

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
TRANSCRIPT OF PROCEEDINGS

Public Hearings

August 30, 2006

ORIGINAL

Jefferson City, Branson, and Reeds Spring, Missouri

Volume 2

In the Matter of the Tariff Filing )  
of Aqua Missouri, Inc., to ) Case No. WR-2007-0020  
Implement a Rate Increase for )  
Water Service Provided to Customers) )  
in its Missouri Service Areas )

In the Matter of the Tariff Filing )  
of Aqua RU, Inc., d/b/a Aqua ) Case No. WR-2007-0021  
Missouri, Inc., to Implement a Rate) )  
Increase for Water Service Provided) )  
to Customers in its Missouri )  
Service Areas )

In the Matter of the Tariff Filing )  
Of Aqua Missouri, Inc., to ) Case No. SR-2007-0023  
Implement a Rate Increase for Sewer) )  
Service Provided to Customers in )  
its Missouri Service Areas )

NANCY DIPPELL, Presiding  
DEPUTY CHIEF REGULATORY LAW JUDGE

STEVE GAW  
LINWARD "LIN" APPLING  
COMMISSIONERS

REPORTED BY: PATRICIA L. SNIDER, C.C.R.

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BY JUDGE DIPPELL: The Missouri Public has set this time for a local hearing in Case Number WR-2007-0020, WR-2007-0021, and SR-2007-0023 in which Aqua Missouri seeks to implement a general rate increase. The Missouri Public Service Commission regulates the rates charged by investor-owned utility companies in Missouri to ensure that those rates are just and reasonable. The Commission also regulates the quality of service and safety of the operations of investor-owned utilities.

The Commission is made up of five commissioners. I believe we will have a total of three of those commissioners joining us here this evening in Jefferson City. The commissioners are appointed by the governor to fixed terms and confirmed by the senate. The commissioners employ a staff of engineers, accountants, attorneys, financial analysts, and other experts in the field of utility regulation. My name is Nancy Dippell. I'm a regulatory law judge with the Commission, and my job tonight is to preside over the hearing. We are videoconferencing

this hearing from three locations; the high school in Reeds Spring, the School of the Ozarks in Point Lookout, and the Commission's offices here in Jefferson City. In addition, we're broadcasting these hearings over our internet connection. With me today are Commissioner Steve Gaw, who's sitting to my left, and Commissioner Lin Appling, who's sitting to my right in Jefferson City, and I believe Chairman Davis will be joining us a little later. The court reporter is in Reeds Spring and is transcribing this hearing so that the commissioners that aren't here will be able to review your comments, and the sound and video of the hearing is also being recorded in our offices here in Jefferson City, so if we have any difficulties with the transcript we will be able to get everything down.

Also present in Jefferson City we have staff counsel, Keith Krueger, Water and Sewer Department staff Dale Johansson, and our Public Information staff Kevin Kelley. At Reeds Spring we have Water and Sewer Department Staff Bill Nichol and at Point

Lookout we have Gary Bangert. We also have some technical staff helping us out this evening, and also in Point Lookout we have Mr. Lewis Mills, who's the public counsel, and we have some company representatives here in Jefferson City, including Marc Ellinger, who's the attorney for the company, and you'll have to tell me your name again. Tina Hale-Rush, who is with the company, and I believe - do you have company representatives?

BY MS. HALE-RUSH: At Point Lookout we have James Barr (ph) and Tanya Rawlins (ph) and in Reeds Spring we have Aaron Lipowitz (ph).

BY JUDGE DIPPELL: And those people will be happy to answer questions that you have after the public comment portion, if you still have questions, the portion of the on the record portion we ask that you keep to just your comments. The commissioners are not really here to answer questions, we're just here to hear your comments about this issue.

I'd like to thank Reeds Spring High

School and the School of the Ozarks for providing us their facilities, and just state that the comments and statements here tonight are in no way associated with those schools and not necessarily the opinions of the schools.

This is an official hearing of the Public Service Commission, and therefore the statements and testimony of the witnesses will be recorded and will be taken under oath or affirmation. The purpose of the hearing is to receive your comments and we want to make sure that they get down clearly and are part of the official record. So if you wish to testify and you haven't already done so, please let one of the PSC staff members know, and I have the sign-up list here in Jefferson City, they'll be calling names in the other locations. I'll basically alternate between locations. I'll start here in Jefferson City and then I'll go to Reeds Spring, and then I'll go to Point Lookout and we'll just take a witness at each location until we get through everyone or until we have to end. So because there are a lot of people that want



to speak, I'll ask you to try to keep your comments as brief as you can, and if someone has said something that you just want to stand up and say, "I agree with what that person said," feel free to do that as well. I will, though, ask you to keep your comments and applause and cheers and so forth to yourselves and not - sorry, I got distracted there by the camera changing. Keep your comments to yourself so that the people who are testifying don't feel intimidated or if someone else wants to say something in opposition they don't feel intimidated, because we really want to hear everyone's opinion here tonight. So right now I'll ask the attorneys to go ahead and make their entries of appearance. I'm going to start with Mr. Krueger for our staff.

BY MR. KRUEGER: Keith R. Krueger for the staff of the Missouri Public Service Commission. My address is P.O. Box 360, Jefferson City, Missouri 65102.

BY JUDGE DIPPELL: Mr. Ellinger, would you like to --

BY MR. ELLINGER: Marc Ellinger of

the law firm of Blitz, Bardgett & Deutsch representing Aqua Missouri. My address is 308 E. High Street, Suite 301, Jefferson City, Missouri 65101.

BY JUDGE DIPPELL: Mr. Mills?

BY MR. MILLS: On behalf of the Office of the Public Counsel and the public my name is Lewis Mills.

BY JUDGE DIPPELL: I'm not hearing audio from --

BY MR. MILLS: Okay. Can you hear me now?

BY JUDGE DIPPELL: Yes.

BY MR. MILLS: On behalf of the Office of the Public Counsel and the public Lewis Mills and Christina Baker. Our address is Post Office Box 2230, Jefferson City, Missouri 65102. Thank you.

BY JUDGE DIPPELL: Thank you. When your name is called I'll ask you to please come forward here in Jefferson City to this witness stand and microphone, in the other locations there's a designated microphone, and I'll ask you to spell your name for the court reporter, I'll ask you a few

preliminary questions, such as your name and address and which type of service you receive, water or sewer or both, and then you can make your statement. After you've made your statement there may be some questions from the commissioners or from some of the attorneys, and so I'll ask you to stay at the microphone until those questions are asked. We can go ahead then and begin with our first witness, and I have Barbara Winters.

**BARBARA WINTERS**

Having been first duly sworn and examined,  
testified as follows:

BY JUDGE DIPPELL: If you could speak into the microphone, if you could state your name and spell it for the court reporter.

BY MS. WINTERS: My name is Barbara A. Winters. B-A-R-B-A-R-A, middle initial A, last name Winters, W-I-N-T-E-R-S.

BY JUDGE DIPPELL: Could you give us your address, please?

BY MS. WINTERS: I live at 461 Hunter Lane in Holts Summit, Missouri.

BY JUDGE DIPPELL: And have water or sewer service?

BY MS. WINTERS: Sewer service only.

BY JUDGE DIPPELL: I'm sorry, sewer service only?

BY MS. WINTERS: Yes, ma'am

BY JUDGE DIPPELL: Thank you. Go ahead with your comments.

BY MS. WINTERS: We wrote - my daughter and I purchased the property last fall. Sixty-unit complex. We are paying over \$1000 a month on sewer services for the one unit, or the one set of units. If we could be allowed to pay only on the units that are rented, it would be a savings to us of almost \$600 a month. Currently, the way the PSC rates are set up, we have to pay on them whether they're empty or rented. If the increase goes through, we will add another \$500 per month to our bill. A 42-percent increase is asinine. You go for small increments of five percent or six percent, but not a huge increase like they're asking for.

I have a copy of a letter that was

written to the Public Service Commission that I would like to leave here to be entered into the record. It states all of our comments, likes, dislikes, whatever. And I called several times to PSC to find out - not PSC, excuse me, to Aqua Missouri to find out if an adjustment could be made on any of the units.

I was told first, "Oh, sure, no problem. Anything that's empty we'll take off your bill." Nobody ever got back to me. Nobody ever got back. I called again. "Well, we don't do business like that." And I was told that "PSC allows us to charge for all the empty units, and that's exactly what we're going to do." So we're paying on units that have no service. To install water meters for each one of these units is cost prohibitive, and they tell me that's the only way that they can bill an individual unit. But every month I get twice this size in envelopes of individual bills. They could say over \$200 a year by sending me one bill instead of 57 every month.

BY JUDGE DIPPELL: And I'll just note for the record that you held up a stack

of envelopes that's about three-quarters of an inch thick.

BY MR. WINTERS: Closer to an inch.

Like I said, you know, they could save around \$250 a year if they sent me one bill per month instead of 57. Like I said, I've got a copy of the letter that I would like to leave so the court reporter can get it entered into the record.

BY JUDGE DIPPELL: I'll mark your letter as Exhibit #1.

BY MS. WINTERS: Thank you very much.

BY JUDGE DIPPELL: I'll take that when you're finished testifying.

BY MS. WINTERS: And, like I said before, you know, I can understand that Aqua Missouri bought some unsuccessful sewage plants, but it's not our problem and we should not be forced to pay for it. I'm already paying for it with empty units. The only units we are not being billed for are the two that were gutted by fire, and they did come out and look at those and said they were uninhabitable, and so I do not get bills

on those. And I think at that point then that's probably all I have to say.

BY JUDGE DIPPELL: Thank you, Ms. Winters. Commissioner Gaw, did you have questions for Ms. Winters? Commissioner Appling? If you'll wait just one moment, ma'am. Commissioner Appling, did you have questions?

BY COMMISSIONER APPLING: You have 57 units?

BY MS. WINTERS: Yes, sir.

BY COMMISSIONER APPLING: That's what you're telling me? And is all of your sewage metered on one meter?

BY MS. WINTERS: Two meters. There are two meters. There's one for each building.

BY COMMISSIONER APPLING: One for each building? You have two buildings?

BY MS. WINTERS: I have two buildings.

BY COMMISSIONER APPLING: What are the sizes of the units, are they two bedrooms and three bedrooms?

BY MS. WINTERS: They're one bedroom

and two bedroom.

BY COMMISSIONER APPLING: Okay. And what was your monthly bill for the last three months? You said you were paying \$1000 a month?

BY MS. WINTERS: Well, 1091 - 1091.55 times three, so over \$3000.

BY COMMISSIONER APPLING: Today, how many empty units do you have today?

BY MS. WINTERS: Today I have 39 rented units and the rest are vacant.

BY COMMISSIONER APPLING: Okay. Ms. Winters, thank you for coming in.

BY MS. WINTERS: Yes, sir.

BY JUDGE DIPPELL: Let me see if there's any questions. Mr. Mills, did you have any questions for Ms. Winters?

BY MR. MILLS: No questions. No questions.

BY JUDGE DIPPELL: Thank you. Mr. Ellinger, did you have any questions?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions, Your



Honor.

BY JUDGE DIPPELL: Thank you. Thank you, Ms. Winters. Who's the first witness in Reeds Spring?

BY MR. NICHOL: Our first witness is Virgil Hermann.

BY JUDGE DIPPELL: Mr. Hermann would you please come up to the microphone?

BY MR. HERMANN: Virgil Hermann, V-I-R-G-I-L.

BY JUDGE DIPPLING: I'm sorry, I couldn't hear you, Mr. Hermann.

BY MR. HERMANN: Virgil Hermann, V-I-R-G-I-L H-E-R-M-A-N-N.

BY JUDGE DIPPLING: Thank you. Mr. Hermann, could you please raise your right hand?

**VIRGIL HERMANN**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPLING: Thank you. Go ahead with your comments. If you could keep the close-up camera shot.

BY MR. HERMANN: Ma'am, whenever they hook up water to a new residence in our

area it's at no cost to the water company. It's charged to the landowner. There's a new home in our area, they charged him \$2100 to run water to his place, and because there wasn't a water line to the next property they ran it through to the edge of the next property, and at his expense. And whenever they do a hookup and it involves roadwork, they never replace the roads the way they were. And the information that we've received on the rate increases were inaccurate and I'm just not satisfied with the amount of increase that they're requesting.

BY JUDGE DIPPELL: Mr. Hermann, I forgot to get your address and ask you what kind of service that you have.

BY MR. HERMANN: It's Ozark Mountain and my address is 80 Persimmon in Shell Knob.

BY JUDGE DIPPELL: And you have water and sewer or just --

BY MR. HERMANN: Just water, ma'am.

BY JUDGE DIPPELL: Okay. Did you have any other comments?

BY MR. HERMANN: That's it. Thank you.

BY JUDGE DIPPELL: Okay. Wait just one moment, sir. Commissioner Gaw, did you have any questions?

BY COMMISSIONER GAW: No. Thank you for coming, sir.

BY JUDGE DIPPELL: Commissioner Appling, did you have any questions?

BY COMMISSIONER APPLING: No questions, Judge, but, Mr. Hermann, thank you for coming tonight. Thank you very much.

BY JUDGE DIPPELL: Mr. Mills?

BY MR. MILLS: No questions.

BY JUDGE DIPPELL: Thank you. Any questions from the other attorneys?

BY MR. ELLINGER: No questions.

BY MR. KRUEGER: Yes, Your Honor, I have one question. Mr. Hermann, you said that the information you received about the rate increases was inaccurate. In what way was it inaccurate?

BY MR. HERMANN: The percentage of increase was stated as 63 and what I'm told

is it's actually 69-something, and our minimum rate was 19 and it's actually \$14.11, and the amount per 1000 gallons over was five dollars and something and it's two dollars and 90-some odd cents.

BY JUDGE DIPPELL: Okay. Thank you, Mr. Hermann. Who's the first witness in Point Lookout?

BY MR. BANGERT: Doug Ritchie.

BY MR. RITCHIE: Good evening.

BY JUDGE DIPPELL: Thank you.

BY MR. RITCHIE: My name is Doug Ritchie, R-I-T --

**DOUG RITCHIE**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Go ahead and spell your name and give us your address, Mr. Ritchie.

BY MR. RITCHIE: Last name is Ritchie, R-I-T-C-H-I-E, first name is Doug, and I'm at 210 Jupiter Way, like the planet Jupiter, Branson, Missouri and I'm under the LTA system, or what was the LTA system for water only.

BY JUDGE DIPPELL: Thank you, sir.  
If you could go ahead with your comments.

BY MR. RITCHIE: I never got the first notice that they were asking for an increase, because at the time I was in the process of buying the property from the builder. I tried to get information from Aqua Missouri, they have never returned a call to me, so I never received anything that told me what they were doing or why. As for service in the area, I don't know of any upgrades to the plant that they have now that would require them to have this kind of an increase. We have no water hydrants in the area, which I consider a substandard system.

I know that there's a lot of particulates in the water they're providing, because I have to filter even the water I put in my hot tub, or it feels like sandpaper on the inside from what coats it. My wife has to actually boil the water, because the water straight out of the tap makes her sick to her stomach. At other times we hardly get any water, because the water pressure gets so low I can't even drive a regular sprinkler very well.

Now I was told that Aqua Missouri was going to be allowed to recoup part of their acquisition costs in their rate structure, but I have a document here from the Commission dated December 1, 2004, and in that one of the conditions it says, it's states that approval of the subject asset purchase is based on the condition that the acquisition premium resulting from the purchase of proposed transactions will not be covered through customer rate increases in the future. So if, like I was told by the Commission, they're being allowed to recover their acquisition costs, that's 180 off from what this document says and they shouldn't be allowed to recover those costs. That's part of them doing business. The other thing is, as for the increases, because I haven't been able to acquire any documentation that allows me to make some comparisons as to what they're doing now versus what the old company did, and they were making a profit, it makes it very difficult for me to say whether what they're asking for is accurate or not. My problem is that even if they were supposed to

get this type of an increase, or could justify it, asking for this up front doesn't make any sense at all.

Even the City of Branson after years and years of no increases is only asking for a 15-percent increase over a total five-year period. Why does this company have to be so different and get that much of an increase all at one time? It puts an extreme strain upon people with fixed incomes. We're locked into this system, they have a monopoly over us, and there are some of us right now who are asking the question maybe it would be better for us to go out and get a pump, I mean, a drilling company out and drill our own wells in the area, because in the long run it's going to be cheaper.

At any rate, I would like the Commission to maybe take a look at what the old company was doing before the purchase, cost-wise, maintenance-wise, and manpower-wise, and take a look at what Aqua Missouri is doing now, because I think Aqua Missouri is just really pushing the system in trying to get these increases.

I'm retired from the federal government.

When I wanted an increase I asked for massive increase in my budget, so I could get what I truly needed. They've asked for almost 170 percent, they're going to get 63.

Hey, they probably don't even need 63. They probably needed something like 20 percent, but they knew they were going to get knocked down. If they can get this much out of us we're in trouble.

One last thing. If they are going to be allowed to recoup any of their expenses of their acquisition, when those expenses are recouped then they should be told they have to lower their rates back down, instead of continuing to get that higher rate. Otherwise, they continue to be compensated for what they bought. Like someone else had said in here earlier, if they made a bad purchase that's their problem. It's not mine and I'm not here to line their owners' pockets, their stock owners' pockets.

At any rate, a fair amount of increase I can see, some power has gone up, cost of chemicals has gone up, but I think they're



asking way too much and I think it should be split out at least over, say, a four- or five-year period of time on a rate increase.

At any rate, thanks for your time.

BY JUDGE DIPPELL: Thank you, Mr. Ritchie. Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: Yes, thank you. Mr. Ritchie, thank you for coming and sharing the information with us. May I ask you a couple of different areas of questions?

First of all, in regard to the quality of water, can you tell me whether that has been an issue that started at some point in time in the past? And I think that you may have said that you have not been there that long, so if you can't answer the question perhaps someone else there can a little later.

BY MR. RITCHIE: Okay. In answer to your question, I've been in the house now for, well, since June of last year. I have a refrigerator on in my house that has a filtering system in it, one of the better filtering systems you can get with refrigerators, and even after I filter the

water, if you let the water sit you can see particulates in the water. As for the hot tub, it's some type of limestone or calcium in the water, something, and what it does is it coats the inside of the tub all the way down to the bottom of it, just like sandpaper if I don't filter that water. There's enough stuff in the water you can taste it in the water. There's times when I can taste enough chlorine in the water that if it was in a pool I probably wouldn't have used the pool. I don't know any other way to put it to you. I've only been there one year though.

BY COMMISSIONER GAW: Okay. Sorry to interrupt you, but do you know whether or not the water has been tested by any authorities in the last few months?

BY MR. RITCHIE: No. I know of no testing at all and I don't know of any way they can possibly, for instance, clean their lines out, because there is no hydrants in the area that you could even flush them with.

I was also told, by the way, by my neighbor, who was there when they put the system in, that some of the lines are through galvanized

pipes, but I can't prove that. It's hearsay from my neighbor.

BY COMMISSIONER GAW: Okay. How did you determine or hear that the rate increase included an acquisition premium?

BY MR. RITCHIE: I called the --

BY MR. GAW: Where did that come from?

BY MR. RITCHIE: I called the PSC and I asked why the rates were increased like that and one of the people that was on the phone with me at that time said part of it is to recoup the cost of the purchase.

BY COMMISSIONER GAW: Okay. If I could, let me ask. I want to get this point cleared up. Mr. Krueger? Mr. Krueger? A question for you. Would you mind addressing this question for me about whether or not there's an acquisition premium issue in this case?

BY MR. KRUEGER: My understanding talking with Mr. Johansson is he was told that acquisition premium was not included in the rates that are established. Jim Russo I believe is the person that he talked to and

Dale says Jim said that acquisition premium was not included in the rates.

BY COMMISSIONER GAW: Okay. Well, for the sake of accuracy, would someone please get with this gentleman and discuss that issue so that that can be cleared up to his satisfaction? And I want to know, on my position I want to know, and I'm sure we will hear whether or not that issue does or does not exist in this case. But Mr. Ritchie may not be there at the time that this matter is taken up by the Commission and I want to make sure that he knows the answer to that question. Mr. Ritchie, will that help you if you have somebody talk to you about that? Because it's a concern for me when I hear acquisition premium issues come up. It's not something this Commission has authorized in the past.

BY MR. RITCHIE: That would be fine. I can be reached at my home number, (417)239-2812 or my cell number (417)527-7585.

BY COMMISSIONER GAW: Thank you, Mr. Ritchie, and I hoped you signed up for the do

not call list.

BY MR. RITCHIE: I tried that. It doesn't seem to work. Can you do anything about that one?

BY COMMISSIONER GAW: I don't know.

A long time ago that was a piece of legislation that I passed. And since it's not working well for you maybe I shouldn't say any more. Thank you, Mr. Ritchie.

BY MR. RITCHIE: Thanks.

BY JUDGE DIPPELL: Mr. Mills, is there any questions for Mr. Ritchie?

BY MR. MILLS: Yeah, just briefly. Mr. Ritchie, you were looking at a document when you referred to I believe it was a staff memorandum in a Commission case. Do you have the case number on that?

BY MR. RITCHIE: Case number WM-2005-0058.

BY MR. MILLS: Thank you. That's all I have.

BY JUDGE DIPPELL: Okay. Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions, Your Honor.

BY JUDGE DIPPELL: Thank you, Mr. Ritchie. Okay. Let's take our next witness here in Jefferson City. Shannon Hawk, if I'm reading it right.

**SHANNON HAWK**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: If you could state your name and spell it for the court reporter.

BY MS. HAWK: Sure. My name is Shannon, S-H-A-N-N-O-N, last name Hawk, H-A-W-K.

BY JUDGE DIPPELL: And could you give us your address and tell us what kind of service you have?

BY MS. HAWK: 5610 Horseshoe Drive, Jefferson City, Missouri 65109. Sewer service only.

BY JUDGE DIPPELL: Go ahead with your comments.

BY MS. HAWK: Thank you. I just have a prepared written statement that I

would like to give, and certainly I will leave a copy here for you, for the record.

BY JUDGE DIPPELL: Okay. You may either read it now or if you want to just enter it that's fine too.

BY MS. HAWK: I think I'd like to read it.

BY JUDGE DIPPELL: Okay.

BY MS. HAWK: It's brief.

BY JUDGE DIPPELL: Go ahead.

BY MS. HAWK: Thank you. Again, my name is Shannon Hawk and I've lived at my home on Horseshoe Drive in Cole County for the past 15 years. My neighbors and I first learned of this potential rate increase through correspondence from Aqua Missouri dated June 7, 2005. I subsequently met with my neighbors and we decided to oppose the rate increase. On June 28, 2005 I mailed our letter opposing the increase to the Public Service Commission and Office of Public Counsel. Our opposition letter contained signatures from every homeowner in our neighborhood, including our State Representative.

In the late 1950's our subdivision was established and in over 20 years approximately 18 homes were built. In this subdivision a sewer system was built and laid out by the contractors. From 1959 to 1991 the care of the sewer system was assumed by the men and women of our small neighborhood.

Every household paid five dollars per month toward the upkeep, and we always had a surplus of money to run an efficient system.

In 1991 the PSC granted Helms Environmental Services the ability to take over our sewer system. This was against our will, but we were told that it was necessary to take control away from the neighborhood because the sewer system needed to be dug out. They immediately raised our month bill from - I forget what it was originally, but they immediately raised it to \$7.20 per month. Since that time the lagoon has passed from Helms to Capitol Utilities and is now maintained by Aqua Missouri, formerly known as Aqua Source.

We were originally told that if Helms did not maintain control of the lagoon, it would



revert back to us. We also suspect that when Helms ultimately sold the system they may have received some type of financial compensation for the sale, but we really don't know how that works. We are interested to know how someone else can sell control of our system when we were never compensated when it was originally taken from us and when we were never given the opportunity to take control. It was never reverted back to us. We never had an option as we were told that we would. In 1994 Aqua Missouri again raised our monthly rate to 22.53 per month, pursuant to PSC approval. Now the people of my neighborhood, many of whom lived on fixed incomes, find themselves facing yet another rate increase. When Aqua Missouri first filed for a rate increase in this matter it was to raise our rates by 116 percent. Obviously, everyone felt that was unrealistic. My neighbors have had several conversations with me and most of them believe that a minimal increase is understandable, given inflation, the cost of gasoline, and the new federal requirements

that are currently being handed down. What makes it so hard for them to swallow any kind of increase is that fact that they feel that three things happened. One, they were misled when the sewer system was originally taken from us. Two, we've already had two, possibly three rate increases, based on the fact that there have been at least three owners since it was taken over. And, number three, and most importantly, that 14 years later that lagoon has never been dug out, which is why we were told that we needed to let them have control in the first place.

In conclusion, I'd just like to add that our neighborhood alone, which has 18 homes, pays Aqua Missouri a total of \$405.54 per month for a total of \$4866.48 per year. Given that our lagoon is only getting routine maintenance, which is the chemicals once per month, the periodic testing, cutting the grass during the summer months, we estimate that it costs Aqua Missouri less than \$1500 per year to maintain our lagoon, leaving them with an estimated \$3400 in profits. That's based on our neighbors going out and looking

at the required chemicals that we used to have to buy, pricing them. We kind of knew what we had to put into it to maintain it, and they haven't done anything more than what we were doing, so we even figured in the cost of labor when we were figuring these out. So for all the reasons that I've outlined, the residents of Laymen Acres Subdivision do not support any rate increase for Aqua Missouri at this time.

BY JUDGE DIPPELL: Thank you. I will mark your letter as Hearing Exhibit Number #2, and you can give that to me. Commissioner Gaw, did you have questions?

BY COMMISSIONER GAW: No. Thank you very much, Ms. Hawk. I appreciate it.

BY JUDGE DIPPELL: Commissioner Appling? Mr. Mills?

BY MR. CRAIG: Mr. Mills? One moment, please. No questions. Thank you.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions, Your Honor.

BY JUDGE DIPPELL: Thank you, ma'am.  
You may be excused. Who's our next witness  
in Reeds Spring?

BY MR. OGLE: My name is John Ogle.  
My name is John Ogle. Spelled J-O-H-N,  
initial E, O-G-L-E.

**JOHN OGLE**

Having been first duly sworn and examined,  
testified as follows:

BY JUDGE DIPPLE: Go ahead and give  
us your address again, I'm sorry, and the  
type of service you have.

BY MR. OGLE: My address is HC1, Box  
4024-20, Shell Knob, Missouri 65747. I live  
in Lakewood Manor and I've lived there for  
about 11 years. And our system was  
originally owned by the developer, Mr. Frank  
Norton, and our system was adequate for our  
subdivision.

Frank was a person who never did anything  
if he couldn't make a profit, and as he  
worked his way out of our subdivision he sold  
the water system, water only, to Aqua  
Missouri. Since that time they've done  
nothing of value. In fact, I think our water

pressure is down from what it used to be. I have neighbors that tell me they're finding sand and dirt in their water now, and the service has been next to nothing.

I was involved in the cooperation of building our subsidized apartments in Shell Knob along with our senior center and we have asked for a quote to have them service our water and sewer system there. They came in with a quote greater than twice what another person came in. We've seen nothing of these people except for price increase. They've doubled their labor cost by using two people to read the meter. We've never had two people read the meter before. Never seen them in the subdivision otherwise. So this kind of increase is just pure poppycock and there's no reason for it. Maybe a 15 percent or 20 percent to cover their increased oil cost, but that's more than they deserve. Thank you.

BY JUDGE DIPPELL: Just a moment, sir. I think there's questions for you. I'm sorry, do you have both sewer and water service there?

BY MR. OGLE: No. We have water only.

BY JUDGE DIPPELL: Commissioner Gaw, did you have questions?

BY COMMISSIONER GAW: Hopefully very quickly. Would you tell me how long again you've had service on the system?

BY MR. OGLE: We have lived there for 11 years. At that time our developer, Frank Norton, owned the system. These people have only owned the system for about two years, and yet they're claiming there hasn't been an increase since 1996 or 1994.

BY COMMISSIONER GAW: Okay.

BY MR. OGLE: They've only had it for two years.

BY COMMISSIONER GAW: And the quality of water issue that you've mentioned, when did you first notice that?

BY MR. OGLE: Well, since they've been there our pressure has not been as good as it was before. I don't know what they've done to the system, but my neighbors tell me that they occasionally get dirt in their system. I haven't noticed that, but then we

filter a lot of stuff. So we're probably collecting and having to change our filters more often.

BY COMMISSIONER GAW: Okay. And can you describe how much of a problem the pressure issue is for you?

BY MR. OGLE: It's not a great amount of pressure problem for us, because we're the lowest house in the subdivision, but the people up the road a ways from us can have a serious problem.

BY COMMISSIONER GAW: Do you know if there are neighbors there tonight to talk about that?

BY MR. OGLE: Yes, there's several here.

BY COMMISSIONER GAW: Okay. I'll just wait and talk to some of them when they get up there then. Thank you very much, sir.

BY JUDGE DIPPELL: Commissioner Appling, do you have questions? Mr. Mills, do you have any questions?

BY MR. MILLS: No questions.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Oh, I'm sorry.  
Go ahead, sir.

BY MR. OGLE: These people don't  
deserve to be operating in the State of  
Missouri.

BY JUDGE DIPPELL: And, Mr. Krueger,  
did you have any questions?

BY MR. KRUEGER: No questions, Your  
Honor.

BY JUDGE DIPPELL: Thank you, Mr.  
Ogle. Who's our next witness at Point  
Lookout?

BY MR. BANGERT: Lucy Combs.

BY JUDGE DIPPELL: State your name.

BY MS. COMBS: My name is Lucy  
Combs.

BY JUDGE DIPPELL: I'm sorry, is she  
there?

BY MS. COMBS: Yes. My name is Lucy  
Combs, C-O-M-B-S.

**LUCY COMBS**

Having been first duly sworn and examined,  
testified as follows:

BY JUDGE DIPPELL: Thank you. Go  
ahead and give us your address and tell us



what kind of service you have.

BY MS. COMBS: I live at 211 River Bend Road in Branson and I'm under LTA Water Company, under Aqua now.

BY JUDGE DIPPELL: Go ahead with your comments, ma'am.

BY MS. COMBS: After receiving the July 21, 2006 letter from the Public Service Commission giving the staff's recommendation of the increase of 68.73 percent I called the Commission office and visited with Mr. Russo, inquiring why this large of an increase was justified. I inquired about the current status of the well system, of which I learned had been given an okay by the DNR inspection.

The review was limited, so I called the DNR office and visited with Yvonne and was told the well was inspected April the 19th, 2006, and no major improvements have occurred on this well. The status was unchanged from the copy of the inspection I have dated November the 21st, 1989.

As a citizen, I requested a copy of the current inspection by phone and I have now - I now have to contact the file service clerk

and fill out forms and pay a fee for this report, of which I did not obtain but I received - I spoke with the representative on the phone. May I also note that current inspection shows the well is grandfathered as it was built in October of 1979, before more regulations were formed to support quality water. Recently, the well service was sold by the Lipscombs to Aqua RU, Incorporated, and that occurred on December the 3rd, 2004. And at that time a review of the operation's cost, income, and reserve funds was very adequate. The well service was evaluated at a rate making of 17,500, and also the sale of that well to Aqua was \$25,000. What has occurred in approximately two years - what has occurred in approximately two years to warrant around a 69-percent increase? My question is: Was this well evaluated independently from other entities owned by this company? And I have another question: If not, why? That is all I have to say. That is my testimony.

BY JUDGE DIPPELL: Thank you, ma'am.  
Commissioner Gaw, did you have questions for

this witness?

BY COMMISSIONER GAW: Ma'am, could you tell me again how long you've been a customer on this line, on the service that you have currently?

BY MS. COMBS: Since 1987.

BY COMMISSIONER GAW: 1987. And have you noticed a change in the quality of service during that timeframe?

BY MS. COMBS: Personally, myself I have not, because we are on a gravity flow, and so I do not or have not seen change. And we do have filtering systems both in the house, regulating filtering system, in the house filtering system.

BY COMMISSIONER GAW: Okay. Thank you very much, ma'am.

BY JUDGE DIPPELL: Commissioner Appling, do you have questions? Commissioner, or, I'm sorry, Mr. Mills do you have questions?

BY MR. MILLS: Yes, I do. Just a quick question. On the LTA system do you have problems with sediment in the water or excessive chlorine smell or taste?

BY MS. COMBS: As I said, everything is so well filtered, but my husband changes the filtering system and I do know that we for a while have had periods of time in which the filtering system had to be changed more often.

BY MR. MILLS: Thank you.

BY MS. COMBS: There are certain periods of time.

BY JUDGE DIPPELL: Mr. Ellinger, did you have questions?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions, Your Honor.

BY JUDGE DIPPELL: Thank you, ma'am. Who's our next - oh, I'm sorry, we're in Jefferson City. I have the next witness. I have down Bernie Rademan, but does he wish to testify? Okay. So the next witness is Richard White. Okay. James Howard?

**JAMES HOWARD**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Thank you. If

you could give us your name and spell your last name for the court reporter.

BY MR. HOWARD: James Howard, J-A-M-E-S H-O-W-A-R-D, 2838 Foxdale Drive, Jefferson City, Missouri. I receive sewer service from Aqua Missouri.

BY JUDGE DIPPELL: Thank you. Go ahead with your comments.

BY MR. HOWARD: Commissioner Gaw, I want to commend you on your no call list that you helped pass, but you didn't quite go far enough. You should have addressed the blast faxes for those of us who are in business.

BY MR. GAW: You are absolutely right. You are absolutely right. Thank you, sir.

BY MR. HOWARD: Thanks for having this forum. In the early 1990's I sat before a forum like this, very similar to this, with several other people who are probably in this room as well. That forum was held in the Truman Building and at that time it was a forum with reference to Captain of the Sewer District, Rick Helms, and another gentleman, it slips my mind, who was taking over our

sewer district or our sewer system that we have or had in our subdivision. And like the young lady that left you the letter, we were told the same thing as she, that if the sewer district were to change hands it was our understanding that it was not rated successfully that it would have an opportunity to come back to us, the owners of that district.

After this meeting was held, we found out that Mr. Helms had been an employee of the State and had actually drafted or helped draft some of the regulations that took this sewer district from us that we owned and put it in his hands. He paid nothing for it. We paid for the entire complete sewer system that we have in our subdivision of Quail Valley Lake. We have a septic tank system with a gray water collection system is what we have, which was approved when the subdivision was platted by DNR. It operated - it was operated by us at a very minimal cost. Mr. Helms formed I think it was Capitol Sewer District, Capitol Utilities I think was the name of it later, and then in

turn sold all of the sewer districts that were taken over from the owners at a later date. What enumeration he received from it I don't know, but I'm certain it wasn't free gratis.

In our sewer system, as I said, we have septic tanks and then the way our system operates is that the gray water is then picked up by a collection, central collection system, and then goes into a further treatment plant, so really the only thing basically that's going into that further processing center would be your gray water. Just this past summer, we spent, and I'm saying "we," I'm talking about the members of our association, spent \$125 per person to pump our own septic tanks, because Aqua Missouri told us they were not responsible for doing that. It was our responsibility. So if you take - and I don't know the number of homes that we've got, but we've got roughly 60 in our subdivision, take 60 times \$125 and see what we paid. In addition to that, we had - I had even contacted Aqua Missouri some time ago about thinking that it

was their responsibility to pump our tanks, but they said, "No, it's not. It's your responsibility. You're going to have to pump them." And our association, because we live on a beautiful 40-acre lake, our association wanted to keep our water in the lake and so forth clean. We've had problems with Aqua Source with our lift pumps, not maintaining them, and the sewage running right into the darn lake. And obviously when you've got a nice body of water like that you like to keep it clean, so we agreed to pump them. The entire association pumped them. And we have at this point in time set up to where we're planning on pumping them every two or three years, because we can't get any service out of Aqua Source. Or Aqua Missouri, beg your pardon.

If you take and figure that cost every couple of years of \$125 into the rate that they're asking for, what does this really make this rate increase? It's not 20 percent or 30 percent, it's a lot more than that. And the other point that we have is that these lift pumps that we have around the



lake, we've had any number of times when those pumps are not working properly and the effluent from our tanks is running out of the collection pit, I live right next to one of them, and right into our lake. That's all I've got to say.

BY JUDGE DIPPELL: Thank you, sir. Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: Just a few. How long have you lived out there?

BY MR. HOWARD: I built the house in 1989.

BY COMMISSIONER GAW: Okay. And how long has Aqua Missouri or Aqua Source owned or been a part of that system?

BY MR. HOWARD: Well, it actually started out in the early '90's, '92, '93, with Rick Helms and he had a partner and it was called, I think, Capitol Utilities and we met, like I said, right in the Truman Building. And I'm going to say something a little out of order here, but I'm going to say it anyway. It was a waste of my time, and I hope tonight is not that way, but it

was a waste of my time going to that meeting and voicing my concern back in 1991 or '92, early '90's, because it was cut and dry before I ever left that meeting what was going to transpire. When we left the meeting they were giving one another high fives and so forth and they already knew what was transpiring. And if this meeting is that way then I'm really going to be disappointed. I'm sorry, go ahead.

BY COMMISSIONER GAW: No, I want you to say what you think. That's what I'm here to hear. Let me ask you about the septic tank issue, though, prior to this timeframe when you --

BY MR. HOWARD: Okay. Well, I'll go back a little further then.

BY COMMISSIONER GAW: -- to pump them out. I'm trying to understand --

BY JUDGE DIPPELL: The court reporter can only get one of you at a time.

BY COMMISSIONER GAW: And she's not with us, so it makes it even more difficult.

BY MR. HOWARD: Here's what we were

told.

BY COMMISSIONER GAW: Okay.

BY MR. HOWARD: We were told that Aqua Source was responsible from the septic tank out.

BY COMMISSIONER GAW: Can you clarify who told you that?

BY MR. HOWARD: Aqua Source told us this.

BY COMMISSIONER GAW: Okay. Keep going.

BY MR. HOWARD: Okay. And they told me that personally.

BY COMMISSIONER GAW: Do you know who it was by chance, do you remember?

BY MR. HOWARD: No, I don't.

BY COMMISSIONER GAW: Go ahead.

BY MR. HOWARD: I had pumped my tank out to - I think all of us in our subdivision are very subdivision oriented. We like the area, we like our way of life, and we want to keep it that way. When I built in 1989, I'll go back all the way that far, we had a septic tank with an aerator in it and a field. Okay. Then in about, I'm not sure the year,

but it was early '90's, we put in a collection system, the collection of the gray water. And then of course we had the meeting at the Truman Building and so forth and sometime later on, and I can't tell you the exact year, I'll say '93 or '94, was when Capitol Utilities took over the entire sewer system, which was ours. We built it. And so that's what we were told. And we had already planned on and I can show you letters that the association, our association, has sent out that we plan on pumping these tanks every two to three years, to try and maintain them.

BY COMMISSIONER GAW: Has anyone else, other than your association, ever pumped these tanks?

BY MR. HOWARD: I pumped mine, actually, when we put the fields in, from when we took them away from the fields and went to the collection system, and I'm sure several of my neighbors have pumped them as well, sure.

BY COMMISSIONER GAW: But the company, Capitol or Aqua Source, have they ever pumped these tanks?

BY MR. HOWARD: No.

BY COMMISSIONER GAW: Do you know if there's any - did you ever see anything in writing about it? That would be helpful if you had anything --

BY MR. HOWARD: I cannot say that I personally have.

BY COMMISSIONER GAW: Okay. If you happen to run across --

BY MR. HOWARD: I think the association secretary, Rita Storey, may very well have. There are other members here from our neighborhood, so they may have something in writing. I'm not one that really keeps correspondence like that.

BY COMMISSIONER GAW: I understand. If you happen to have somebody that runs across it, would you mind having it sent to us?

BY MR. HOWARD: Don't mind at all.

BY COMMISSIONER GAW: Thank you very much.

BY JUDGE DIPPELL: Commissioner Applling, did you have questions?

BY COMMISSIONER APPLING: Just a

minute or two. Mr. Howard, thank you for coming in. Have you observed any services that have been provided by Aqua in the last couple of years or so?

BY MR. HOWARD: Any services? Well, yes, like I said, I mentioned that I live right next to the lift station and they have come out, I can't tell you with what regularity, but every week or two weeks or whatever back I'm going to say a year ago or so now. We had problems again with sewage running into our lake and the developer actually threatened a lawsuit. I don't know where the lawsuit went, but threatened a lawsuit against Aqua Source because they were not keeping the pumps up, and I can verify that as far as that is concerned. And they started coming out, when this lawsuit was threatened, more often and checking the lift pumps, but I cannot give you the exact number of times per month or per six-month period that they come out. I cannot answer that.

BY COMMISSIONER APPLING: How long has Aqua been providing service at the Quail Village?

BY MR. HOWARD: It's changed hands three or four times since we went with Capitol Utilities, and so I'm going to guess probably two or three years, four years. I don't know. Since they took over from Aqua Source, I think that's who they took over from.

BY COMMISSIONER APPLING: Taking into consideration that things are going up, we all feel that at the gas pump and everywhere we go, is there a number you could support this company with as far as an increase?

BY MR. HOWARD: Nothing unless I see they improve their service, because I don't see that their service has improved one bit.

I've seen that they have bought new vehicles to run up and down the road with. You know, a company, if you're in business you can show on a profit and loss statement a lot of different numbers simply by the income that you have coming in and the money that you spend, and I can affect in a business and show a large loss or a gain by how I spend that money. And, again, if I'm running a

business, for example, that I want to show a loss, I can go out and make expenditures on equipment, trucks and so forth, that I very may well sell to some other provider at a later date and show a loss on paper. Even though I have to depreciate that out, different things are depreciated at different rates and I can still show a loss on that business. So it's easily done for not only Aqua Missouri or any business to show those figures, and this is done quite often by a corporation to affect their tax status.

BY COMMISSIONER APPLING: What business do you run? I understand you have your own business.

BY MR. HOWARD: I'm an insurance broker.

BY COMMISSIONER APPLING: Okay. Is your office presently in your home location?

BY MR. HOWARD: No, sir.

BY COMMISSIONER APPLING: Who provides your water to you at your office?

BY MR. HOWARD: Water District Number Two, I think it is, out off of, what's



the name of that, Rainbow. I think it's Number Two. And speaking of them, since you brought that up, I noticed where they were just granted a very large rate increase by, I assume, I'm not sure whether it's new legislation, I think maybe, they got nine cents. Not nine percent, nine cents on their base rate. I think that's a little less than what Aqua Source is asking for on their water increase.

BY COMMISSIONER APPLING: Thank you, Mr. Howard. Thank you for coming in.

BY JUDGE DIPPELL: Mr. Mills, do you have any questions?

BY MR. MILLS: I don't. Thank you.

BY JUDGE DIPPELL: I'm sorry?

BY MR. MILLS: I have no questions.  
Thank you.

BY JUDGE DIPPELL: Thank you. Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions.

BY JUDGE DIPPELL: Thank you, Mr. Howard.

BY MR. HOWARD: Thank you.

BY JUDGE DIPPELL: Who's our next witness at Reeds Spring? I'm not hearing any audio from Reeds Spring. Oh, there you are. Sir, can you state your name and spell it for the court reporter?

BY MR. HORVATH: My name is Leo J. Horvath, H-O-R-V, as in Victor, A-T-H.

**LEO HORVATH**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Could you give us your address and state what kind of service you have?

BY MR. HORVATH: I have water service only. I'm in Lakewood Manor. My address is HC1, Box 4024-5, Shell Knob, Missouri 65747.

BY JUDGE DIPPELL: Thank you. Go ahead with your comments.

BY MR. HORVATH: Actually, my comments have already been addressed, but just to reiterate, I hope that the Public Service Commission requires Aqua to compare the costs, the operating costs of the system,

prior to when they took over to what they're stating their actual costs are now. That's already been mentioned. The other comment deals with the quality of the water. There is a definite chemical taste to our water, which wasn't present before Aqua took the system over, to the extent that it's difficult on a lot of days to even make a decent pot of coffee. So that's all I have.

BY JUDGE DIPPELL: Okay.

Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: No. Thank you very much, sir.

BY JUDGE DIPPELL: Commissioner Appling?

BY COMMISSIONER APPLING: No questions.

BY JUDGE DIPPELL: Mr. Mills?

BY MR. MILLS: Mr. Horvath, the chemical smell you mentioned, is that chlorine or something different?

BY MR. HORVATH: You know, I can't exactly determine what it is. We had broached this subject with one of the

employees of Aqua, and actually he looked at a sample of it, we collected a sample of it and gave it to him for analysis, and the answer was that the chemicals in the water were within the limits, I guess, that are acceptable. However, I don't think the percentage of the chemicals actually can tell you how the water tastes, so for what that's worth.

BY MR. MILLS: Okay. Thank you.

BY JUDGE DIPPELL: Mr. Ellinger, did you have questions?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions.

BY JUDGE DIPPELL: Thank you, Mr. Horvath. Who's our next witness at Point Lookout?

BY MR. BANGERT: June Kueckler.

BY MS. KUECKLER: My name is June Kuechler.

BY JUDGE DIPPELL: Ms. Kuechler, can you spell your last name?

BY MS. KUECKLER: Yes, I will. It's K-U-E-C-H-L-E-R. I live at 275 River Drive,

Branson. I have water service only.

JUNE KUECHLER

Having been first duly sworn and examined,  
testified as follows:

BY JUDGE DIPPELL: And you said you  
have water service only?

BY MS. KUECHLER: Water service  
only.

BY JUDGE DIPPELL: Okay. Go ahead  
with your comments.

BY MS. KUECHLER: I just had a brief  
comment. The company has access to free raw  
materials and their cost has been extracting  
and distributing this. I believe in profits,  
but this reflects price gouging, and someone  
has to step up here and take a closer look at  
this company, and I hope it could be you.

BY JUDGE DIPPELL: Thank you.  
Commissioner Gaw, did you have questions for  
this witness?

BY COMMISSIONER GAW: No questions.  
Thank you, ma'am.

BY JUDGE DIPPELL: Commissioner  
Appling?

BY COMMISSIONER APPLING: No

questions, ma'am. Thank you very much for coming in.

BY JUDGE DIPPELL: Mr. Mills?

BY MR. MILLS: No questions.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions.

BY JUDGE DIPPELL: Thank you, ma'am.

All right. Our next witness in Jefferson City is Keith Kempker.

**KEITH KEMPKER**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Thank you. If you could spell your name for the court reporter and give us your address.

BY MR. KEMPKER: Sure. My name is Keith Kempker. First name is K-E-I-T-H, last name is Kempker, K-E-M-P-K-E-R. We live at 11422 Valley View Court in Holts Summit, Missouri and sewer only.

BY JUDGE DIPPELL: Go ahead with your comments, sir.

BY MR. KEMPKER: I'd like to make a

comment that some maintenance was performed at our sewer facility back in I believe it was 1992, or, I'm sorry, 2002 or 2003. The maintenance that was performed was on a portion of the sewer - part of the sewer facility that is not currently being used. The maintenance that was performed was they replaced part of the plastic lining to keep - I'm assuming it's used to keep grass and weeds from growing inside the plant. However, they failed to repair the 12-inch to 14-inch gap between the ground and the bottom of the fence to keep the small critters, raccoons, possums, foxes, coyotes out from tearing up the liner in the first place. In my opinion, that should have been repaired as well, but it wasn't. I think to this day that part of that liner is tore up already.

I would also like to agree with some comments that were made previously tonight that the 42-, 43-percent increase on the sewer is too much at once, that a three- to six-percent increase should be considered instead of such a large increase at one time. It's ridiculous, in my opinion, for any

company to say that they're going to increase rates at that high of a percent.

I'm also hearing other comments that were - I believe the gentleman that spoke before me, about sewage spilling in a lake. Doesn't DNR or can DNR fine utility companies that - to where they have spills that go into a waterway? I know you guys can't answer that, but, you know, what's being done to - or, I'm sorry, what is Aqua Missouri doing to prevent those types of sewage spills from happening again? And that's more or less just a comment.

BY JUDGE DIPPELL: Okay.

BY MR. KEMPKER: And that's all I have to say. Thank you.

BY JUDGE DIPPELL: Thank you, sir. Commissioner Gaw, did you have questions?

BY COMMISSIONER GAW: No questions, but, Mr. Kempker, I appreciate you re-raising that question and I would hope that we could get a report from staff at some point on this issue of the lake and this allegation regarding sewage spill and some report back from DNR about whether that's been looked



into.

BY MR. KRUEGER: I will see that that's done, Commissioner.

BY JUDGE DIPPELL: And that was Mr. Krueger talking. Commissioner Appling, did you have questions? Mr. Mills?

BY MR. MILLS: No questions.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions.

BY JUDGE DIPPELL: Thank you, Mr. Kempker.

BY MR. KEMPKER: Thank you.

BY JUDGE DIPPELL: Who's my next witness at Reeds Spring?

BY MR. KISLER: My name is Marvin Kisler, K-I-S-L-E-R. I live at HCR1, Box 4018, Shell Knob, Missouri. I live in Lakewood Manor. We purchased our home --

BY JUDGE DIPPELL: Wait just a moment, Mr. Kisler. Can I swear you in?

BY MR. KISLER: Okay.

**NORMAN KISLER**

Having been first duly sworn and examined,

testified as follows:

BY JUDGE DIPPELL: Thank you. Tell me again where you live and how long you've been there.

BY MR. KISLER: HCR1, Box 4018, zip code 65747, Shell Knob, Missouri. I live in Lakewood Manor.

BY JUDGE DIPPELL: Thank you.

BY MR. KISLER: We moved in July - okay.

BY JUDGE DIPPELL: Go ahead.

BY MR. KISLER: Okay. In 1994 we purchased our home. We were part of a community well at that time and up to about a year and a half ago every month a water test was taken from the outside faucet on one of the homes. We always had a superior reading on our water. Since that time that Aqua has taken over, they're asking for 143-percent increase on something that they have made worse now than what it was before. I don't know what they were trying to put in the water that gives it a bad odor. Like Jim said, it makes bad coffee. But once in a while everything goes smooth, everything's

all right, and back here comes the odor again.

The people on the well below us, we're number three on the well, people below us are picking up dirt, sand in their water. So that means we have some more broken lines under the ground. We've had four I know that broke. Three right at your corner and one down at the road that Jim and Mary live on. That's, yeah, Briarcliff Road. Their main broke. I cannot understand on the sheet here that they are saying my monthly minimum bill currently is \$15.71. In the years that we have been there we have only gone over the minimum weight - or rate. Weight. The rate approximately five times in all those years, and what is our minimum rate? Nine dollars and, what, five cents, two cents a month, which we had good service, the well was well taken care of, there always seemed to be enough money set aside for emergency. That was pretty well taken care of in a reasonable manner. They called the contractors in Shell Knob and they'd get a plumber and a backhoe, go in and fix it and everything would turn

out fine. Now we're losing pressure. If I'm in the shower and somebody flushes the stool, man I'm hurting to get out of that shower. If they're trying to water the yard and you turn on the dishwasher, you can't do both.

Something is going wrong with our system.

We are not receiving anything that is the amount of 143.25-percent increase. I have a new neighbor on the line with me. The water meter should have been approximately 30 feet from my property line, which was told to us by the real estate people. When they come in to find this water line it was in the middle of my property, about 30 feet from the end of the property. I had put in a driveway down through my property and I had it offset to go around where the water meter was supposed to be. So when they finally got it hooked up, they come out with a backhoe, did a good job of digging it out, cut across my driveway, when they left they had done nothing besides taking the backhoe and driving across my yard and trying to smooth it out. They had rocks in there as big as my head, sitting in my front yard. On the driveway the asphalt,

they just let it go. Then my neighbor came from the end of my driveway over to his house to have the water put in, then the meter, and then he paid to have it put in his house. What did Aqua pay here? They couldn't even get a permit to put this other house on there, because it was already listed on the sheet that it was there. So something is bad wrong with the new company. They've got too many things off on the side of the shelf. I'm going to be quiet for a little while.

BY JUDGE DIPPELL: Thank you, sir. Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: I think I'd like to hear that one more time.

BY MR. KISLER: We have several that want to hear one more time.

BY COMMISSIONER GAW: I'm sure that's right. Let me say to you I'd invite you out to my house, because I've got the same problem, but I'm on a well and it's not quite deep enough and believe me I share your pain, but not for the same reason.

BY MR. KISLER: There was always money left over for coming up with

emergencies. There was enough money to add a new tank three years ago, and the rates didn't go up. Something's not right.

BY COMMISSIONER GAW: Something's not right you say, but let me ask you this. The pressure problems that you're having, when did that start, do you know?

BY MR. KISLER: About a year and a half, two years ago. It's gradually going down. I think there's a leak again.

BY COMMISSIONER GAW: Say that again. I'm sorry, I talked over the top of you.

BY MR. KISLER: I think there is a leak in the line again and you can't get anyone to come out and try to find out where it is. They say uh-huh, get in the truck and go.

BY COMMISSIONER GAW: Who do you call - who do you call when you have a problem like that?

BY MR. KISLER: We used to call the owner of the well, Martin, attorney, and they wouldn't take but a very short time till he would call a plumber or someone to come out

and fix it.

BY COMMISSIONER GAW: Okay. And now when you're calling who are you calling?

BY MR. KISLER: Yeah, that's a good idea. I haven't found that out yet. They probably ain't going to let me know either. I'm sorry, I'm very bitter. 143-percent increase.

BY COMMISSIONER GAW: If you're calling can you tell me who it is you try to call? Is there a local number or is it a number outside of your area?

BY MR. KISLER: On the water bill that we get there is an 800 number on the first sheet. Aqua Missouri. Thank you. It ain't coming out.

BY COMMISSIONER GAW: It's coming out just fine.

BY MR. KISLER: I think this is the worst case of price gouging I have ever seen in my life. 143-percent increase for less amount of service. I quit. I'm getting raring to go here.

BY COMMISSIONER GAW: Sir, thank you very much for coming tonight. I appreciate

hearing from you.

BY JUDGE DIPPELL: Commissioner Appling, do you have questions?

BY COMMISSIONER APPLING: No. I thank you very much for coming in. You seem to be pretty fired up so I better let you go. Thank you.

BY JUDGE DIPPELL: Mr. Mills?

BY MR. MILLS: Just one question.

BY JUDGE DIPPELL: Mr. Mills, do you have a question?

BY MR. MILLS: What was the percent increase again?

BY MR. KISLER: I didn't understand what he said.

BY COMMISSIONER GAW: He said something about 143 percent.

BY MR. MILLS: What percent was that again?

BY MR. KISLER: That's the increase that they want.

BY MR. MILLS: That's all. That's all the questions I have. Thank you.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.



BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions, Your Honor.

BY JUDGE DIPPELL: Thank you. Thank you, Mr. Kisler.

BY MR. KISLER: Thank you.

BY JUDGE DIPPELL: Who's our next witness at Point Lookout?

BY MR. BANGERT: Harry Waterson.

**HARRY WATERSON**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Thank you. If you could give us your name and spell it for the court reporter.

BY MR. WATERSON: My name is Harry Waterson, H-A-R-R-Y W-A-T-E-R-S-O-N.

BY JUDGE DIPPELL: Could you give us your address?

BY MR. WATERSON: It's 383 River Drive, Branson, Missouri 65616.

BY JUDGE DIPPELL: And what kind of service do you have, sir?

BY MR. WATERSON: Water service with the LTA water service area.

BY JUDGE DIPPELL: Go ahead with your comments.

BY MR. WATERSON: I spent a lot of time reviewing all of the documents on your website and I find that there really is not enough information, not enough detail to make a value judgment about just whether this increase is required or not. You give an analysis, there's a rate making income statement for the water, but it is for this little 98-person area and doesn't explain where the figures come from. They have to have a basis. There has to be some allocation that has been decided, I assume, by the people who have made this agreement with Aqua Missouri. This doesn't give me a basis of comparison. I don't know how much you've allocated from each area to go into making up these numbers. The devil is always in the detail, and there's no detail here.

Likewise, you say that there is - that the LTA is supposed to get a reasonable return, but that reasonable return is not identified if you just say that they are allowed to make a reasonable return. It

would be nice to know what the Public Service Commission thinks that reasonable return should be. So I'm just - my only - like I've only lived here for a year, but my only point is that I don't have enough information to make a value judgment.

BY JUDGE DIPPELL: Thank you, sir. I'm going to ask if staff can also get with this gentleman and maybe explain some of those numbers a little bit better at a later time. I won't ask you, sir, to give your phone number over the internet, but if you would let our staff member there, Mr. Bangert, know how he might be able to contact you, unless he can actually answer your questions for you this evening, with regard to some of those - how you can find some of those details. Mr. Mills may also be able to give you some of that information. Commissioner Gaw, did you have questions?

BY COMMISSIONER GAW: No. Thank you, sir, for coming.

BY JUDGE DIPPELL: Commissioner Applling, did you have questions? Mr. Mills, did you have questions?

BY MR. MILLS: I don't have any questions. Thank you.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions, Your Honor.

BY JUDGE DIPPELL: Thank you, Mr. Waterson. Okay, our next witness in Jefferson City is - I have both Joe and Margie Crowe. Are the other or both of you interested in testifying?

**JOSEPH CROWE**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Thank you. If you could state your name and spell it for the court reporter.

BY MR. CROWE: My name is Joseph Crowe, J-O-S-E-P-H C-R-O-W-E. I live at 1025 Waters Edge Drive, Eugene, Missouri and we have both water and sewer.

BY JUDGE DIPPELL: Go ahead with your comments.

BY MR. CROWE: We moved into our

home in November of '01. At that time, when we hooked up the water was extremely discolored, we had a lot of rust bacteria and real problems with the company trying to get service and get it straightened out. Since that time, due to many pressures where we've dealt with both PSC and DNR, bringing pressure to bear upon the company, those things have been resolved to a degree. We still get some discolored water, especially if water would stand over any period of time.

You still get a lot of brown staining out of the water. Where we really notice it the most is when you leave for work during the day and your stool is clean when you left, the bathroom stool, you come home in the evening and you have a brown ring around it where the water has sat there.

When we first moved in the water pressure did not fluctuate as much as it has now. About three weeks ago I went to wash my car and the water just barely trickled out of the end of the spray nozzle. Last year DNR came out and put a meter on the hydrants of the house and they said we had, if I recall, 21

pounds of pressure, which was good pressure at that time. But since then it's degraded, which we thought the company had then placed a standpipe, which was promised back when they were Capitol Utilities. A standpipe was promised at that time. Within the last year and a half to two years that's been put up. So there are some upgrades that they have done, but we're still looking at many things that need to be done to stabilize the pressure on the sewer side.

There are 42 houses within the area at the current time. One of the developers has a plan to place about 138 houses. There's 138 different lots there. We're told that the sewer will not accept any more houses at all. We have some people that have lots and have original lots from the original planning where the sewer lines were laid back in the early '70's when the area was impounded, they are not allowed to hook on. They asked to hook on and are told they can't. Some people that have the lot next to us had planned to build this year, are not able to hook on. Since then they've gone and bought a house

elsewhere. That impacts the property values that we have, because it degrades them very, very much.

We have a separate lot which the line is on, just kind of an investment for later years or something to leave as an heir to the children, and if they wanted to build at the current time we're told it's not a buildable lot. So they have done some upgrades. They are due some increase. When they first started asking, in '05 they asked for 256 percent. Now we're down to 56 percent on the water and 42 percent on the sewer. It's still a little much for what we're getting.

BY JUDGE DIPPELL: Thank you, sir. Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: Would you remind me on what you're currently paying for both services?

BY MR. CROWE: Right now between the two we're paying about \$33 a month, for both water and sewer.

BY COMMISSIONER GAW: Is the sewer a flat rate or is it based upon use of water?

BY MR. CROWE: It's a flat rate.

There's no usage for water.

BY COMMISSIONER GAW: So water's not metered either?

BY MR. CROWE: It's metered, but it's just the two of us in the house, so we usually just use the minimum.

BY COMMISSIONER GAW: Okay. All right. And do you know has anyone tested the water in regard to the discoloration issue, so you could maybe share with us what that is, if you know.

BY MR. CROWE: In placing the standpipe the company - and turning it on, the company came out and they had to purge the well and actually do what is called a shock to the well.

BY COMMISSIONER GAW: Uh-huh.

BY MR. CROWE: Where they pump the water out and then they put the chlorine and other chemicals into it and force the water back in. That worked because we also had shigella bacteria at the time, which prompted some of the things going on. They came around and notified us what they were doing, provided us with bottle water, things of that



nature. They were okay to deal with on those things. It's just the original things, trying to get the problem solved initially, took a lot of fight. The discoloration is not as bad as it was, but the water pressure has gotten worse within the last year, a whole lot worse than what it was.

BY COMMISSIONER GAW: Have you complained about that to the company?

BY MR. CROWE: Not us specifically, but several of our neighbors have. Some of the neighbors that had never had problems before, we walked around and talked to several of the neighbors the other evening before this meeting reminding and asking if they'd come and join us here, and several said they were having real problems with their water pressure.

BY COMMISSIONER GAW: Thank you very much for coming.

BY MR. CROWE: Okay. Thank you.

BY JUDGE DIPPELL: Commissioner Appling, do you have questions?

BY COMMISSIONER APPLING: Just one question, Judge. Mr. Crowe, who is your

builder? Who built your house down there, do you know?

BY MR. CROWE: Yeah, Danny Zumwalt built my house.

BY COMMISSIONER APPLING: Thank you very much.

BY JUDGE DIPPELL: Are there any questions, Mr. Mills?

BY MR. MILLS: No, I have no questions. Thank you.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: Thank you, Judge. Mr. Crowe, my name is Marc Ellinger, excuse me, so everyone can hear on the record. You had mentioned that you're not able to build on your extra lot?

BY MR. CROWE: That's correct.

BY MR. ELLINGER: Have you approached Aqua Missouri and requested sewer service and filled out an application for service on that lot?

BY MR. CROWE: Not specifically those things, no. What we have asked for is if at sometime we did want to leave the lot to one of the kids or something like that

would it be buildable. We were told, no, it would not be. We've asked, you know, can we get something that would say at some point we would be - would it be able to be built on, and we've not gotten anything from them on that.

BY MR. ELLINGER: If I could follow up on that, Aqua Missouri is obviously a sewer company and a water company. Can you indicate who told you that the lot itself was not buildable?

BY MR. CROWE: I'll defer to my wife. She was the one that actually made the phone call. I believe she talked to Tina.

BY MS. CROWE: Would you like me to be sworn in?

BY JUDGE DIPPELL: If you don't mind, ma'am, if you could come forward and give us your name.

**MARGIE CROWE**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Thank you. You'll need to kind of speak into the microphone there so the court reporter can

hear you.

BY MS. CROWE: My name is Margie Crowe. I am the one who has dealt with Aqua Source over the past few years. It started in 2002. I do have something I would like to submit --

BY JUDGE DIPPELL: Okay.

BY MS. CROWE: -- when I leave here. I was not told - I was told that the lot was not a buildable lot. I've called in several times. I cannot tell you who I talked to. I have pages of notes starting back in 2002. I sent him up here tonight because I get so irritated and so - I'm just outraged at what's went on out there. I have requested to speak with Tina many times. She's refused to return my phone calls. We have to call over into Illinois and then tell them our problem, then they call back over here to tell them what our problem is. And if that works that's fine, but this lot, and I asked for the purpose of I want to know what our lot is worth. We don't intend on building it right now. I was told that we could not hook onto the sewer and have been told more than

one time, and I think that is a problem.

We run our sewer line from lot number 132, we run it across 132, which was the developer's lot. We run it across the adjacent lot, which was not ours at the time.

It was 133 and we ended up buying it. We built on lot 134. Now if want to sell lot 133 we can't put sewer there. Lot 135, which is on the other side of our lot, that family wanted to have sewer put on their lot. Very nice couple. We would have enjoyed having them as neighbors. They were not allowed to run that sewer on across.

No, we did not come in and fill out a permit to put the sewer. I see no use in it.

But if I've got a lot that I can put sewer on I would like to have it in writing, because I can't trust these people. I'm sorry, but I don't trust them. I feel we should be able to hook on the sewer line. We're told it's overloaded. Well, who overloaded it? You know, you've got all these lots sitting there that somebody may want to hook onto it. We have a new developer that comes in and he starts

building houses. Who allowed him to do that?

Aqua Source, or Aqua Missouri now. And if it's overloaded because all these extra houses have been added, why should we have to pay to have that upgraded, and this is part of what probably this huge increase is. And I'm in agreement with everybody else, I think this is horrible, the increase that's being asked. But yet there's been worse ones in the past. Now we haven't been out there but, what, five years and I've seen just about all I want to see.

This was supposed to have been our retirement home. It's not a place that I'm going to be able to stay if this stuff keeps up. What I think and I understand is right now there's a tug of war going on here on this sewer system out there. Nobody wants to pay for the upgrades. Well, I certainly don't think it needs to go back to the homeowners, because some of this stuff should have been done long before now. That sewer should never have been overloaded.

People like the fellow that owned his lots, I don't know how long they've been over

there, but they've had it a long time, that wanted to build there should have been able to hook on before Becker hooked on. Becker's got a house sitting out there now. Now they put a stop to it. Or DNR did, I don't know who did, but he's got a house sitting up there now and I don't think it's been hooked on. I work, I'm not there during the day.

BY JUDGE DIPPELL: I'm sorry, are you saying Becker? Is that the name?

BY MS. CROWE: Yeah. He's the developer out there now.

BY JUDGE DIPPELL: Okay.

BY MS. CROWE: And we did not have - and that's who built - I believe you asked who built our home. We did not deal with the developer out there. But we're sitting in a really bad spot right now. We got our home hooked up. It cost us quite a bit of money to run that sewer line over to our lot, which is something a developer usually does in a subdivision, from what I understand. They usually put in the roads and the sewer lines and the water lines and everything. But a remark was made that "I purchased the assets

and not liabilities, so anybody that wants to put sewer in has to do it themselves." Now my question would be could we, if we wanted to hook on, if we wanted to hook on without going through the process of applying for a permit and all this, could we hook on our lot number 133 at this time? That would be my question. And then my next question would be, if the answer was yes, could I have it in writing, please? If we're told no again, then why not and when is the problem going to be fixed?

The lady across the lake from us is trying to get a house built over there. From what I understood, she nagged enough that she finally got it. I'm tired of nagging, I'm getting too old to nag, and I'm fed up with it. And I don't like turning loose of stuff, but I'm really getting tired of it. I don't - I don't like being ignored when I'm trying to fix a problem. I don't like making phone calls, and I haven't made phone calls for quite some time, I don't like making phone calls and someone telling me that she will return my call and then not hear anything



back. The one time I got a return phone call is I threatened to go to the newspaper. I have pictures right here that shows why I nagged and why I've got pages and pages of notes. You can probably see the color of this from where you're sitting. This is what I'm tired of. It's a lot better now. It's still there. But now we've got probably a bigger problem than this on the sewer out there. An increase in the water, a reasonable increase I could see. An increase on the sewer, huh-uh. I don't see it. I better shut up, because I'm really getting irritated again.

BY JUDGE DIPPELL: And, ma'am, you said you had something you wanted to have marked as an exhibit?

BY MS. CROWE: Yes. I want to include this.

BY JUDGE DIPPELL: Okay. Just go ahead and stay there just for a moment and let's see if there's any other questions. Mr. Ellinger, did you have any other questions?

BY MR. ELLINGER: No further.

BY JUDGE DIPPELL: Mr. Krueger, did you have questions for either of these witnesses?

BY MR. KRUEGER: Are those pictures identified? Does it tell what they are?

BY MS. CROWE: Well, you can see what it is. It's a bathtub. It's a jetted tub.

BY JUDGE DIPPELL: Ma'am, can I get you to speak in the microphone just so the --

BY MS. CROWE: It's a jetted tub that the water in these pictures have not been doctored and this is exactly what it looks like. The water was run into the tub and this is what it started out with. This is back in 2002. I've got this hanging up at my wall at work. People just have more fun with this. This is a tub and that's when the water was drained from the tub, that's what was left, the film, and there's the paper towels that cleaned it up. And, needless to say, we don't use that jetted tub very much because we have been told - and maybe it's better now. I'm afraid to use it. And my dishwasher, my new dishwasher in my new home

is discolored inside. It's kind of a yellowy looking color now from the iron. And I'm told by Water District Two, I believe is who I talked to, that this can be treated, that it can be gotten rid of. I can't tell you the name of the man I talked to, but he said don't let them tell you it can't be. He said it can be treated. He said it's expensive, but it can be treated. He wears white shirts. Do you know how mad I've gotten? Oh, I'm sure I'm the big B out there, so.

BY JUDGE DIPPELL: Mr. Krueger, anything else?

BY MR. KRUEGER: No other questions. Thank you.

BY JUDGE DIPPELL: Mr. Mills, did you have any additional questions for this witness?

BY MR. MILLS: I don't believe so. It's hard to tell from here what the pictures are. We may ask some questions at some later point in this proceeding, but I don't have any questions right now.

BY JUDGE DIPPELL: Thank you. Commissioner Gaw, I didn't ask if you had

additional questions.

BY COMMISSIONER GAW: Well, just for purposes of being absolutely clear, those are pictures taken in 2002 in your house and this is on the system that we've been talking about tonight, the Aqua Missouri service?

BY MS. CROWE: Yes, sir, that's correct. It's dated with my name and address on it. And let me clarify. It's nothing like this now.

BY COMMISSIONER GAW: Okay.

BY MS. CROWE: But this is what we've dealt with over the past, and I could provide pages of notes that it took to get this taken care of. Poor service, very poor service.

BY COMMISSIONER GAW: And you've already said those are accurate representations of what that looked like --

BY MS. CROWE: Yes, sir.

BY COMMISSIONER GAW: -- at the time?

BY MS. CROWE: I took them with my camera, they have not been doctored up, and it looks like what it actually looked like. I've seen water come out of an outside faucet

that had so much discoloration in it that for the first few seconds it come out it almost resembled blood. That's what it made me think of when I first seen it.

BY COMMISSIONER GAW: Thank you very much, ma'am.

BY JUDGE DIPPELL: Commissioner Appling, did you have any additional questions?

BY COMMISSIONER APPLING: No additional.

BY JUDGE DIPPELL: Okay. Thank you. You may both be excused and I will mark your exhibit I believe as Exhibit Number #4. Who's our next witness in Reeds Spring? Before we get to that witness, though, let me ask the court reporter if she needs a break.

BY THE COURT REPORTER: I wouldn't mind a couple of minutes.

BY MR. CRAIG: Yeah, could we have a couple of minutes, please, Judge? Thank you.

BY JUDGE DIPPELL: Okay. We're going to take a 10-minute break. I have about three minutes after eight by the clock here so we'll take a 10-minute break. We can go

off the record.

(Off the record)

(Back on the record)

BY JUDGE DIPPELL: Okay. Let's go back on the record, and we have our next witness at Reeds Spring. Or let me say before you get started, since we have 12 witnesses right now that have signed up that want to testify at the various - that's all over the various locations, I'm going to continue going in rotation, and so we may be going past nine. If you can't stay that late and you want to make written comments you can do that as well, so I just want to say that right now. So let's go ahead with our witness in Reeds Spring. Could you please raise your right hand?

**THOMAS KELLEY**

Having been first duly sworn and examined,  
testified as follows:

BY JUDGE DIPPELL: Thank you. If you could state your name and spell it for the court reporter.

BY MR. KELLEY: Thomas Kelley, K-E-L-L-E-Y.

BY JUDGE DIPPELL: And your address, sir?

BY MR. KELLEY: HC1, Box 4024-10, Shell Knob, 65747.

BY JUDGE DIPPELL: And you have water or sewer or both?

BY MR. KELLEY: Water.

BY JUDGE DIPPELL: Go ahead with your comments.

BY MR. KELLEY: Well, most of the topics I want to comment about have already been discussed, so I'll be brief. I'd just like to make a couple of statements. One is I got a letter on July 21st, or of July 21st, saying that the water company needed 143-percent increase. I called the numbers they said to call. I talked to Mr. Russo and discussed that. Here about a week ago I got another letter saying that it'd been revised to 63 percent. That letter was clearly misleading and it was intended solely, I think, to reduce the criticism of this rate increase, to just mislead people so I think it was a very unethical act.

Secondly, I think with these high prices,

some of these people now that have landscaping are going to be paying seven to eight hundred dollars a month for water bills. That's going to force people to looking into putting in their own private wells. If that happens, I think that's going to hurt the entire program, because it's going to pass the cost on the lower usage people. That's all I have to say.

BY JUDGE DIPPELL: Thank you, Mr. Kelley. Commissioner Appling, do you have questions?

BY COMMISSIONER APPLING: Judge, thank you, but I have no questions. Thank you, sir, for coming.

BY JUDGE DIPPELL: Mr. Mills do you have questions?

BY MR. MILLS: I do. Thank you. Could you please explain why the second notice that you received about a week ago, I believe you described it as misleading and unethical, can you give us some more detail on that, please?

BY MR. KELLEY: Well, I have it here. It says that Aqua Missouri has filed



revised water increase tariff sheets that would increase customer rates by approximately 63 percent. That's a far cry from the 143.25 percent we were told originally.

BY MR. MILLS: Okay.

BY MR. KELLEY: Which is still --

BY MR. MILLS: Sure. But in what sense is that misleading?

BY MR. KELLEY: Well, we were told 143 percent originally. Now I get a letter that implies they reduced it to 63 percent.

BY MR. MILLS: Okay. I think I understand what you're saying. Thank you. That's all I have.

BY JUDGE DIPPELL: Mr. Ellinger, did you have --

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: When did you receive the letter that said there would be 143-percent increase or that 143-percent was sought?

BY MR. KELLEY: I think the letter

was dated July 21st.

BY MR. KRUEGER: Of this year?

BY MR. KELLEY: Yes.

BY MR. KRUEGER: And then you received another one from the company that said 63 percent?

BY MR. KELLEY: About a week ago.

BY MR. KRUEGER: And what service area are you in, are you in Lakewood Manor?

BY MR. KELLEY: Yes, I am.

BY MR. KRUEGER: Thank you.

BY JUDGE DIPPELL: Thank you, Mr. Kelley. Who's our next witness at Point Lookout? We seem to have lost Point Lookout. We'll take just one minute, since our court reporter is there, and try to get them back online. Our next witness in Jefferson City, when we get to it, will be - it looks like Sharon maybe or Sharm. Okay, thank you. Point Lookout are you there?

BY MR. CRAIG: Yeah, we're back. We caught the end of Keith Krueger's last question and we need to actually go back to that point. Can we?

BY JUDGE DIPPELL: I'll just have

the court reporter, we can supply her with the CD, if that would be possible, of the transcript and she can get it from there.

BY MR. CRAIG: That would be acceptable.

BY JUDGE DIPPELL: So let's go to our next witness then at Point Lookout.

BY MR. BANGERT: John Atkins.

**JOHN ATKINS**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Thank you. If you could spell your name for the court reporter and give us your address.

BY MR. ATKINS: John Atkins. J-O-H-N A-T-K-I-N-S.

BY JUDGE DIPPELL: And your address?

BY MR. ATKINS: 494 River Drive, Branson, Missouri 65616.

BY JUDGE DIPPELL: And do you have water service or sewer service and what area are you in?

BY MR. ATKINS: Just water service from LTA.

BY JUDGE DIPPELL: Thank you, sir.

Go ahead with your comments.

BY MR. ATKINS: I gave a letter to be placed in the record to the officials here today. My comparison in looking at this was with a private company within two miles of LTA and with a public company, the City of Branson, in which we are residents. The rates are very unequal from one to the other.

The private company is lower, the City is very much lower, and I would be opposed to the rate increase as they are asking. In my residence I am on a whole house filter system and I do have to change the filter about regularly every three to four months, and that's my comments.

BY JUDGE DIPPELL: Thank you Mr. Atkins. And I will mention that earlier I said I was on Exhibit #4, but the photographs I've actually marked as Exhibit #3. I'll mark the letter that you admitted as Exhibit Number #4 and if you can give that to the court reporter that would be appreciated. Commissioner Appling, do you have - I'm sorry, Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: No. Thank you very much, sir.

BY JUDGE DIPPELL: Commissioner Appling?

BY COMMISSIONER GAW: Actually, I'm sorry, I didn't mean to interrupt, if I could just ask, sir, I understand you're opposed to the increase, correct?

BY MR. ATKINS: Correct.

BY COMMISSIONER GAW: And are you opposed to it because of the difference in the rates that you see in other areas around you or is it related to the quality of service or both?

BY MR. ATKINS: It's probably both, but mostly where we are living at this time.

BY COMMISSIONER GAW: Could you clarify that for me just a little more?

BY MR. ATKINS: It would be to both, as the rate increase, but mainly where we are living at this time. This seems to be the largest increase.

BY COMMISSIONER GAW: Thank you very much, sir.

BY JUDGE DIPPELL: Commissioner

Appling? Mr. Mills?

BY MR. MILLS: No questions.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions, Your Honor.

BY JUDGE DIPPELL: Thank you, Mr. Atkins. You may be excused.

BY MR. ATKINS: Thank you very much.

BY JUDGE DIPPELL: Our next witness in Jefferson City is Sharon and it's Scheulen?

BY MS. SCHEULEN: Scheulen?

BY JUDGE DIPPELL: Yes.

**SHARON SCHEULEN**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Thank you. If you could spell your name, or state your name and spell it for the court reporter.

BY MS. SCHEULEN: Sharon Scheulen, S-C-H-E-U-L-E-N.

BY JUDGE DIPPELL: And can you give us your address, Ms. Scheulen?

BY MS. SCHEULEN: 6423 Kleffner  
Ridge, Jefferson City, Missouri 65101.

BY JUDGE DIPPELL: And I may need to  
get you to scoot just a little closer to the  
microphone when you speak, and if you can  
tell us if you have water, sewer --

BY MS. SCHEULEN: Sewer only.

BY JUDGE DIPPELL: Okay. And what  
area is that?

BY MS. SCHEULEN: That is in - well,  
it's classified as Jefferson City, but it's  
Warsville (ph).

BY JUDGE DIPPELL: Okay.

BY MS. SCHEULEN: It's a new  
subdivision. I think we were the second  
house that was built there. Okay. Our  
problem's going to be a little bit different  
than everybody has heard before. Like I  
said, it's a new subdivision and we built  
there and moved in our house April of 2005.  
And in the back of our yard right where our  
land ends, is where they have the pump for  
the sewer station and it's very loud. When  
we first looked at our land there it wasn't  
on. There was only house there, and I don't

even think it was turned on, and it was very peaceful and quiet there. If we would have known it was going to be like it is now we wouldn't have bought this land. So we're hoping that something's going to be done about it. Our neighbor also is here, he had - Mr. Supanis (ph) had called the Public Service Commission and they told him that it would even get worse. Right now there's eight or nine houses built now that is on the sewer system. I think there are three or four more houses scheduled to be - start building this fall. When the whole subdivision is completed he said it would be running all the time. Now it's loud enough, I don't have a reading as far as the decibels, but we have a big deck, so if you sit out there and you're trying to relax it is so frustrating to hear this you can't sit out there. We've had company where we're out there and it's almost a joke. They can't believe that we're having to put up with this. So I'm hoping that something will be done about this.

Forty-two percent, that's too large of an



increase for anybody. And talking about the money, right now if we wanted to sell our house and we had a potential buyer come to our house and we took them out on the deck and they heard this, I'm sure that they would not want to buy. I think it would cost us the sale of the house, and if it didn't I think it would cause us to have to reduce the amount of the house dramatically. I'm hoping somebody will somebody out there to test it. It comes up out of a holler, so for our house and the house next to us it's just really loud. That's all I have to say.

BY JUDGE DIPPELL: Thank you.  
Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: Have you contacted the company about this issue?

BY MS. SCHEULEN: The only thing, well, we just found out that the company had taken that over. We thought that it was still the gentleman that built the subdivision and we had been talking to him about it and he kept saying, "Yeah, I'm going to do something. I'm going to build a block house around it" or whatever. So then when

we found out that the Aqua people have taken that over, and about that time we got this letter, so that's why we came here. So no.

BY COMMISSIONER GAW: Okay.

BY MS. SCHEULEN: Now we did talk - I mean, they've come down and serviced it like two or three times a week.

BY COMMISSIONER GAW: Yes.

BY MS. SCHEULEN: I mean, so it seems like their service is very good.

BY COMMISSIONER GAW: Okay.

BY MS. SCHEULEN: And my husband even talked to one of the guys that come down there and do whatever they do to maintain it and asked if they could not change the schedule of when it comes on, so maybe it's not on at the times that we're sitting out there. But it didn't seem to matter, because it seems like now there's enough houses there that it just comes on more often.

BY COMMISSIONER GAW: This is one more report I'd like to get back from staff about that issue.

BY MR. KRUEGER: We will do that, Commissioner.

BY COMMISSIONER GAW: Ma'am, maybe we'll find out a little bit more about what the options are and possibilities.

BY MS. SCHEULEN: Okay.

BY COMMISSIONER GAW: Can you tell me what you're paying right now?

BY MS. SCHEULEN: 22.50, I think.

BY COMMISSIONER GAW: Twenty - I'm sorry?

BY MS. SCHEULEN: 22.50, I think.

BY COMMISSIONER GAW: 22.50. Thank you very much.

BY JUDGE DIPPELL: Commissioner Appling, do you have questions?

BY COMMISSIONER APPLING: No, I don't have any questions, but (inaudible). This is going out to where your location is. You're out there with the Gratts (ph) right?

BY MS. SCHEULEN: Out that direction.

BY COMMISSIONER APPLING: Thank you very much for coming in. Sorry this is happening to you, so maybe we can have somebody take a look at it.

BY MS. SCHEULEN: Okay.

BY COMMISSIONER APPLING: Thank you.

BY JUDGE DIPPELL: Mr. Mills, do you have questions?

BY MR. MILLS: Just a few. Just to try and get an idea of how loud it is, I mean, can you put it in comparison to, you know, a vacuum cleaner, a jet airplane taking off? I mean, can you converse when it's running if you're out on your deck?

BY MS. SCHEULEN: Well, you're definitely talking louder, because it becomes more of a nuisance. Pretty soon the inside of your head feels like it's vibrating. But I will not go sit out there and read in peace because after a while it becomes so irritating that, you know, you just go back in the house. No, it's not like a jet taking off, it's not like, you know, a vacuum cleaner that's right there, but it's enough to where if you're sitting there having a conversation with company and it comes on everybody stops and says, "What is that?"

BY MR. MILLS: What times of day does it come on? Is it regular or is it just

at random times?

BY MS. SCHEULEN: Well, it is set on a time clock, I believe, because like I said before we had asked the technicians or the maintenance guys that come in if they could change that so it kicks on at different times when we would not be out there, and they said they would, and it didn't seem to help much, if they even did that. We're not for sure. But, see, we've got a lot more houses there, and the more houses the more often it's going to run. Plus, and I didn't think to say a while ago, that we found out from our contractor that they probably will be building another one next to it as the subdivision gets longer, so then we're going to have double the trouble.

BY MR. MILLS: And how many hours a day does it run now?

BY MS. SCHEULEN: Well, I don't know. I've not really timed it. But I very seldom don't hear it.

BY MR. MILLS: So it's on --

BY MS. SCHEULEN: And at night when it kicks on and I'm in the house and the

windows are closed I can hear it.

BY MR. MILLS: Okay. Thank you. I appreciate that.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: What is the name of your subdivision?

BY MS. SCHEULEN: It's Kleffner Subdivision.

BY JUDGE DIPPELL: Thank you. You may be excused. Who's our next witness at Reeds Spring? Can you hear me in Reeds Spring?

BY MR. NICHOL: Yes, Judge.

BY JUDGE DIPPELL: Okay.

BY MR. RENNER: My name is Darrell Renner.

BY JUDGE DIPPELL: And could you raise your hand please, your right hand?

**DARRELL RENNER**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Could you please

state your name and spell it for the court reporter?

BY MR. RENNER: Darrell Renner, D-A-R-R-E-L-L, Renner, R-E-N-N-E-R.

BY JUDGE DIPPELL: Mr. Renner, what's your address?

BY MR. RENNER: HCR-3, Box 3520, Shell Knob, Missouri.

BY JUDGE DIPPELL: And do you have water there or sewer or both?

BY MR. RENNER: Water only.

BY JUDGE DIPPELL: Go ahead with your comments.

BY MR. RENNER: The rates we have now are - I have a resort and it's in the Ozark Mountain area and the Clayport Subdivision. And previous, when it was Ozark, we had the same service, we had better water pressure, the same quality of water. Nothing has changed as far as any of those. When Aqua Source came in they had a lot of problems, their pipes and stuff were breaking, and the previous people that put it in didn't save by using thin wall pipe instead of heavy wall pipe. And Aqua Source

knew that when they bought it and so they put in a new well and stand pipes or put all that in new, which increased the pressure even more and made more leaks. So to keep the leaks down they cut the pressure down to where it's about a third of what it was. And I'm on the very end of the line and when the resort is full, and I'm talking using 25 to 30 thousand gallons of water a month, some people have already complained about that they're - in some of the units that the water pressure isn't very good at all. And I cannot see how, as a business man, how I can afford an increase in something that I'm getting less quality, or the quality but I'm getting less for. I'm getting less water for more money. I don't think that's just at all. And everything else has already been addressed that I had in my notes. That's all.

BY JUDGE DIPPELL: Thank you. Thank you. Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: No. Thank you very much, sir, for coming. We appreciate



your comments.

BY JUDGE DIPPELL: Commissioner  
Appling? Mr. Mills?

BY MR. MILLS: No questions.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions.

BY JUDGE DIPPELL: Thank you, sir.  
Who's our next witness at Point Lookout?

BY MR. BANGERT: Joanne Reinhard.

**JOANNE REINHARD**

Having been first duly sworn and examined,  
testified as follows:

BY JUDGE DIPPELL: Thank you. If  
you could state your name and spell it.

BY MS. REINHARD: Joanne M.  
Reinhard. J-O-A-N-N-E M R-E-I-N-H-A-R-D.

BY JUDGE DIPPELL: Ms. Reinhard,  
could you give us your address?

BY MS. REINHARD: 237 Lakeshore  
Drive, Shell Knob, Missouri 65747.

BY JUDGE DIPPELL: And do you have  
water or sewer or both?

BY MS. REINHARD: Water only and it

was Ozark Mountain.

BY JUDGE DIPPELL: Go ahead with your comments.

BY MS. REINHARD: Well, I'd like to kind of represent other people from our subdivision who weren't able to be here, and most of us are retired and on fixed incomes and many are in ill health at the present moment. And we have many part-timers who are only using the minimum or not even using the minimum and paying for it, so there's quite a bit of profit, I'd say, on vacation homes there. And our rates have more than doubled already since Aqua Missouri took us over. In 2000 we received an increase and then in 2002 they requested 54.4 percent increase, and I don't remember how much they got, I couldn't find my letter before I came. The present rates that we pay now are approaching what we paid in the large city we came from for the water, sewer, and garbage, and many days we also have too chlorine in our water. And then we brought an 85-year-old lady with us tonight too from Lakewood Manor who isn't able to testify, but she cannot believe that

her rate will be approved at 143-percent increase. Thank you.

BY JUDGE DIPPELL: Thank you. Could you at least give us the name of the lady that you brought with you tonight?

BY MS. REINHARD: Marie Merz, M-A-R-I-E M-E-R-Z.

BY JUDGE DIPPELL: Thank you.

BY MS. REINHARD: And that'd be at HCR-1 in Shell Knob.

BY JUDGE DIPPELL: And Commissioner Gaw, do you have questions for Ms. Reinhard?

BY COMMISSIONER GAW: I do not. Thank you very much for coming, ma'am.

BY JUDGE DIPPELL: Commissioner Appling?

BY COMMISSIONER APPLING: Judge, no questions. Thank you.

BY JUDGE DIPPELL: Mr. Mills?

BY MR. MILLS: No questions. Thank you.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions, Your Honor.

BY JUDGE DIPPELL: Thank you, Ms. Reinhard. You may be excused. Our next witness in Jefferson City is Lyndell Salmons.

**LYNDELL SALMONS**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Thank you. If you could state your name and spell it, please.

BY MR. SALMONS: First name is Lyndell, L-Y-N-D-E-L-L, last name is Salmons, S-A-L-M-O-N-S. I live at 123-A Melanda (ph) Lake in New Bloomfield, Missouri 65063.

BY JUDGE DIPPELL: And do you have water or sewer service or both?

BY MR. SALMONS: Sewer only.

BY JUDGE DIPPELL: Thank you. Go ahead with your comments.

BY MR. SALMONS: My comments are similar to one of the ladies earlier that had some rental property. We have duplexes not only in Calloway County but also in Cole County and we deal with Aqua Source, Aqua

Missouri in both locations. Capitol Utilities and Helms Environmental prior to that. One of the main problems that we have is we pay, like this lady said, on our rentals whether we have anybody in the unit or not. In Cole County we have metered water and we try to explain to them that if the water wasn't off why do we have to pay for sewer, and we've argued back and forth with them with no results really. I think this is very unfair. Just one of the problems we had with Aqua Source over the period.

When you talk about the service, well, let me give you a prime example of that. Two months ago I went out and talked to them about a problem we're having in Cole County.

We have acreage there behind the duplexes and there's an old lagoon system that's probably 15, 20 years old, and I got a letter from DNR saying that the neighbor downstream from me was complaining about the lagoon, I was going to have to do something with it. Well, during checking and one thing and another I find out that there's a couple of houses still using that lagoon, so I can't

terminate the lagoon because it's got people using it. I went and talked to the people about the houses, because it goes back to when the county first put the system in, I don't know who it goes back to, but I finally went and talked to Aqua Source on it and their engineers out there. They told me they were going to do some checking on it and find out why these people weren't hooked up to the sewer system that runs all the way around, and I've never gotten any answer back.

We have duplexes in New Bloomfield. When Rick Thad (ph) but the sewer system in out there for Ryan's Lake, we paid him for a portion of that sewer system to hook our duplexes on to it. We didn't even know Aqua Source existed until we get a letter from them saying that we owed a year's back payment for the sewer system. We had to cough up several thousand dollars for the sewer system. Had no choice, no say in the matter, and now when I ask them, well, I'm going to build, I've got four more lots on this lake. I'm going to build four more buildings on this lake. Is there going to be

any problem hooking to the sewer system?  
Will the sewer system carry it? It's been  
two months, still no answer. It's not only  
poor service, you can't get any answer out of  
them.

I feel like I'm dealing with Exxon Mobile  
or BP or somebody when they talk about a rate  
increase. It's like highway robbery at the  
gas pump. It's the same difference.

I'd like to have some kind of resolution  
on this lagoon behind my property south of  
Jeff City on Cassidy Road, whether it's Aqua  
Source, whether it's DNR or whoever it is I'm  
tired of the buck rolling off of somebody's  
desk and nobody ever answering the problem.  
Don't these people have to answer to  
anything, to anybody? They just ask for a  
rate and get it? Who do they answer to? Not  
the people, because the people I guarantee  
would have done shut them down. I'm going to  
have to - I'm going to have to cool it,  
because I'll go off on a tangent here in just  
a New York minute. It's ridiculous. We're  
all being scammed.

BY JUDGE DIPPELL: Mr. Salmons, can

I ask you a question? Is the lagoon that you were discussing, you said it's behind your property, it's not actually --

BY MR. SALMONS: It's on my property.

BY JUDGE DIPPELL: It's on your property?

BY MR. SALMONS: Yes, ma'am.

BY JUDGE DIPPELL: And when were the conversations that you had with Aqua Missouri about the lagoon?

BY MR. SALMONS: Approximately two months ago.

BY JUDGE DIPPELL: Okay.  
Commissioner Gaw, do you have any questions?

BY COMMISSIONER GAW: I don't want to get you stirred up any more than you already are.

BY MR. SALMONS: I'll try to be cool.

BY COMMISSIONER GAW: But I do want to try to inquire if it's all right. You tell me if I push some buttons that make you want to say stop. In regard to your contact



with this company.

BY MR. SALMONS: Yes, sir.

BY COMMISSIONER GAW: Do you know who you were talking to when you did have those conversations?

BY MR. SALMONS: Yes, sir.

BY JUDGE DIPPELL: Mr. Salmons, could I get you to speak into the microphone?

BY MR. SALMONS: Yes, sir, I know.

BY COMMISSIONER GAW: Who was it?

BY MR. SALMONS: A gentleman named Aaron.

BY COMMISSIONER GAW: Okay.

BY MR. SALMONS: He's at one of the meetings tonight as an engineer with Aqua Source.

BY COMMISSIONER GAW: Do you know where his office is?

BY MR. SALMONS: Yes. Apache Flats.

BY COMMISSIONER GAW: Apache Flats?

BY MR. SALMONS: Yes.

BY COMMISSIONER GAW: You don't know his last name, do you?

BY MR. SALMONS: No, sir, but she mentioned it tonight. He's at one of the

other meetings.

BY COMMISSIONER GAW: Okay. All right. Now have you made attempts to call them since two months ago or try to get in touch with them?

BY MR. SALMONS: No, sir. I'm a project superintendent and I work out of town most of the time. But I have two phones, I give him both the numbers, I can be gotten ahold of anywhere.

BY COMMISSIONER GAW: Okay. It seems to be a recurrent theme tonight about having people not getting calls back, I've noticed.

BY MR. SALMONS: You try to call Tina and see what kind of luck you have. That's all I've got to say about that.

BY COMMISSIONER GAW: We might need to do some inquiring about that one too. I appreciate knowing about this.

BY MR. SALMONS: We run a business, they run a business, if when you call me I don't answer the phone or I don't get back to you, I don't stay in business.

BY COMMISSIONER GAW: And that is

because your business is one where --

BY MR. SALMONS: We're a service business.

BY COMMISSIONER GAW: -- people have a choice, right?

BY MR. SALMONS: That's right.

BY COMMISSIONER GAW: You don't have a choice here, do you?

BY MR. SALMONS: No, and it's not right.

BY COMMISSIONER GAW: So if they don't get back to you what do you do?

BY MR. SALMONS: If I had - I have sewer system with this outfit with the poor service.

BY COMMISSIONER GAW: Yes, sir.

BY MR. SALMONS: If I had water system, like these other people, I would carry my water from a bucket - with a bucket from a well from somewhere else before I would buy their water.

BY COMMISSIONER GAW: I'm pushing your buttons and I don't want to do that too much farther, but I do want this information so I thank you for bearing with me.

BY MR. SALMONS: Not a problem.

BY COMMISSIONER GAW: If it looks like to you - I want to get something in my head here. The properties that you've been telling me about, is that where you live or is that a different location?

BY MR. SALMONS: We own rental property in Castle Grove south of Jeff in Cole County. We live in New Bloomfield.

BY COMMISSIONER GAW: That's what I heard you say.

BY MR. SALMONS: We also have rental property there. Aqua Source drives across my property on an easement to get to their sewer systems on both locations. I grade the road so they can get to sewer systems.

BY COMMISSIONER GAW: Your private road?

BY MR. SALMONS: Yes, sir. Thank you, Aqua Source.

BY COMMISSIONER GAW: I'm going to stop. I think I've done enough here. But if there's anything else you want to tell me I'll listen to you.

BY MR. SALMONS: The State of

Missouri needs to make a big adjustment.

BY COMMISSIONER GAW: I heard you.  
Thank you, sir. Thank you very much.

BY MR. SALMONS: Thank you.

BY JUDGE DIPPELL: Commissioner  
Appling, do you have questions?

BY COMMISSIONER APPLING: Thank you,  
sir.

BY JUDGE DIPPELL: Mr. Mills, do you  
have questions?

BY MR. MILLS: I don't have any  
questions. Thank you.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions, Your  
Honor.

BY JUDGE DIPPELL: Thank you. Thank  
you, Mr. Salmons.

BY MR. SALMONS: Thank you.

BY JUDGE DIPPELL: Who's our next  
witness at Reeds Spring?

**GENE CARLSEN**

Having been first duly sworn and examined,  
testified as follows:

BY JUDGE DIPPELL: Go ahead.

BY MR. CARLSEN: My address is HCR-1, Box 4023, Shell Knob, Missouri, Lakewood Manor.

BY JUDGE DIPPELL: I'm sorry, could I get your name and spelling?

BY GENE CARLSEN: Name is Gene, G-E-N-E, Carlsen, C-A-R-L-S-E-N.

BY JUDGE DIPPELL: Thank you, Mr. Carlsen. Do you have sewer or water or both?

BY MR. CARLSEN: Just water.

BY JUDGE DIPPELL: Go ahead with your comments.

BY MR. CARLSEN: I've been here for three hours and all I've heard is frustration from customers of Aqua. It seems the burden is being put on the customer and not the service. Do you call, do you call, do you follow up. Hey, if I call I expect an answer. It's not my job to be calling Aqua and asking. It's their job to respond to me and give an answer. That's all I heard tonight was people complaining about the service. What are you going to do about that?

The other comment is 143-percent increase in rates. Somebody at Aqua is not playing with a full deck and this Commission - we shouldn't even have this meeting tonight discussing this rate increase. The Commission should have said, "No way, guys. That's extraordinarily too high. We don't even need to talk about it. We don't even need to address it to the customers." 143 percent. Why are we here talking about this?

Why aren't you doing your job saying, "Hey, that's too much. Go back and do another job, another figure"? I understand rate increases, but I don't understand 143 percent rate increase. It's obscene. I'm the lucky person in Lakewood Manor. I can take a shower and flush my toilet without getting chased out. But I'm glad I came to this meeting because now I know why my soft water unit doesn't work. It gets clogged up with all the sand and rock that comes through the line. I have to get (inaudible). I've got bad water. I didn't know that until tonight. You know, this isn't even realistic when you're talking about 140-percent rate

increase. People have talked about the smell of the water (inaudible). Somebody wants to pad the old pocketbook back here. I think you've heard enough comments tonight to justify that, hey, this isn't going to work.

BY JUDGE DIPPELL: Mr. Carlsen, you were talking about something not working right. Was that a soft water or hot water?

BY MR. CARLSEN: I've got a soft water unit in my house and the thing works sometimes and then all of a sudden it doesn't work. I called Sears out and now they've got to fix this thing. Well, they come out, they've got to clean it and take all the rock and sand out of it so it works again. Well, it'll work another three months and then it's again not working. I didn't know I had that bad of water. I knew it was hard, but I didn't know it was that hard.

BY JUDGE DIPPELL: Thank you. Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: Sir, thank you for coming tonight. You asked a question. We're really not in a position to answer



questions, but I want to try to give you a response about why this Commission is even considering this. The Commission has yet to consider to approve any increase in this case and we will not do so until we have heard from you and the others who wish to talk to us when we have these public hearings. So I just want to let you know that there has been no approval by the Commission itself in regard to any increases in this case.

BY MR. CARLSEN: You know, Commissioner, it's a done deal on the increase.

BY JUDGE DIPPELL: I'm sorry, Mr. Carlsen, could you turn toward the microphone? We can't hear you.

BY COMMISSIONER GAW: Yes, it would help. I can't quite hear you.

BY MR. CARLSEN: Well, we know it's a done deal. We know they're going to get a rate increase, it's just how much. This is just a ploy just to get everybody agitated, you know, and talk about it, but we know something's going to happen. It may not be this much. It may be too much anyway but it

may not be this much. It's a waste of time to be here talking about this, because we know there's going to be a rate increase, we just don't know how much.

BY COMMISSIONER GAW: Go ahead, sir.

BY MR. CARLSEN: I've got one more comment too.

BY COMMISSIONER GAW: Yes, go ahead.

BY MR. CARLSEN: The insurance broker tonight hit the nail right on top of the head. You can juggle those numbers any way you want to juggle those numbers to show a profit or loss. Everybody knows that. If you want to show a gain you do this, if you want to show a loss you do that. Is that public record? Can I get a copy of it?

BY COMMISSIONER GAW: Let me ask staff about that for you, since they're here. Do you want me to do that?

BY MR. CARLSEN: Yes.

BY COMMISSIONER GAW: How about it, Staff? How much of this information is available to these people to look at?

BY MR. NICHOL: All of our EMS runs are available, Commissioner.

BY COMMISSIONER GAW: And how would they get copies of those?

BY MR. NICHOL: We have them here, Commissioner.

BY JUDGE DIPPELL: I'm sorry, who was that speaking?

BY MR. NICHOL: This is Bill Nichol, and I have copies of the run.

BY COMMISSIONER GAW: Okay. Sir, would you be able to get copies while you're down there so they can take a look at that information?

BY MR. NICHOL: I will give him copies tonight.

BY COMMISSIONER GAW: Okay, good.

BY MR. CARLSEN: One more comment.

BY COMMISSIONER GAW: Go ahead.

BY MR. CARLSEN: There was a guy that I talked to earlier, I don't know his name, but he talked about cost and investment into the system. I haven't heard a word tonight from anybody about what investments they're going to make in our system. I hear

a lot of problems with the system. I hear low water pressure, I hear it costs a lot, bad smell, what are they going to do about it? What investment are they going to make into the system? There's a lot of answers here that need to be addressed on what they're going to do to improve the system to justify this rate increase. That's what I want to know.

BY COMMISSIONER GAW: Yes, sir.

BY MR. CARLSEN: I think if you guys are doing your job you'd just be saying this is obscene. 143 percent. Come on, guys. We shouldn't be talking about this high a rate increase.

BY COMMISSIONER GAW: That's all the questions I have right now, Judge. Thank you, sir.

BY JUDGE DIPPELL: Commissioner Appling, do you have questions? Mr. Mills?

BY MR. MILLS: I have no questions. Thank you.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions.

BY JUDGE DIPPELL: Thank you, Mr. Carlsen.

BY MR. CARLSEN: Thank you.

BY JUDGE DIPPELL: Who's our next witness at Point Lookout?

BY MR. BANGERT: We have no witnesses available at Point Lookout. The ones that had signed the signup sheet have left. We had about six that have left that had signed the sheet.

BY JUDGE DIPPELL: Okay. I have another witness on my list here in Jefferson City, so let's go ahead to her. Debra Barr.

**DEBRA BARR**

Having been first duly sworn and examined, testified as follows:

BY JUDGE DIPPELL: Thank you. Go ahead.

BY MS. BARR: Debra Barr, D-E-B-R-A, Barr, B-A-R-R. I'm at 10233 Waters Edge Drive, Eugene, Missouri 65032 and that's Lake Carmel Estates.

BY JUDGE DIPPELL: And that's water

or sewer?

BY MS. BARR: Both. And you may wonder why I'm still here and have been here since 5:30. It may seem trivial, but I just really want to emphasize we've been - our house was newly constructed. We've been in it three years. I live by the Crowes, who Joe and Margie testified earlier, and the water, it has improved. My concern again, like everyone else's, they want a huge rate increase and my water is still brown. And it's true like if it stands all day, you know, and you go home, like they were talking about their stool, there will be - there is stuff in there. And the thing that brought it home to me is I had a water bottle that I had filled from home and took it to work, you know, you reuse one, and it was sitting on my desk at work and my coworker goes, "What is in that?" I said, "My tap water." And it was brown. I mean, it wasn't like dark brown, it's improved.

BY JUDGE DIPPELL: I need you to speak up.

BY MS. BARR: It has improved. I

want to be clear on that. It has improved, but it's still not there. I'm here and I stayed here since 5:30 because I just want to make sure that our water quality continues to improve. Like I said, I've only been there three years, and so, you know, they put in a standing pipe, you know, they've done that and the workers that come there are friendly, but I have had issues too when you call the 800 number. There was one time they talked about they were going to shock our well, our system and I called to ask a question about it and the person who answered that was like, "I don't know." I'm like, "Well, you need to find out" and they wouldn't and I have also been transferred to I believe it was Illinois because they asked, "Well, where are you?" and I'm like, "Well, I'm here, where are you?" and they answered my question. I don't have e-mail at home and this person made a point of getting on the web and answering my question when the first person said, "Well, look on the website." I'm like, "I don't have access to that at home." It may seem stupid that I'm here since 5:30, but I'm

concerned that the quality continues to improve and that we don't go backwards, because I also know what Margie has gone through, from what she's told me, to get her water from what you saw to now. But it really brought home - that was a couple months ago when I had my water bottle sitting on my desk and my coworker went, "What is that?"

BY JUDGE DIPPELL: And, Ms. Barr, what is the time period? You said the water's gotten better, over what period, over those three years?

BY MS. BARR: Those three years, uh-huh. It's much better, but I don't - I tend to buy greens and yellows and not whites. And her husband has to wear white for work, so she didn't have an option.

BY JUDGE DIPPELL: And we don't think you're silly for staying. We appreciate your patience. That's why we're here.

BY MS. BARR: I do want to point out, you know, they've worked to improve it. The concern is is it going to continue,



especially after you get a rate increase.

BY JUDGE DIPPELL: Commissioner Gaw, do you have questions?

BY COMMISSIONER GAW: Is the quality of the water today satisfactory or does it still need improvement?

BY MS. BARR: I think it needs work.

BY COMMISSIONER GAW: Yes, ma'am. And so you still avoid whites today, correct?

BY MS. BARR: Yes.

BY COMMISSIONER GAW: That's what I thought you were telling me and I wanted to make sure I understood.

BY MS. BARR: And you have to really clean the stool a lot or the ring - it's only three years old and we have rings in our toilet, and to me that says a lot.

BY COMMISSIONER GAW: Do you have water pressure issues at your house?

BY MS. BARR: We haven't had as many, but we're not the type to run a hose outside and doing that. The standing pipe made a big difference.

BY COMMISSIONER GAW: Okay. Thank you very much for spending the time and

waiting for us. Thank you, Judge.

BY JUDGE DIPPELL: Commissioner  
Appling?

BY COMMISSIONER APPLING: Debra,  
thank you for coming out. I'm sorry that  
it's taken this length of time, but we will  
try to improve our process here too and not  
hold you this long, but thank you for coming  
and thank you for sharing what's going on at  
Lake Carmel. Thank you.

BY JUDGE DIPPELL: Mr. Mills?

BY MR. MILLS: No questions for this  
witness. Thank you.

BY JUDGE DIPPELL: Mr. Ellinger?

BY MR. ELLINGER: No questions.

BY JUDGE DIPPELL: Mr. Krueger?

BY MR. KRUEGER: No questions.

BY JUDGE DIPPELL: Thank you, Ms.  
Barr. Is there another witness at Reeds  
Spring?

BY MR. NICHOL: However, someone  
picked up the EMT run for Lakewood Manor. If  
that could be faxed to me tomorrow I'd see  
that the individual receives it.

BY JUDGE DIPPELL: I'm sorry, was

that a question for us? We couldn't understand.

BY MR. NICHOL: It was a request. The individual, Gene, the last witness, wanted the EMT run for Lakewood Manor. Someone has picked that up and it's not available now. If it would be faxed to my office tomorrow I will see that Gene gets it.

BY JUDGE DIPPELL: Okay. Thank you. And that's Mr. Nichol speaking.

BY MR. NICHOL: Yes. And there are no more witnesses here.

BY JUDGE DIPPELL: Thank you. Is there anyone else at Point Lookout that wanted to testify but didn't get a chance to?

BY MR. MILLS: I don't think so, Judge. There had been at least three people that told me that they were planning to submit written comments after the close of this hearing, either because they have laryngitis and can't speak very well or they weren't able to stay quite this late. So there are going to be some written comments coming in from this area.

BY JUDGE DIPPELL: Okay. Thank you.

Is there anyone else here in Jefferson City who wants to testify that didn't sign up? Okay, seeing no further --

BY MR. MILLS: One more thing.

BY JUDGE DIPPELL: I'm sorry. Mr. Mills?

BY MR. MILLS: One of the witnesses did leave written comments here with us before she left, and I would like to have that marked as an exhibit.

BY JUDGE DIPPELL: Okay. That would be Exhibit Number #5, and is there a name?

BY MR. MILLS: Yes, this is a statement of Carol J. St. Peter from Hollister, Missouri.

BY JUDGE DIPPELL: Okay. Thank you. If you could give that to the court reporter --

BY MR. MILLS: I will do that.

BY JUDGE DIPPELL: -- to be marked Exhibit Number #5. Is there anything else, Mr. Mills?

BY MR. MILLS: I don't believe so. Thank you.

BY JUDGE DIPPELL: Thank you.

Seeing nothing further for this hearing I  
will close the hearing and we can go off the  
record. Thank you.

(Hearing concluded at 9:10 p.m.)