

1 is not Staff's responsibility to prove that you should
2 have the certificate. It is the company's
3 responsibility --

4 A. I understand.

5 Q. -- who is applying for that certificate.

6 A. I understand. I'm simply suggesting if I'm
7 doing a good job managing Osage Water Company, to me,
8 in my mind, the only difference is it's a different
9 set of books, it's a different -- it's a different
10 name. It's the same job. It's different customers,
11 maybe a different computer, if necessary. Whatever
12 the requirements are we're willing to do it.

13 What we're not willing to do is give a
14 \$90,000 water system to a company that has not been
15 successful and continue to affiliate ourselves with
16 people who managed the company in a way that was not
17 satisfactory to our customers or to the Commission,
18 and that's the entire purpose of this application.

19 Q. Is to avoid having it under the name of
20 Osage Water Company?

21 A. Or be affiliated with the people therein,
22 yes, ma'am. It's not just the name. It's the people.
23 We want to disassociate ourselves with people who we
24 do not want to be affiliated with anymore.

25 Q. And what do you plan to do with the areas

1 that Osage Water Company currently serves?

2 A. We -- you mean different than what we're
3 doing now?

4 Q. Well, you want to disassociate yourselves
5 from Osage Water Company. Is that -- I thought I
6 heard you say that.

7 A. Right. We would love to do that, but we
8 feel like we have an obligation to our 400 customers,
9 some of whom are in our own subdivisions. We have
10 made a substantial investment in the company with zero
11 return.

12 Osage Water Company is at a point where it
13 has to borrow money. We need a cash infusion of money
14 to survive. When we have approached the partners in
15 Osage Water Company to go to the bank and borrow the
16 money necessary to bring all of their debts current,
17 no one was willing to do that. And Greg and I are not
18 willing to borrow any more money or infuse any more
19 money into the Osage Water Company, including our --
20 including our Golden Glade systems.

21 If we're doing all of the work and infusing
22 all of the money, we're not going to -- we're not
23 going to do that anymore. We're not going to give
24 them the system that we paid for, this system.

25 Q. Give them. Give who?

1 Q. Okay. And did Mr. Mitchell have general
2 control of day-to-day operations?

3 A. Yes, he did.

4 Q. And with respect to the other officers and
5 directors, was there a regular meeting, monthly
6 accounting reports, and anything of that sort that
7 took place during that time frame?

8 A. Not to my knowledge.

9 MR. WILLIAMS: What's our current exhibit
10 number?

11 JUDGE WOODRUFF: We would be up to 19.

12 (EXHIBIT NO. 19 WAS MARKED FOR
13 IDENTIFICATION.)

14 BY MR. WILLIAMS:

15 Q. Let me hand you what I've marked as
16 Exhibit 19, and ask you if you can identify this for
17 the Commission?

18 A. It's a photograph of the company records
19 that were placed on the porch of our locked office on
20 July 7, 4th of July weekend, while we were away from
21 the office.

22 Q. Does that exhibit consist of two
23 photographs?

24 A. Yes.

25 Q. And what do the boxes that are shown in that

1 photograph consist of?

2 A. It's all of the financial records of Osage
3 Water Company.

4 MR. WILLIAMS: I offer Exhibit 19 into
5 evidence.

6 THE WITNESS: Financial/regulatory.

7 BY MR. WILLIAMS:

8 Q. Now, these boxes that were left on your
9 doorstep, was this part of a prearranged plan?

10 A. No.

11 Q. Who left those boxes there?

12 A. Mr. Mitchell.

13 Q. Did he call in advance and say he wanted to
14 turn over operations of the company to you?

15 A. No, he did not.

16 Q. Were you surprised to find them there?

17 A. Extremely.

18 Q. And were the boxes well organized such that
19 it was easy then to take them and put together the
20 records of the company?

21 A. Well, I don't think taking over a company
22 with 400 customers is easy overnight no matter what
23 condition the records are in. They were in file
24 folders and binders, but it -- it was a very difficult
25 task.

1 Q. Has Mr. Mitchell participated in any way in
2 the day-to-day operations of Osage Water Company since
3 the date he left those boxes of records on your
4 doorstep?

5 A. No.

6 Q. Now, at the time that those boxes were left
7 on your doorstep, what was the status of filing of
8 annual reports with the Public Service Commission?

9 A. The last report that was filed was 1997. Is
10 that right? 1997.

11 Q. Would it have been 1998?

12 A. We had just filed '99, so it would have been
13 '98. I'm sorry.

14 Q. And since the time that you got those
15 records, have you been able to update any of the
16 annual reports that are due with the Commission?

17 A. Yes. We've been working on that.

18 Q. And has any of them been filed?

19 A. We filed '99's this fall.

20 Q. All right. And with respect to the status
21 of the Commission's assessments, PSC assessments, what
22 was the status of those whenever you received those
23 boxes of records? Were they delinquent?

24 A. Yes. I'm trying to remember how far back.
25 Really far.