MR. JANISH: Fountain. Okay. Do you know if  
5 that water fountain out there has got a filter system  
6 on it?

7 COMMISSIONER MURRAY: I have no idea.

8 MR. JANISH: That's all I have. Any  
9 questions for me.

10 JUDGE DALE: I'll ask my questions about  
11 billing.

12 MR. JANISH: No, I have no trouble with  
13 billing. That's a minor question to me. I think the  
14 meters are pretty good, but their repair system and  
15 everything else is really bad in American Water. And  
16 until you people realize what is wasted in this  
17 company, these people are going to keep coming back to  
18 you and keep coming back to you. Get on the water  
19 company for wasting money. That's all.

20 JUDGE DALE: Do you have any outages other  
21 than the excessive --

22 MR. JANISH: Well, when I lived close to Les  
23 here, 18 years over in Robinwood West subdivision, then  
24 in those 18 years, we had about 12 water breakage on  
25 Ross Road. They finally replaced the lines.

1 JUDGE DALE: Except for the excessive  
2 chlorination, do you have other water quality issues.

3 MR. JANISH: It just smells off and on to me,  
4 you know, we don't drink it. We just use it to do  
5 household duties, watering the grass, laundry and that.  
6 But we do buy water. So I'm paying double for water  
7 because I won't drink it.

8 JUDGE DALE: Have you ever called the company  
9 to make a complaint?

10 MR. JANISH: I've talked to them when I lived  
11 on Robinwood West when it stunk over there. They come  
12 out and they take a couple bottles of water. Never did  
13 get any results. You can call them all you want. You  
14 don't get the results.

15 JUDGE DALE: Okay.

16 COMMISSIONER MURRAY: That was going to be my  
17 question as to whether you have had any experience with  
18 the customer service, the people at  
19 Missouri-American --

20 MR. JANISH: Well, the people you talk to on  
21 the phone, they're very nice. The ladies and gentlemen  
22 we talk to on the phone. But the people that come out  
23 and look at the project and take it to test the water,  
24 but you don't hear back from them. It's like washing  
25 it down the drain. There's no sense to it.

1                   COMMISSIONER MURRAY: Did you follow up at  
2 all to try to --

3                   MR. JANISH: Twice. Never got any response  
4 and that was about seven years, eight years ago.

5                   COMMISSIONER MURRAY: And that was when you  
6 asked them to come test the water?

7                   MR. JANISH: Yeah. When they took a couple  
8 of bottles of water and that was it. After that, never  
9 heard another word from them and then I moved.

10                  COMMISSIONER MURRAY: So you never got the  
11 results?

12                  MR. JANISH: No.

13                  COMMISSIONER MURRAY: Thank you.

14                  MR. JANISH: Uh-huh.

15                  MR. DANDINO: Your Honor, may I? Mr. Janish,  
16 you said you're a contractor.

17                  MR. JANISH: I was, yes.

18                  MR. DANDINO: What kind of contractor?

19                  MR. JANISH: Painting, decorating the home,  
20 remodeling.

21                  MR. DANDINO: Okay. And you've seen these,  
22 you know, you've seen these -- a lot of people here  
23 have testified about the -- about repairs and that and  
24 you were just talking about seeing a lot of repair, you  
25 know, water company on the road.

1                   MR. JANISH: Yeah.

2                   MR. DANDINO: Do you have any thoughts, you  
3 know, that you can share with the commissioners about  
4 what you think is wrong with that?

5                   MR. JANISH: I think the biggest thing is you  
6 have the foremen on the job and they're just as lazy as  
7 some of the men that are working. That's the biggest  
8 thing. It's not the men themselves. They get away  
9 with something. One child goes to the store and steals  
10 a Tootsie Roll, nobody caught him, he'll go back and  
11 buy (sic) another. You get the same thing with  
12 grownups on the road doing jobs. The foreman don't  
13 work, the men don't work. That's the biggest thing.

14                  MR. DANDINO: But also, what about the mains  
15 and the mains that you were talking about? Do you  
16 think that because there's a lot of leaks, that lends  
17 to it tasting funny, is that it?

18                  MR. JANISH: Like this gentleman said, they  
19 pay a lot of money out through the water bills for  
20 repair jobs. But when you get a leak in a pipe --  
21 line, one line and you dig a hole and you come in and  
22 you put a clamp on it, that's putting a clamp over the  
23 hole where it's leaking. Two feet away from that  
24 clamp, the pipe's no good anyway. It's going to break  
25 again. So the crew comes back to put another clamp on.



1                   And it happens over and over on Ross Road.  
2   Before they got all that thing -- all those leaks, they  
3   finally put new lines -- had half of Ross Road tied up  
4   for over a year. That's great. We got new water  
5   lines, but I've moved now. I'm not getting benefit of  
6   it.

7                   Actually, we don't have a problem up where we  
8   live because we just haven't had them. They had one  
9   down the road. They fixed it. So far we haven't had  
10   any more water lines.

11                  MR. DANDINO: Where do you live at now?

12                  MR. JANISH: I live off of Craig Road on  
13   Bonheur Drive. But when I travel over the county  
14   roads, over the city roads and I see all these guys  
15   standing around, doing nothing -- it's not just  
16   American Water Company. It's your utilities. You've  
17   got electric. You've got the sewer company. You've  
18   got all of them. They do the same thing.

19                  I can go out and repair a job where he's got  
20   five men on. I can take one man out and go repair the  
21   job myself with a backhoe. I can have a wrench to  
22   tighten down a clamp on a pipe. Not seven or eight  
23   men.

24                  And I appreciate you getting water out of the  
25   water fountain. But that doesn't solve the problem for

1 me having to buy water every other day to take it home,  
2 put it in the refrigerator so we can have drinking  
3 water. I won't let my fiancée drink the water out of  
4 the faucet. That's the way I feel about the water  
5 company.

6 MR. DANDINO: When you said that the water  
7 smells or has an odor, what kind of odor does it have?

8 MR. JANISH: Like a chlorine taste. It just  
9 has a chemical taste. That's an easy way to put it.  
10 It's a chemical taste. It might be fine to drink. It  
11 might be as pure as the bottled water. Maybe the  
12 bottled water isn't regulated, which I'm sure it's not,  
13 but at least I don't have to smell something when I'm  
14 drinking it.

15 MR. DANDINO: That's your objection.

16 MR. JANISH: That's my objection.

17 MR. DANDINO: Okay. That's all I have.

18 Thanks a lot.

19 MR. JANISH: Thank you so much.

20 JUDGE DALE: Thank you. Is there anyone else  
21 who would like to testify? Is there any other business  
22 that we need to conduct while we are still on the  
23 record? In that case, then we are adjourned and we'll  
24 go off the record.

25

1	INDEX	
2		PAGE NO.
3	APPEARANCES	2
4	WITNESS NAME	
5	Annette Veech	4
	Gwendolyn Lanzer	19
6	George Koss1	21
	Fayeh Abdelmalek	28
7	John Hassle	32
	Lowell Bredell	32
8	Dale Janish	35
9	INDEX	43
10	EXHIBITS	44
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1	EXHIBITS	
2		PAGE NO.
3	Exhibit 1	28
4	Notice of Public Hearing	
5	Exhibit 2	28
6	Contractor Magazine Article Copy	
7	Exhibit 3	28
8	Contractor Magazine	
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		