

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
3 TRANSCRIPT OF PROCEEDINGS
4 Public Comment Hearing
5 May 28, 2008
6 Jefferson City, Missouri
7 Volume 5
8 In the Matter of Aqua Missouri,)
Inc.'s Request for an increase in)
9 Rates for Water Service Pursuant)Case No.
to the Commission's Small Company)WR-2008-0266
10 Rate Increase Procedure.)
11 In the Matter of Aqua Missouri,)
Inc.'s Request for an Increase in)
12 Rates for Sewer Service Pursuant)Case No.
to the Commission's Small Company)SR-2008-0267
13 Rate Increase Procedure.)
14 In the Matter of Aqua Missouri,)
Inc.'s Request for an Increase in)
15 Rates for Sewer Service Pursuant)Case No.
to the Commission's Small Company)SR-2008-0268
16 Rate Increase Procedure.)
17 In the Matter of Aqua Missouri,)
Inc.'s Request for an Increase in)
18 Rates for Water Service Pursuant)Case No.
to the Commission's Small Company)WR-2008-0269
19 Rate Increase Procedure.)
20 NANCY DIPPELL, Presiding,
DEPUTY CHIEF REGULATORY LAW JUDGE
21 JEFF DAVIS, Chairman,
CONNIE MURRAY,
22 KEVIN GUNN,
COMMISSIONERS
23
24 REPORTED BY:
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1 P R O C E E D I N G S.

2 JUDGE DIPPELL: The Missouri Public Service
3 Commission has set this time for a local comment
4 hearing in Case Nos. WR-2008-0266, SR-2008-0267,
5 SR-2008-0268 and WR-2008-0269, in which Aqua Missouri
6 intends to seek its general rate increase.

7 The Missouri Public Service Commission regulates
8 the rates charged by investor-owned utility companies
9 in Missouri to ensure that those rates are just and
10 reasonable. The Commission also regulates the
11 quality, service and the safety of operations of
12 investor-owned utilities.

13 The Commission is made up of five Commissioners,
14 one of whom is here with me right now, and also --
15 this is Commissioner Gunn -- and Chairman Davis is
16 going to be joining us in a few minutes.

17 The Commissioners are appointed by the Governor to
18 fixed terms and are confirmed by the Senate, and the
19 Commissioners also employ a staff of engineers,
20 accountants, attorneys, financial analysts and other
21 specialists in the field of utility regulation.

22 My name is Nancy Dippell, and I'm the Regulatory
23 Law Judge for the Commission, and I'm going to preside
24 over tonight's hearing and basically run things, and
25 hopefully those things will go smoothly.

1 The court reporter is transcribing this hearing so
2 that the other Commissioners who can't be here tonight
3 can read your comments, and the sound and video of
4 this hearing is also being recorded. In addition, we
5 are broadcasting this hearing over our internet
6 connection.

7 As most of you have probably already met, we have
8 some staff from our water and sewer department, and we
9 have public information staff and customer service
10 staff. And in addition, we have, from the Office of
11 Public Counsel, Ms. Baker here in the corner. And we
12 have some attorneys for the company and some company
13 people up here in the front. I think you have
14 probably been introduced to those people. And we also
15 have an attorney for the Staff up here in the front.

16 This is an official hearing of the Missouri Public
17 Service Commission. The public statements and
18 testimony of the witnesses will be taken under oath or
19 affirmation and the purpose of this hearing is to
20 receive your comments on the proposed rate increase.

21 The company is not going to present witnesses at
22 the hearing and are not going to respond to questions
23 while we're on the record. And the Commissioners are
24 also not here to answer questions but they're here
25 just to listen to your remarks and get your input on

1 this proposed increase. This is your opportunity to
2 make your remarks and they will become an official
3 part of the record.

4 If you wish to testify, I believe I've already got
5 a sign up sheet here. But if there are others that
6 want to testify, there will be an additional sign up
7 sheet in the back. I believe Ms. Fred from our
8 consumer services department has that back there, or
9 when I get to the end of the list I'll ask if there's
10 anyone else who wishes to testify and you can let me
11 know at that time.

12 When your name is called I'll ask you to come
13 forward and stand at the microphone here if you are
14 able. I'd like you to spell your name for the court
15 reporter so she can get it into the record correctly.

16 There may be some questions from myself or the
17 Commissioners after you testified, and I'll also ask
18 if any of the attorneys have some clarifying questions
19 to ask you, so I appreciate it if you'd stay at the
20 podium until you have been excused.

21 To get as many of you on the record as possible
22 we'll go until everyone who wants to testify has had
23 an opportunity. But if you want to come up and be
24 sworn and state that you agree with the witness
25 before, or you disagree with the witness before, that

1 would be fine also, if you want to keep your comments
2 brief in that manner.

3 I'll also ask that you not make comments or cheers
4 or boos or applause while someone else is testifying,
5 as we want everyone to feel comfortable, and sometimes
6 outbursts from the audience like that makes people
7 feel uncomfortable if their opinion is different.

8 I'll go ahead ask the attorneys to make their
9 entries of appearance. Let's begin with Staff.

10 MR. KRUEGER: Thank you, Your Honor. Keith
11 R. Krueger for the Staff of the Public Service
12 Commission. My address is P.O. Box 360, Jefferson
13 City, Missouri 65101.

14 JUDGE DIPPELL: And Office of Public
15 Counsel.

16 MS. BAKER: Thank you, Your Honor.
17 Christina Baker, P.O. Box 2230, Jefferson City,
18 Missouri 65102, appearing on behalf of the Office of
19 Public Counsel and the rate payers.

20 JUDGE DIPPELL: And Aqua Missouri?

21 MR. ELLINGER: Thank you, Your Honor. Marc
22 Ellinger of the law firm of Blitz, Bardgett & Deutsch,
23 308 East High Street, Suite 301, Jefferson City,
24 Missouri 65101, appearing on behalf of Aqua Missouri.

25 JUDGE DIPPELL: I want to thank you again

1 for coming to this hearing, and we can go ahead and
2 get started with the first witness. I have a Shanon
3 Hawk.

4 SHANON HAWK,
5 Of lawful age, being first duly sworn by the
6 Notary Public, testified as follows:

7 JUDGE DIPPELL: Go ahead. And if you can
8 spell your name for the court reporter and then give
9 us your comments.

10 THE WITNESS: Thank you, Your Honor and
11 members of the Commission.

12 My name is Shanon Hawk. S-H-A-N-O-N, last name
13 H-A-W-K. I live at 5610 Horseshoe Drive in Jefferson
14 City, Missouri 65109.

15 I'd just like to thank you all for the opportunity
16 to speak to you today on behalf of the Lehman Acres
17 subdivision in Cole County, Missouri.

18 I provided written testimony to you previously,
19 that's dated January 19th, 2008, so I'm going to try
20 to not repeat much of it because I know there are a
21 lot of people here that would like to speak, and I
22 want to respect your time.

23 Our neighborhood is comprised of approximately 18
24 homes, most of which are owned by either retired or
25 near retired persons. For many years the Lehman Acres

1 subdivision's residents maintained their lagoon with
2 dues paid by each homeowner. There was also a mowing
3 and maintenance schedule, and certain homeowners had
4 duties that they performed at the lagoon.

5 We thought everything going just fine. And then
6 in 1991 the PSC granted Helms Environmental
7 Services -- which is also known, I believe, as Capital
8 Utilities -- the authority to take control of our
9 sewer system. Since that time the system has passed
10 to Aqua Source which also now known as Aqua Missouri.

11 We were told that giving up control of our sewer
12 system would be in our best interest because it was
13 going to cost us hundreds of thousands of dollars for
14 upgrades that were needed, and we were told that if
15 those upgrades were not made then the system could not
16 get its permit.

17 So, basically, we felt like we were between a rock
18 and a hard place. Either all the neighbors were going
19 to have to figure out how to come up with all of this
20 money to get the permit or we turn it over to somebody
21 else so it could be permitted.

22 Three years ago Aqua Missouri filed a proposed 116
23 percent rate increase with the PSC. At that time, I
24 testified and told this same story and said that we
25 object to the increase because the required

1 improvements had not been performed. Now, three years
2 later, and 17 years after the system was originally
3 taken from us, those improvements still have not been
4 made.

5 We wonder how they are getting the permit. So we
6 don't know if we were duped from the very beginning or
7 what the situation is. Perhaps the Department of
8 Natural Resources needs to be involved.

9 Aqua Missouri did come last year and dig up a
10 large area of our backyards and put in three new
11 manholes and a small pipeline.

12 I'm trying to find a better way to say this. And
13 I've pondered it, and I just really haven't come up
14 with a good way, so I'll just say they did a really
15 bad job of restoring our property back to the way that
16 it should be.

17 And as a matter of fact, the area actually sunk in
18 leaving us with an unattractive and hazardous
19 situation. It took numerous calls to Aqua Missouri
20 before they finally came out -- which was just
21 recently -- to fix this problem.

22 In closing, I'd just like to say that most people
23 believe that competition is a good thing. It puts
24 businesses in a condition of having to provide good
25 service to its customers or the customer can choose to

1 take their business elsewhere.

2 The Missouri Legislature over the past few years
3 has opened up telecommunications, cable television and
4 voiceover internet protocol just this year.

5 Unfortunately, we, as consumers, cannot negotiate our
6 sewer and water rates or our providers. Our only
7 recourse it to go talk with the Office of Public
8 Counsel or to come before the PSC and express our
9 concerns and objections to this rate increase.

10 We understand that our sewer system got passed
11 along and finally ended up with Aqua Missouri. They
12 probably realize that they got a bad deal because an
13 investment would need to be made in our system. And I
14 just want to say that, unfortunately, that's not the
15 fault of the consumer, it was just a business decision
16 that they need to follow through on.

17 It's impossible for us to support a rate increase
18 for Aqua Missouri when they do not fulfill their
19 obligations to their customers and we do not see a
20 return on the monthly investment that we make in their
21 business.

22 We hope that the PSC will send a clear message to
23 Aqua Missouri that they need to do a better job for
24 their customers. Please deny their rate increase.
25 Thank you.

1 JUDGE DIPPELL: Thank you, Ms. Hawk.

2 Commissioner Gunn, did you have questions?

3 COMMISSIONER GUNN: I just have a couple
4 quick questions.

5 QUESTIONS BY COMMISSIONER GUNN:

6 Q. The hazardous condition that you -- has
7 that been taken care of?

8 A. You know, I went out there and checked it
9 today. Basically, because we live on Horseshoe Drive,
10 it is a horseshoe. And so, those of us that live in
11 the middle, our yards have to come up to each other in
12 the back.

13 They came down through the middle. Many of us
14 have to use that area back there to get from yard to
15 yard, or we have people that have big gardens that
16 they have to get to.

17 What happened was a large area sunk in. So we
18 called and called and called, and finally they did
19 come recently and restore it. When I was back there
20 today, it's still not level at all.

21 I'm sure that it is very difficult for my neighbor
22 to mow back there because it is not at all level. And
23 if someone were walking back there I could see how it
24 could pose a problem. I mean, you could twist your
25 ankle or something because it's just not level at all.

1 It's very rough.

2 Q. From start to finish, how long do you think
3 it took from the time that you recognized the problem
4 until the time that they came out, approximately?

5 A. I'm not sure that I can answer that, to
6 tell you the truth. But I think that the next
7 witness, because it involves his property more so than
8 mine, might be able to answer that question better for
9 you. It took a while.

10 Q. Did you personally try to contact the
11 company?

12 A. Yes.

13 Q. In terms of getting through to the company
14 and actually registering a complaint about the
15 concern -- not from the time that you registered it --
16 but how was that process in terms of calling and
17 contacting the company?

18 A. I called the customer service number that's
19 on our bill, and I called during business hours. I
20 don't know if they're 24/7 or what, but I did call
21 during what I thought was business hours. And I got
22 someone, and they said that they would let them know.
23 I don't know then what happened after that.

24 But, I mean, I did get to speak with someone, and
25 she did say that they would address our concern, but

1 then, where it goes from whoever I spoke to there and
2 then on a local level, I'm not sure.

3 I'm pretty sure that they came out and did this
4 work some time last year, and it was just recently
5 that they came back out to try to make an effort to
6 make it right.

7 Q. Just one quick clarifying question. Are
8 you representing the subdivision, or the 18 homes, as
9 a witness? Are you speaking for them and have been
10 empowered to do that, or are you speaking just as an
11 individual?

12 A. They have asked me to speak on their
13 behalf. I live in that neighborhood so I am speaking
14 as someone who lives there as a customer. I'm not
15 being paid to represent them.

16 Q. I didn't mean that. I meant just that you
17 are speaking on behalf of the 18 homes?

18 A. Yes. I think there are a couple of other
19 neighbors that have decided to come and speak, but the
20 majority have asked me to speak on their behalf.

21 JUDGE DIPPELL: Are there any questions,
22 Commissioner Murray?

23 QUESTIONS BY COMMISSIONER MURRAY:

24 Q. Who do you receive your water service from?

25 A. Public Water District No. 2.

1 Q. So you only receive sewer service from Aqua
2 Missouri. And, I guess, would it be accurate to say
3 that you are not pleased with your service?

4 A. Not pleased with the sewer service, no. We
5 just really want them -- we felt like, when we were
6 told 17 years ago you need to give this up because all
7 this work needs to be done, you are not going to be
8 able to get a permit if you don't do this work, and
9 then the work has not been performed, we know the work
10 has not been performed.

11 And I probably should have said during my
12 testimony that -- well, when I touched on the point
13 that our neighborhood consists of mostly retired or
14 near retirement age people, that is the best watch
15 group that you can possibly have in a neighborhood,
16 and they know when people have been in the
17 neighborhood. They are home all the time. They are
18 out and about.

19 We have one gentleman here who is outside working
20 all the time so he sees on a daily basis who's coming
21 through the neighborhood. He knows when Aqua Missouri
22 has been in our neighborhood. I believe he may have
23 saw them today, which is interesting.

24 Q. Have you had any problems like sewage
25 backup or anything like that?

1 A. We have had problems in our neighborhood
2 with sewage backup. Almost every resident, at least
3 in the area where I live, which is in the middle part,
4 has had some type of problem.

5 But it has not been something that has been fixed
6 by Aqua Missouri. We have always been told that we as
7 individual homeowners need to have that dealt with,
8 and so almost everyone that has the yards that butt up
9 to each other has at some time incurred expenses to
10 have it dug out on our own.

11 JUDGE DIPPELL: Ms. Baker, did you have any
12 questions?

13 MS. BAKER: Yes, I do have a few questions.

14 QUESTIONS BY MS. BAKER:

15 Q. Have either yourself or the homeowners that
16 you are speaking for, have you had any billing issues
17 with Aqua Missouri?

18 A. Just the question that I posed during the
19 question and answer which dealt with the May 1 bill
20 that we received.

21 Normally, we just get a bill for 27.75 a month,
22 that's what it is and that's what we pay each month.
23 But this month we got our bill that is for \$34.23, so
24 some of the neighbors asked that I get to the bottom
25 of what's happening.

1 "Have they already increased their rates?" And I
2 said, "No, I don't think they've done that. They
3 can't do that, so I'll call and find out."

4 When I called customer service the woman was
5 trying to help me the best she could, and she said
6 they typically do a 27 to 31-day billing cycle, but
7 for some reason this month it's a 37-day billing cycle
8 and so that is why it was prorated and we were charged
9 an additional amount.

10 And then I asked the same question during the
11 question and answer, and I got an answer about why it
12 was prorated, but he didn't really know why it was
13 37 days this time versus the 27 to 31. But he said he
14 would let us know.

15 Q. Have you noticed any other bills other
16 months? You said your normal bill was --

17 A. Twenty-seven-seventy-five.

18 Q. Have you noticed any other bills that have
19 gone up or down?

20 A. No. And I know one of my neighbors went
21 back through his records and said that he just
22 consistently saw where he paid 27.75, so this was the
23 first time that really we noticed it was a different
24 amount.

25 Q. Do you get your bills on a consistent time

1 frame?

2 A. I would say no. I would say sometimes it
3 fluctuates. It doesn't cause me a problem in getting
4 it paid on time, I wouldn't say, but sometimes it does
5 kind of come in a little different. I don't think the
6 due date is always the same.

7 JUDGE DIPPELL: Any questions from Staff?

8 MR. KRUEGER: Yes, Your Honor, I think I
9 just have one question.

10 QUESTIONS BY MR. KRUEGER:

11 Q. I believe you said in 1991 you were told
12 that the system would require hundreds of thousands of
13 dollars to improve.

14 Do you know who made that statement to you? Was
15 it the buyer or was it DNR or the Commission? Do you
16 know where that came from?

17 A. I can't say that I remember for sure. I
18 know I'm sworn so I don't want to say the wrong thing.
19 I think I know, but I don't know for sure. If I have
20 another neighbor here that knows I'll ask him to be
21 sure and state that during their testimony.

22 JUDGE DIPPELL: Any questions from the
23 company?

24 MR. ELLINGER: Just one, real quickly.

25 QUESTIONS BY MR. ELLINGER:

1 Q. When did you call the service center on the
2 problems in the backyards? Do you recall, roughly,
3 the time frame that was?

4 A. I don't. I apologize. And I know that was
5 asked of me earlier, and I just really don't remember.
6 I do remember calling once. I know my neighbor who is
7 really affected by it called several times.

8 Again, I haven't had a real customer service
9 problem as far as trying to get through and finding
10 someone to speak with. She said they would take care
11 of it. I don't know, though, what happens between
12 when we call that person and then what happens on the
13 local level, because it did take some time. I
14 apologize, but I didn't log that.

15 Q. That's quite all right. I was just curious
16 in light of all the weather we've had.

17 A. That's true.

18 Q. It's been unique out there.

19 JUDGE DIPPELL: Jim Linhardt?

20 JAMES LINHARDT,

21 Of lawful age, being first duly sworn by the
22 Notary Public, testified as follows:

23 JUDGE DIPPELL: Could you spell your name
24 for the court reporter?

25 THE WITNESS: James Linhardt,

1 L-I-N-H-A-R-D-T. I live at 5614 Horseshoe Drive. I'm
2 Shanon's next door neighbor. And I thank you all for
3 your time. I won't take near as much time as she did.
4 She's very nice.

5 I only have -- one of the things I would like to
6 see on our bill is somebody local that we can call.
7 Some of my neighbors in the past have had sewage in
8 their basements. You don't want to have to call Ohio
9 or Indiana or New Mexico to have someone come out and
10 fix this.

11 We need -- if they would just have a local phone
12 number we could call and contact somebody, it would be
13 great. And that's my biggest complaint right there.
14 It's very difficult to get ahold of people.

15 Now then, my yard is one where I can't mow.
16 Anyway, you know, I'm very patient, and I will say one
17 thing with these people on their behalf, it's not
18 every bit their problem.

19 Like Shanon said, in 1991, when it was originally
20 taken over, and we all had problems then, nothing --
21 nothing -- was done. It has switched hands four or
22 five different times since 1991 to now. These people
23 here have got a bad problem. They inherited it.

24 But we want service. I will pay my bills. I have
25 never been late. If you want to check my records, I

1 have never been late on a payment one time. Never.

2 But in the last 90 days we have not seen an Aqua
3 truck in our neighborhood until today. Very
4 convenient that they make it out here today before the
5 meeting.

6 Now, that's all I have. Thank you all very much.

7 JUDGE DIPPELL: Chairman Davis, do you have
8 any questions for Mr. Linhardt?

9 CHAIRMAN DAVIS: No, I don't.

10 JUDGE DIPPELL: Commissioner Murray?

11 QUESTIONS BY COMMISSIONER MURRAY:

12 Q. Mr. Linhardt, have you personally had
13 sewage backup?

14 A. No, I have not.

15 Q. You have not. Okay. Thank you.

16 JUDGE DIPPELL: Commissioner Gunn?

17 COMMISSIONER GUNN: No questions.

18 JUDGE DIPPELL: Ms. Baker?

19 QUESTIONS BY MS. BAKER:

20 Q. I assume, from Shanon, and you are saying
21 that you are the person who can't mow your lawn, that
22 it is your lawn --

23 A. Yes.

24 Q. -- that was sunken in from the issue in the
25 backyard?

1 A. Yes, it is.

2 Q. Okay. When did this happen?

3 A. Eight months ago, maybe nine.

4 Q. What had happened to cause this?

5 A. Well, they came in, and somebody, I don't
6 know who, made the decisions -- whether it's the
7 Public Service Commission or who -- that our manholes
8 were getting dilapidated. Over a number of years they
9 do that.

10 And they came out, and they replaced it. They put
11 in a new sewer line. But then they didn't bring in
12 anybody to fix the landscape, you know.

13 And a lot of us people -- I don't know if
14 anybody's familiar with Horseshoe Drive? We're a lot
15 of people out there, and we take pride in our homes.
16 You can come out to my house if you want to and see my
17 flowers and my shrubs and my garden and everything. I
18 take a lot of pride in it, and when I can't mow the
19 backyard it disappoints me.

20 Q. And so this began eight months ago?

21 A. Yes.

22 Q. Had you called customer service to try to
23 get this resolved?

24 A. One time.

25 Q. What was your experience with them?

1 A. I couldn't get through.

2 Q. Did you try again?

3 A. No, I did not.

4 Q. You gave up?

5 A. Yes, I did.

6 Q. They recently came to work on it?

7 A. No.

8 Q. Okay. So it has not been touched by Aqua

9 Missouri?

10 A. Oh, no, no, it has. But not -- I don't

11 think Aqua came out. I think they hire people to come

12 and do this. I don't think they do it themselves.

13 And the people -- whenever they hire somebody and

14 they say go in and fix this, they should have a

15 representative there and say -- before they pay this

16 company that comes out and fixes it, they should say

17 if it's not done appropriate you're not getting a

18 check. Fix it right or you're not getting paid.

19 Q. So, in your opinion, it was not fixed

20 right?

21 A. Oh, no.

22 Q. And still is not?

23 A. No.

24 Q. Have you had any billing issues with Aqua

25 Missouri?

1 A. No. I mean, I got the same bill that
2 Shanon did. It went up. And my question was, to
3 myself, I said, I knew that they were going to have
4 this public hearing and ask for a rate increase, and I
5 thought, well, maybe the Public Service has already
6 given them the increase. I didn't realize it was over
7 a 37-day period. But I paid it, you know.

8 And I can offer, you know, as far as -- I can't
9 ask questions, but I can offer a suggestion
10 possibility to our Public Service Commission. Surely
11 Aqua is not the only outfit in the United States that
12 does this stuff.

13 Has anybody given any idea about sending out
14 e-mails to different companies and saying, "Hey, would
15 you like to bid on this?" You know? I mean, they
16 want \$63.48. Maybe another company can come in here
17 and say we'll do it for 22.

18 I'm done.

19 Q. I appreciate your comments.

20 MS. BAKER: That's all the questions I
21 have.

22 JUDGE DIPPELL: Staff?

23 MR. KRUEGER: No questions, Your Honor.

24 JUDGE DIPPELL: From the company?

25 MR. ELLINGER: Thank you for your

1 testimony, Mr. Linhardt. We don't have any questions.

2 Thank you.

3 THE WITNESS: Thank you all again.

4 Appreciate your time.

5 JUDGE DIPPELL: Mary Jennings?

6 MS. JENNINGS: My name is Mary Jennings. I
7 live at 3438 Horseshoe Road.

8 JUDGE DIPPELL: Can I swear you in?

9 MARY JENNINGS,

10 Of lawful age, being first duly sworn by the
11 Notary Public, testified as follows:

12 JUDGE DIPPELL: Please spell your name.

13 THE WITNESS: J-E-N-N-I-N-G-S.

14 JUDGE DIPPELL: Go ahead with your
15 comments.

16 THE WITNESS: After receiving the notice
17 about this hearing I took my camera down and took
18 pictures of what I've heard some of the neighbors
19 complaining about at the lagoon.

20 Each one of us takes pride in the property that we
21 own. The storm damage that was caused this last
22 winter, we cleaned ours up.

23 These are photos of the lagoon. There's green
24 sludge over the lower two and it's building up in the
25 upper one. It is pictures of storm damage that is

1 still laying there.

2 Last year alone there were two kids that found two
3 bicycles hidden down in this wooded area that has not
4 been cleaned up since before Helms operated the lagoon
5 system. Those bicycles had been stolen from the
6 preacher's kids, and by the time they were found they
7 had already moved. There was no way of contacting
8 them.

9 We feel that the area needs to be cleaned up. It
10 would benefit the lagoon itself to be able to get air
11 flow over the water instead of debris from the brush
12 and the trees and everything falling into it.

13 It would also benefit us, because that's our storm
14 drainage that runs down along side the outside of the
15 fence to the lagoon and we have a lot of problems with
16 storm drainage in the area.

17 QUESTIONS BY JUDGE DIPPELL:

18 Q. Can you describe the problems with the
19 storm drainage a little more?

20 A. It backs up in the area down by the lagoon
21 and everything. Every now and then we will have water
22 shooting up through the manhole cover in the street
23 when the water backs up. There is brush also growing
24 on both sides of the street now, trees and things.

25 Q. The pictures, can you tell me again when

1 you took the pictures you have with you?

2 A. I believe it was May 23rd.

3 Q. Are those copies that you --

4 A. These are the originals.

5 Q. -- can leave with the Commission, or can

6 we --

7 A. You can have them.

8 Q. Okay. I can mark your pictures. I'll just

9 mark the whole album or notebook you have there as

10 Exhibit No. 1 for this hearing. And if you will leave

11 those with the court reporter, I will appreciate that.

12 If you need those returned to you at some point --

13 A. No. They are yours.

14 Q. All right.

15 (Exhibit 1 was then entered into evidence.)

16 QUESTIONS BY JUDGE DIPPELL:

17 Q. Did you have any other comments? I don't

18 want to cut you off.

19 A. We have had some sewer problems in the

20 house. We flat removed the bathroom in the basement

21 off the family room because there seemed to be no way

22 of fixing it.

23 Our neighbor, John Williams, has also had a lot of

24 problems with sewer backing up in his basement. We

25 were both told it was our responsibility as homeowners

1 so we hired people to come out and do the work. Since
2 we removed the one bathroom in our basement we have
3 not had anymore problems but the Williams's still
4 have.

5 Q. And who told you that it was -- who made
6 that suggestion that it was either yours or -- your
7 issue?

8 A. I was not there. I was at work the day
9 that all took place.

10 Q. But that was someone from Aqua Missouri or
11 from a previous company?

12 A. Recently, with John Williams, it was from
13 Aqua Missouri.

14 Q. Have you had any other issues that you want
15 to share with us?

16 A. No.

17 JUDGE DIPPELL: Chairman Davis, do you have
18 any questions?

19 CHAIRMAN DAVIS: No, ma'am. But I hope
20 Mr. Ellinger is taking notes because I may want to
21 issue an order asking Aqua Missouri to respond to each
22 and every one of these allegations. Either that or we
23 can bring Mr. Benedictus back for a visit.

24 JUDGE DIPPELL: Commissioner Murray, did
25 you have any questions?

1 QUESTIONS BY COMMISSIONER MURRAY:

2 Q. Ms. Jennings, how long have you lived at
3 your current residence?

4 A. Since 1985.

5 Q. So you have been through this whole process
6 when it was first a homeowners association?

7 A. No, it had changed, I think, right before
8 we bought the house. It was my understanding that the
9 contractor, that built the subdivision originally,
10 owned it where they donated so much to go toward it.
11 Helms was the first one I remember dealing with.

12 Q. And have you seen any improvement in the
13 service over that period of time?

14 A. No.

15 Q. Thank you.

16 A. Helms at least kept the grass cut and the
17 trees cleaned up and everything.

18 Q. So have you seen a deterioration of the
19 service?

20 A. Yes.

21 JUDGE DIPPELL: Commissioner Gunn?

22 COMMISSIONER GUNN: I don't have any
23 questions. But is it possible for me to glance at the
24 photos? I might have questions based on what I see.
25 It will take me two seconds to flip through.

1 JUDGE DIPPELL: I'll proceed with

2 Ms. Baker.

3 QUESTIONS BY MS. BAKER:

4 Q. Have you had any chance to deal with the
5 customer service from Aqua?

6 A. No, ma'am.

7 Q. Have you had any billing issues?

8 A. No.

9 Q. Do you get -- did you get a bill this month
10 that was a little bit larger in amount?

11 A. Yes.

12 Q. Had you had any other bills that
13 fluctuated?

14 A. No.

15 Q. You had mentioned one time that when it
16 rains water shoots up through the manholes?

17 A. There's occasions, when that's backed up
18 there, that the water will shoot up. I'm not sure
19 where the water is coming from.

20 Q. Has that happened recently with the rains
21 and things that we have had?

22 A. Not that I know of.

23 Q. When do you think is about the last time
24 you noticed that? Just roughly.

25 A. Okay. It was in 2006. You have to

1 understand, I have been on disability since April of
2 2006. I have been through neck surgery and shoulder
3 surgery and have not been mobile a whole lot.

4 Q. Are you fairly confident that it has
5 happened and you haven't seen it?

6 A. It's a good possibility.

7 MS. BAKER: That's all the questions I
8 have. Thank you.

9 JUDGE DIPPELL: Staff?

10 MR. KRUEGER: I don't have any questions.
11 Thank you, Ms. Jennings.

12 JUDGE DIPPELL: Commissioner Gunn?

13 COMMISSIONER GUNN: I don't have any
14 questions.

15 THE WITNESS: I might add that those were
16 taken from the street, other than getting Don
17 Freeman's permission to take a couple photos from his
18 yard and Sherry Monteir, who both had complaints.

19 COMMISSIONER GUNN: I actually had one more
20 question.

21 QUESTIONS BY COMMISSIONER GUNN:

22 Q. You said you took those May 23rd, you
23 thought, so that was this week. The photos are dated
24 May 8th?

25 A. Okay. Part of them were on the 8th and

1 part of them were on the 23rd. I'm sorry.

2 Q. Okay. So you think that the time stamp or
3 the camera stamp on the photo would be correct?

4 A. It is correct.

5 JUDGE DIPPELL: Mr. Ellinger?

6 MR. ELLINGER: I just have one very quick
7 question, ma'am.

8 QUESTIONS BY MR. ELLINGER:

9 Q. I think Aqua Missouri owns one lagoon out
10 in the Lehman Acres subdivision, do you know if that
11 subdivision has the --

12 A. This is the one on Montecello just up from
13 the VA hall.

14 Q. I haven't seen the pictures, but I thought
15 you indicated that there were multiple lagoons that
16 you had pictures on?

17 A. There's three sections.

18 Q. Thank you very much for your testimony,
19 ma'am.

20 JUDGE DIPPELL: Keith Kempker?

21 KEITH KEMPKER,

22 Of lawful age, being first duly sworn by the
23 Notary Public, testified as follows:

24 THE WITNESS: Good evening. My name is
25 Keith Kempker, last name is spelled K-E-M-P-K-E-R. My

1 address is 11422 Valley View Court, Holts Summit,
2 Missouri 65043. I also testified at the last Public
3 Service Commission public meeting back in 2005/2006.

4 We have a developer that is wanting to put in
5 eight more homes on some property that is behind my
6 wife's and my house. He contacted Aqua Missouri to
7 see about getting sewer service to those homes. From
8 what I understand, they said okay.

9 They came out. They installed the other section
10 of the treatment facility. That was two years ago.
11 To this date, no homes are built, not even a road.

12 My question for Aqua Missouri is why did they put
13 it in two years ago when there hasn't been a road or
14 even a home built? They are wasting money -- their
15 money -- that could go to make improvements to other
16 people's sewer systems.

17 On that note, I would also like to just kind of
18 question why Aqua Missouri does not make developers
19 either pay for extensions or even upgrades to pump
20 stations, lift stations or treatment facilities,
21 period? AmerenUE does. If a customer needs electric
22 service to a new home or facility they make the
23 customer pay. They don't pay.

24 I've heard other people talking about their bills
25 fluctuating. Ours has fluctuated as well. Our last

1 bill was 34.23. Our previous two bills were correct;
2 \$27.75. Our January bill was actually lower, it was
3 \$22.20.

4 I never did call to find out the reason why. I
5 can only assume that it was just due to prorating the
6 number of days in the cycle but would also like to
7 make that known as well.

8 In my opinion, Aqua Missouri is not managing their
9 money effectively. I previously testified at the last
10 Public Service hearing that they make repairs to a
11 section of our -- they made repairs to a section of
12 our treatment facility that was not even in use.
13 Again, they are still not managing their money
14 effectively.

15 I would also just like to note that I have written
16 letters to both the PSC and the Public Counsel, both
17 dated January 10th, 2008. I would like to thank the
18 PSC for their time this evening.

19 JUDGE DIPPELL: Thank you. Chairman Davis,
20 any questions?

21 CHAIRMAN DAVIS: No questions.

22 JUDGE DIPPELL: Commissioner Murray?

23 COMMISSIONER MURRAY: Just a couple.

24 QUESTIONS BY COMMISSIONER MURRAY:

25 Q. Mr. Kempker, do you know who actually put

1 the extension in where you said the developer was
2 going to build?

3 A. I want to say it might have been Stockman,
4 but I'm not for sure. I think it was someone that
5 Aqua Missouri contracted with to have that section put
6 in.

7 Q. Do you know that?

8 A. I don't know that 100 percent. I can't
9 remember the construction company that did it. Our
10 house sits right next to the treatment facility so we
11 see who comes and who goes.

12 Q. Do you know who paid for it?

13 A. I do not.

14 Q. And you mentioned repairs being made to a
15 section of the treatment facility that is not even in
16 use?

17 A. Correct.

18 Q. Can you explain that a little more?

19 A. Our treatment facility is a recirculating
20 sand filter. There's two sections to that system.
21 Only one section is being used. The other section was
22 to be used for future expansion.

23 That future expansion is supposed to be coming
24 some time. I don't know when. Like I said, the
25 developer wants to put in eight more homes. And like

1 I said, that section has been put in, it's been
2 installed; however, no homes have been built, not even
3 a road.

4 JUDGE DIPPELL: Commissioner Gunn?

5 COMMISSIONER GUNN: I have no questions.

6 Thank you.

7 JUDGE DIPPELL: Ms. Baker?

8 MS. BAKER: I just want to clarify.

9 QUESTIONS BY MS. BAKER:

10 Q. Do you get water service, sewer service,
11 both?

12 A. Just sewer service.

13 Q. Just sewer service. Have you had a chance
14 to deal with the customer service?

15 A. I think it was just once, and it was a long
16 time ago.

17 Q. Do you remember what the outcome was, was
18 it a good experience?

19 A. Yeah, it was good. There was a line that
20 had broke during the winter, and water was shooting up
21 into the air and just falling down. It was just cold,
22 and I was worried it might freeze and cause more
23 damage. And someone actually did come out within, I
24 think, four, five, six hours or so.

25 Q. You said that your property is near the

1 treatment facility?

2 A. Correct. Right next to it.

3 Q. Is it fairly well maintained?

4 A. There's no weeds, so, yes, I would say that
5 it is maintained, yes.

6 Q. Has your property had any issues being
7 close to the facility?

8 A. No, other than the -- just the smell from
9 the treatment facility when it's real calm, when
10 there's no wind. Other than that, no.

11 JUDGE DIPPELL: Staff?

12 MR. KRUEGER: No questions, Your Honor.

13 MR. ELLINGER: Thank you for your
14 testimony, Mr. Kempker. No questions, Judge.

15 JUDGE DIPPELL: Tom Boyer?

16 MR. BOYER: My name is Tom Boyer. I'm a
17 property owner, with my wife, of a house out at Quail
18 Valley. We're in the Jefferson City group.

19 JUDGE DIPPELL: Can I swear you in, sir?

20 MR. BOYER: Oh, yeah, sure.

21 THOMAS BOYER,

22 Of lawful age, being first duly sworn by the
23 Notary Public, testified as follows:

24 JUDGE DIPPELL: Go ahead then. Can you
25 spell your last name?

1 THE WITNESS: Boyer, B-O-Y-E-R. My first
2 name is Thomas. And I live at 2818 Foxdale Drive,
3 Quail Valley.

4 I'm lucky, I do not have sewer problems or billing
5 problems. What I'm here to talk about is a couple --
6 two issues. They have to do with the increase here.

7 I have a December 20th letter here from Aqua
8 Missouri, and they talk about their proposed
9 increases. And one of the things that concerns me is
10 that it talks about a residence being one rate and if
11 you have a mobile home it's a lower rate.

12 Now, those are nice houses out there. My wife and
13 I are merit employees. We still owe on that house. I
14 got my 3 percent raise last year, which I'm grateful
15 for. I'm aware of what's going on in the economy and
16 stuff. I think this is a large, large raise --
17 increase.

18 I walk around that lake with my wife every night.
19 And most people think our name is Walkers because we
20 walk all the time trying to keep this off.

21 The thing is, is that in that subdivision almost
22 everyone -- it's a sad thing, that when you needed the
23 house with all those bedrooms you didn't have it, and
24 now that you finally get your dream home you never use
25 them.

1 And I find when I read in their thing here that
2 they want to charge mobile homes one rate and other
3 people -- this is not income tax, and I just want to
4 make you aware and think about it. Because I have
5 saved my whole life and bought this house. Those are
6 beautiful houses. It's no reason to let me have it.
7 I hope that this is not based on what it appears your
8 ability to pay is.

9 Now I'm going to go into my other point which is a
10 little more detailed. Before you sat here I asked a
11 question. And Aqua has only had our subdivision I
12 believe they said three years. Now, they've asked for
13 rate increases each time.

14 I'm a business major. I work in a highly
15 technical area for about 28 years. I taught system
16 analysis and design for seven years at Lincoln
17 University. I deal every day working for State
18 government with very complex technical things. I'm a
19 great project manager, a great estimator and
20 calculator. I do a lot with looking at investments,
21 dealing with physical costs, externalities, and are
22 the things we're going to do worth what we are paying
23 for them and what their life expectancy is.

24 Aqua, as they said earlier here, that they had
25 just acquired the system three years ago. I also

1 asked the question before this meeting started if they
2 purchased this system, and they said yes.

3 Now, in your case, your accountants are looking at
4 the books and saying, do they have a case here? But
5 if they paid too much for this system, that doesn't
6 directly show up when you look at the books of this
7 company.

8 Now, they have engineers. They must have looked
9 at this system. They know how old it is. And they
10 must have went through this before they purchased it.
11 Now, just a couple years later, and we want this huge
12 increase.

13 My father-in-law has a business in town here. And
14 he bids it low for the State, and if it costs him more
15 he eats it. I've had consultants complain about that
16 with me in our job. I have made mistakes on things
17 and gotten chewed out on it because it was bid too
18 high. But if they made a mistake purchasing this for
19 too much it should not be passed on now to the
20 homeowners.

21 Now, this subdivision -- some subdivisions have a
22 lot of growth, and they put a lot of pressure on their
23 district. Quail Valley has 60-some houses out there.
24 Again, I only speak for myself. I've been there
25 seven years, but I've been there since they've taken

1 over. Maybe one house, maybe two. There's almost
2 zero growth in that subdivision. I can't believe it's
3 putting that much pressure on it.

4 It appears to me, in these two or three years,
5 that they are asking for a lot. And I said I got a
6 3 percent cost of living. I recently looked at the
7 books of a privately owned company here in town of
8 over a billion dollars in assets, and they said in
9 their books, and their accounting statement said, that
10 they were so thrilled this last year because they got
11 a 7 percent return on investment.

12 Before this meeting started there was a statement
13 that said that these people were asking up to a
14 10 percent return on investment. We know what times
15 are if you watch any type of devices out there, if you
16 watch any news. And I don't hate oil companies, I
17 hate big oil things. But oil companies claim they
18 only make 7 percent.

19 I think that these people asking to make up to
20 10 percent, with what's going on in this market place
21 with these interest rates, with the return on
22 investments that we see in companies and stuff right
23 now, that that is too high.

24 Let's see, a few other things here -- well, I
25 think that's really all I have to say. I have walked

1 around the neighborhood. I have had no problem with
2 these people. I only represent myself. I believe
3 there were times when there were maybe smells or some
4 small things that are associated with these people.

5 There's one other thing that has affected me since
6 these people have taken over. When I bought this
7 house seven years ago I had them pop my septic tank
8 open. I bought a 27-year-old house. We popped it
9 off, the guy cleaned it out. I was there in jeans
10 with a spotlight and watched what he was doing. And
11 he said, "Mr. Boyer, it didn't need to be cleaned
12 out."

13 A couple years ago the association came and
14 said -- or a year or two ago they came and said that
15 Aqua Source is saying it's because we have these
16 septic tanks, which go then into their system, and it
17 is because they are all plugged up and never cleaned
18 up.

19 So we took association money, which I pay dues for
20 every quarter, and the association contracted with
21 someone to clean all the septic tanks out in the
22 neighborhood.

23 I stood there again with my spotlight. They
24 opened my tank. The guy goes, "I don't know why we
25 are cleaning this, it's clean."

1 They also cost me money in another way by putting
2 pressure through my subdivision, and then that road --
3 that money does not go to keep up the roads and keep
4 up the snow removal and stuff because it's removed for
5 me another way.

6 So I have had no problem with my septic tank, but
7 yet it seems like my subdivision paid. And the reason
8 they did it with our association dues, to clean all
9 the septic tanks out, was because it's much cheaper to
10 contract -- I guess -- 60 of them then it is for each
11 one of us to do it individually. There's no problem
12 with my septic tank, so they cost me money in another
13 way, too.

14 And I would just like to say: Ten percent; that's
15 not what is going on in the marketplace right now.
16 Seven, six. You try to get 7 percent someplace -- I
17 suggest -- with no risk, you put your money in it, and
18 please let me know where that's at.

19 JUDGE DIPPELL: Chairman Davis, did you
20 have any questions?

21 CHAIRMAN DAVIS: No, sir. But thank you
22 for your testimony.

23 JUDGE DIPPELL: Commissioner Murray?

24 COMMISSIONER MURRAY: No.

25 JUDGE DIPPELL: Commissioner Gunn?

1 COMMISSIONER GUNN: No questions.

2 JUDGE DIPPELL: Ms. Baker?

3 QUESTIONS BY MS. BAKER:

4 Q. I have a couple of questions about when you
5 said that the subdivision got together and paid to
6 have the septic tanks cleaned.

7 A. Yes. How it was explained to me by the --
8 we have several people, the Storeys kind of run the
9 association. Of course, Mr. Storey helped develop
10 that lot, he lives there, and his son and
11 daughter-in-law.

12 And they told us they were under pressure, being
13 told by Aqua Source -- Aqua Source did not tell me
14 this, that's what the association told me -- and that
15 they wanted all the tanks cleaned. The association
16 did not believe they needed to be cleaned, but yet the
17 association then took and said they would clean all
18 the tanks with their money because we could get a deal
19 doing 60 of them from one person instead of us all
20 doing it.

21 And I'm one of those people that, I don't get my
22 hands dirty every day, but I can get down in the
23 septic tank, and I want to see what's happening. And
24 I had my son's dive light, and the guy goes, "It
25 doesn't really need to be cleaned." But, you know,

1 he's getting paid for it.

2 So they are costing me when they put pressure on
3 my association to do things like that. And yes, we
4 stepped forward and did the right thing because we're
5 good citizens.

6 And I don't put any meat waste into my septic
7 system. I put it all in glass bottles. I know --
8 when I lived in Michigan I lived with a drain field,
9 and I know there's things you don't put in it. So
10 everybody out there isn't doing the wrong thing, but I
11 can only speak for myself.

12 It's been a waste of money in my case, my
13 association pumping my tank out for me when it's
14 clean. There's only two of us living in the big
15 house.

16 Q. Were the residents informed as to what the
17 problem was?

18 A. We were told that there was something wrong
19 with their system downstream some place beneath the
20 dam and people were complaining of the water quality.

21 Since you've got me here, when you buy one of
22 these systems -- I was involved in the first Earth
23 Day. I'm not a tree-hugger, but I still have the flag
24 at home. It's a nice souvenir. I do the right things
25 for the environment. I believe we all try to do the

1 right thing for the owner down at the place and for
2 them, but it cost me money. And in my case, it was a
3 waste of money.

4 Q. When was this?

5 A. I believe -- they may know it, but I
6 believe it was a year or two ago.

7 Q. Within a couple of years?

8 A. It's not been very long. It's been since,
9 I believe, they've taken over.

10 Q. And just to clarify; you just have sewer
11 service from them?

12 A. All I have is sewer system. I have had no
13 trouble with the billing, no trouble with smells. I
14 have had no trouble with backups. Everything there
15 has been just fine in my case.

16 Q. Another thing that you said was that you
17 did not believe that there was much growth in your
18 area of additional customers?

19 A. Well, yeah. I've lived there for
20 seven years. They've been here about three years they
21 say. I've walked in every house that they built out
22 there. You always check them out. And they built one
23 across the street from me and maybe one way on the
24 other side by the dam. There's a third one maybe. So
25 maybe three houses in 60-some, I'm guessing. There

1 has not been much growth.

2 JUDGE DIPPELL: Any questions from Staff?

3 MR. KRUEGER: No questions.

4 JUDGE DIPPELL: The company?

5 MR. ELLINGER: One quick question.

6 QUESTIONS BY MR. ELLINGER:

7 Q. At the time the pumping of the septic tanks
8 was going on you said you didn't have any contact with
9 the company at that time; is that right?

10 A. I had no contact with Aqua Source. All my
11 contact was with the subdivision committee.

12 Q. And that was Mr. Storey?

13 A. Actually, it was Rita Storey.

14 Q. And did they talk about wanting to add 40
15 homes onto the system?

16 A. They have never talked to me about that.

17 Q. No further questions. Thank you for your
18 testimony.

19 JUDGE DIPPELL: Thank you, Mr. Boyer.

20 The next one is Marvin or Marion? I'm having
21 trouble reading the last name.

22 MARVIN BERENDZEN,

23 Of lawful age, being first duly sworn by the
24 Notary Public, testified as follows:

25 JUDGE DIPPELL: Can you state your name and

1 spell it for the court reporter, please?

2 THE WITNESS: Marvin, M-A-R-V-I-N.

3 Berendzen, B-E-R-E-N-D-Z-E-N.

4 I'm from Lehman Acres. I don't know, maybe it's
5 listed as Rolling Well Association.

6 And, of course, I'm definitely against the raise.
7 It seems like that's what we get all the time ever
8 since we was compelled to turn it over to the Capital
9 Utilities, of course, in the early 90's.

10 And they told us that we had to have \$100,000
11 worth of improvements there. Which, up on my end,
12 there have been no improvements, with everything going
13 good, I guess. So, like I say, I'd just like to be
14 against the raises, you know.

15 I was wondering, you know, everybody realizes you
16 need a raise, but this 30 percent -- the first raise
17 they had was about 300 percent, from \$5 to 17.50, you
18 know. And, of course, that was in the early 90's.

19 But I was wondering if the Public Service
20 Commission, or DNR, or whatever, couldn't get ahold of
21 a federal grant. Because out where I live there's a
22 lot of old people, like myself, crippled up and on a
23 fixed income, and buddy, we don't get that kind of
24 raise.

25 Of course, when Capital Utilities took over they

1 said that they had to have \$100,000 worth of
2 improvements, and whether that ever come out or not I
3 don't know. But, you know, it's a tickly situation.

4 So I have been going to these meetings ever since
5 we was compelled, you know, to take these. And I will
6 say one thing; the PSC did give us some kind of
7 guideline this time. This is the first time I've seen
8 that. So other than that, I think everything has been
9 said that I wanted to growl about, you know.

10 JUDGE DIPPELL: I appreciate your
11 testimony, sir.

12 Chairman Davis, any questions?

13 CHAIRMAN DAVIS: No questions.

14 JUDGE DIPPELL: Commissioner Murray, did
15 you have any questions?

16 QUESTIONS BY COMMISSIONER MURRAY:

17 Q. You mentioned that this was the first time
18 the Public Service Commission had given the customer
19 some kind of guidance.

20 Are you talking about the information sheets that
21 were handed out, is that what you mean?

22 A. The first time -- yeah, we were told by the
23 DNR, you know, to get a utility company. And the only
24 one was Capital Utilities -- that they recommended or
25 demanded -- so we went with them.

1 JUDGE DIPPELL: Mr. Berendzen, I think what
2 she is asking you about was you made mention about
3 some kind of guidance that the PSC gave you this time
4 that you hadn't gotten in the past. We want to know
5 what we were doing right this time.

6 THE WITNESS: Well, they recommended
7 whatever that is, the 50 percent --

8 JUDGE DIPPELL: The guidance that Staff
9 gave, is that what you are talking about?

10 THE WITNESS: Yes, ma'am. So, if you'll
11 accept a good comment, I'll tell you.

12 JUDGE DIPPELL: We will always accept a
13 compliment.

14 THE WITNESS: That 127 percent? Now, I'll
15 tell you, that sewage system is going to get used,
16 because that's not very nice.

17 JUDGE DIPPELL: Anything else, Commissioner
18 Murray?

19 COMMISSIONER MURRAY: No, thank you.

20 JUDGE DIPPELL: Commissioner Gunn?

21 COMMISSIONER GUNN: No questions. Thank
22 you, sir.

23 JUDGE DIPPELL: Ms. Baker?

24 QUESTIONS BY MS. BAKER:

25 Q. Have you had any billing issues?

1 A. Have I had any billing issues? Well, just
2 monthly bills, yeah.

3 Q. Do they come at regular intervals?

4 A. Once a month.

5 Q. All right. Have you dealt with the
6 customer service?

7 A. No. That's what this is, isn't it,
8 customer service?

9 Q. No, like calling in if you have a problem?

10 A. No, no, no. I called you people. And I
11 called Jim here. We had a nice little chat here last
12 winter one day.

13 But I would really like for you to hold it down if
14 you can. If you give them too much money -- no
15 complaint to you, sir -- but if you give them too much
16 it would be a bad influence on your oil companies.

17 MS. BAKER: That's all the questions that I
18 have.

19 JUDGE DIPPELL: Staff, did you have
20 questions?

21 MR. KRUEGER: No, I don't, Your Honor.

22 JUDGE DIPPELL: Mr. Ellinger?

23 MR. ELLINGER: No questions. And thank you
24 for your testimony, sir.

25 JUDGE DIPPELL: Heath Lepper?

1 HEATH LEPPER,

2 Of lawful age, being first duly sworn by the
3 Notary Public, testified as follows:

4 JUDGE DIPPELL: If you could state your
5 name and spell it, please, and then give us your
6 comments.

7 THE WITNESS: Heath, H-E-A-T-H, Lepper,
8 L-E-P-P-E-R.

9 I don't know about residential billing. I'm here
10 on Redfield Golf Course. I manage Redfield Golf
11 Course, and I get billed off of water usage instead of
12 a flat fee. I don't know if that pertains to this
13 meeting. I'm assuming it does.

14 JUDGE DIPPELL: It's with Aqua Missouri?

15 THE WITNESS: Yes, ma'am.

16 JUDGE DIPPELL: Go right ahead.

17 THE WITNESS: If you want to talk about
18 billing issues, I didn't receive a bill from April of
19 '07 until November of '07. My wife pays the bills at
20 the golf course and called numerous times, and they
21 said they were changing over their computer systems
22 and their billing processes and would get a bill to us
23 as soon they could.

24 When they sent me a bill it was for about -- I'm a
25 little unprepared. I didn't know I was going to have

1 to do this. It was for around \$4,300, which is
2 about -- I think my math was about 650-some dollars a
3 month. Normally, the last four months that we've had,
4 my average bill is approximately seven --

5 JUDGE DIPPELL: Can you turn the microphone
6 a little more toward your face? We were having
7 trouble hearing you in the back.

8 THE WITNESS: My last five bills have not
9 exceeded \$83 a month. And there again, that's based
10 off water usage.

11 I've talked with Aaron in the Jeff City office
12 about the problem we have. When my building was built
13 the subdivision developer owned the sewer system so we
14 paid a flat fee. Since they've taken it over we have
15 also paid an average at some point in time because
16 it's hard to regulate my water usage because of a
17 heating and cooling system I've got.

18 I've got backup residential water, which I'm
19 capable of dumping a large amount of water through a
20 heat exchanger and it dumps out on the ground. It
21 never enters their sewer system.

22 In an 11-day period I dumped approximately 333,000
23 gallons out on the ground, basically, which runs into
24 my lake. We've also got a swimming pool which has an
25 auto-fill on it, and that is also running through my

1 water meter.

2 I've got two separate buildings that don't have a
3 sewer system in them but yet we use water to wash
4 carts and the driving range and things like that. I'm
5 capable of using large amounts of water that never
6 enter into their system but yet I get billed for it.

7 On that large bill I called and explained this to
8 them. It started back in January. Since then they
9 have credited my account twice. The first one just
10 because I had actually read the meter before and after
11 I had to use a backup water supply for my heating and
12 cooling system.

13 The other one they gave me a credit when I had the
14 pool company come in and say yes he had to fill his
15 pool, drain his pool, fix a leak and fill it back up,
16 which requires about 150,000 gallons to do that twice.

17 I settled for \$250 a month on my bill,
18 approximately. Like I said, the last five months,
19 starting in November of '07 through March of '08, I
20 have not paid over \$83 a month. I don't necessarily
21 have a problem with the amount they are charging me,
22 but there's certain times that it's unfair. I've
23 explained this to them and I haven't been able to come
24 up with a solution yet.

25 The second to the last time I talked to somebody

1 at their corporate office and explained the situation
2 to them as far as the amount of water I can use and
3 doesn't go into their system, which I shouldn't be
4 billed for because it doesn't concern them -- that's
5 the whole point of billing off of usage -- and she
6 told me she couldn't help that my building was plumbed
7 wrong.

8 Well, I thought, it was plumbed fine when I was
9 paying an average to them of \$150 a month. And they
10 figured out that that wasn't either in their best
11 interest or they didn't want to do it that way
12 anymore.

13 I still haven't come to a solution. I went and
14 talked about it a couple times. But in my situation,
15 and I am capable of being billed an extremely large
16 amount of money without any recourse other than, you
17 know, a take it or leave it kind of deal, I don't know
18 what options I have.

19 I've made a formal complaint, I guess, with the
20 PSC, or whoever I got that letter from, and they are
21 still investigating the matter.

22 I know I talked to Steve Latham. I don't know who
23 he works with. He did suggest that they have
24 possibly, in some other areas, figured bills on the
25 first quarter and then adjusted from then on. In my

1 situation I think that would be extremely fair to both
2 parties. I wouldn't even mind paying a little extra
3 on top of that because there's a little extra water
4 usage, I'm sure, in the summertime with my business
5 being a little busier. But we haven't come to that
6 agreement yet.

7 JUDGE DIPPELL: When did you file your
8 complaint or submit a complaint with the PSC, do you
9 know?

10 Mr. Latham, by the way, is an employee of the PSC.

11 THE WITNESS: I've got it in here
12 somewhere. He sent me a letter April 17th
13 acknowledging that he had got my complaint and would
14 investigate it for 30 days. Somewhere around there.

15 JUDGE DIPPELL: Any questions, Commissioner
16 Murray?

17 QUESTIONS BY COMMISSIONER MURRAY:

18 Q. You don't have a formal complaint pending
19 with the PSC, do you?

20 A. Yeah.

21 Q. A formal complaint against Aqua Missouri?

22 A. I think. I called in there, and he called
23 me back today or yesterday and said they were still
24 looking into it.

25 Q. So you are just working with the Staff at

1 this point?

2 A. I don't know.

3 Q. I don't think you have a formal complaint.

4 A. What does that consistent of?

5 JUDGE DIPPELL: We have a two-step process
6 here at the PSC. A call into our consumer number, we
7 call it an informal complaint; in-house. And then a
8 formal complaint is where we do more formal court
9 proceedings.

10 THE WITNESS: Well, I guess I've got an
11 informal then.

12 QUESTIONS BY COMMISSIONER MURRAY:

13 Q. The reason I asked is because if you had a
14 formal complaint pending I wasn't going to ask you
15 anymore questions right now and that that would be
16 another formal proceeding before us.

17 But since that's not the case, I am going to ask
18 you some questions. Who do you receive your water
19 from?

20 A. The developer still has control of our
21 water system. All the golf course houses and all the
22 commercial lots run off the water tower. And I don't
23 know, Aqua Missouri might maintain or check on --

24 Do you all do any of that as far as chlorinators
25 or anything?

1 Q. Rather than ask questions here on the
2 record, let's --

3 A. Aqua Missouri might help with maintaining
4 that system, but the developer still owns it, I think.

5 Q. But you said you are billed on usage?

6 A. Yes, ma'am.

7 Q. So that means you're billed on your water
8 usage; correct?

9 A. Yes, they read my water meter. Not their
10 water meter, mine.

11 Q. And the irrigation for the golf course, is
12 that --

13 A. It's its own separate well.

14 Q. And that is not part of what Aqua would be
15 looking at when they bill you for usage?

16 A. No.

17 Q. And you don't have a separate contract with
18 Aqua, you are billed under their general tariff; is
19 that correct?

20 A. As far as I know, I do not have a contract
21 with them, no.

22 Q. Thank you.

23 JUDGE DIPPELL: Commissioner Gunn?

24 COMMISSIONER GUNN: I don't have any
25 questions. Thanks for your testimony.

1 JUDGE DIPPELL: Ms. Baker?

2 QUESTIONS BY MS. BAKER

3 Q. You said you did not receive a bill from
4 Aqua between April '07 to November '07?

5 A. Yes, ma'am.

6 Q. You had gotten bills up until --

7 A. Monthly up until that.

8 Q. So you were a customer before?

9 A. Yes, ma'am.

10 Q. Whenever you had the billing issue, did you
11 call their customer service first, or did you go
12 directly to your local?

13 A. I think I went to my local office first.

14 JUDGE DIPPELL: Any questions from Staff?

15 MR. KRUEGER: No questions, Your Honor.

16 JUDGE DIPPELL: Mr. Ellinger?

17 MR. ELLINGER: No questions. Thank you for
18 your testimony, Mr. Lepper.

19 JUDGE DIPPELL: Brad Backeds?

20 BRAD BACKEDS,

21 Of lawful age, being first duly sworn by the
22 Notary Public, testified as follows:

23 JUDGE DIPPELL: Could you state your name
24 and spell it for us, please?

25 THE WITNESS: Brad, B-R-A-D, Backeds,

1 B-A-C-K-E-D-S.

2 I would like to attest that the following
3 properties are attached to Aqua Source of Missouri
4 located in Holts Summit: Golden Ponds subdivision,
5 County Road 382 and 371. It's a total of 45
6 properties.

7 The original contractor was McDaniel
8 Construction -- Archie McDaniel, that's my uncle. The
9 second is Friedrich Construction, who is a neighbor.
10 And I was there from the beginning of the construction
11 so I watched the lines being put in and attached to
12 the houses.

13 My contention is just on our Teal Lane, there are
14 two people that have never paid a bill. I did not
15 poll the rest of the 45 houses, but I would say that
16 there is a need to ensure Aqua Source's billing
17 accuracy before they can submit for an increase.

18 And I would like to see what percentage of the
19 increase is due to what would be deemed normal
20 maintenance and what would be a percentage done for
21 changes in state law.

22 Do you have that information?

23 JUDGE DIPPELL: We're not going to -- the
24 company is not going to answer questions at this
25 point, but they will, hopefully, be here after you are

1 finished, and maybe you can get that information.

2 THE WITNESS: Okay. The two people
3 attested to me personally. I would hope that you
4 would not allow them -- through whatever inaccurate
5 means of managing -- that they do not get back-billed
6 an ungodly bill either due to their fault in
7 accounting or through the contractors.

8 Because I do believe the process is, as soon as
9 the contractor hooks up the septic tank or the holding
10 tank they start paying the bill until they sell a
11 house. Right? I do believe.

12 So, one or the other. If you could have those two
13 companies or entities determine who should be paying
14 for the service instead of the people who were totally
15 unaware.

16 Please deny their request until they can perform
17 some type of accuracy. If they are willing to provide
18 their billing records we might be able to match some
19 up and get them some money tonight. Thank you.

20 JUDGE DIPPELL: Commissioner Murray, did
21 you have any questions?

22 COMMISSIONER MURRAY: I don't believe so,
23 thank you.

24 JUDGE DIPPELL: Commissioner Gunn?

25 COMMISSIONER GUNN: Just a time frame.

1 QUESTIONS BY COMMISSIONER GUNN:

2 Q. When were these houses built?

3 A. Construction started in 1996, and I do
4 believe he sold in 2003 to Aqua Missouri. I do
5 believe that's the time frame.

6 Q. So they haven't received a bill from 2003,
7 or they haven't received a bill from 1996?

8 A. One is an original owner, I do believe.
9 The other one is a second owner and has verified
10 through the first owner that they did not receive a
11 bill.

12 Q. So from 1996 --

13 A. That's correct. Whenever the house was
14 built. It could have been '96, '97, '98, in that time
15 frame. But I do know that the first houses on County
16 Road 382 were started in 1996.

17 Q. And you don't believe that the
18 contractor --

19 A. I do know my uncle, we discussed -- because
20 they were selling the lagoon system to Aqua Source --
21 what he had to provide to them, which was a map of all
22 the lots, which ones were finished. And at that time
23 that he sold it, I do believe it was completely
24 finished. He waited until he had houses connected to
25 it before he sold it to Aqua Source. So he had to

1 give them a map showing all the locations and all the
2 addresses to them.

3 Q. Any service problems in the neighborhood?

4 A. No service problems. We have complained,
5 and they have come in and repaired, but that is a
6 normal maintenance cost.

7 We have two lakes on our property. So it's our
8 responsibility to maintain the dams just as it's their
9 responsibility to maintain their dams. So their cost
10 that they set out should be for projected maintenance
11 costs in the future.

12 If they have to rebuild the dams, or re-rock, you
13 know, they know that needs to be done on a five to
14 ten year basis, or whatever, so their costs that they
15 send to us, the bills they send to us, is for that
16 regular maintenance.

17 COMMISSIONER GUNN: No further questions.

18 MS. BAKER: I do have questions.

19 QUESTIONS BY MS. BAKER:

20 Q. I want to clarify about the ones you are
21 saying are not receiving bills. The houses were built
22 and owned by the developer at first?

23 A. That's correct.

24 Q. And then people have moved into those
25 houses now?

1 A. That's correct.

2 Q. And so what you are saying is the people
3 who are in those houses receiving service from Aqua
4 are not being billed by Aqua?

5 A. That is correct.

6 Q. Do you know if the developer is being
7 billed?

8 A. No, I do not. I would doubt if the
9 developer would want to be billed for something he
10 sold ten years ago.

11 Q. And the reason why I want to focus on this
12 is because this has been commented to my office that
13 there are customers out there who are getting service
14 who are not getting bills, so I do want to focus on
15 this with you. Where are these located?

16 A. The two that I will testify to are on Teal
17 Lane.

18 Q. Can you spell that?

19 A. T-E-A-L, L-A-N-E.

20 Q. And there are two residents that you know
21 of?

22 A. That's correct.

23 Q. And when did the customers move into the
24 houses, about?

25 A. We'll have further testimony from one

1 neighbor who I do believe it's been two years. I
2 don't want to make my neighbor mad.

3 Q. Just an approximate is fine.

4 A. I think on both of them it's been at least
5 two years.

6 Q. I think that's all the questions that I
7 have for the moment.

8 A. Okay.

9 JUDGE DIPPELL: Any from Staff?

10 MR. KRUEGER: No questions.

11 JUDGE DIPPELL: From the company?

12 MR. ELLINGER: No questions.

13 JUDGE DIPPELL: Bill Zeaman?

14 WILLIAM ZEAMAN,

15 Of lawful age, being first duly sworn by the

16 Notary Public, testified as follows:

17 JUDGE DIPPELL: Go ahead and spell your
18 name for us and give us your comments.

19 THE WITNESS: William Stuart, S-T-U-A-R-T,
20 Zeaman, Z-E-A-M-A-N.

21 JUDGE DIPPELL: Go ahead.

22 THE WITNESS: I am the President of Golden
23 Ponds Homeowners Association. On February 23rd of
24 this year we held an annual meeting and we brought up
25 the topic of Aqua Missouri wanting to raise the rates

1 increases. There were nine homeowners at this
2 meeting. Three of those individuals did not have an
3 idea of what we were talking about. They said, "Who
4 is Aqua? What's Aqua?"

5 I said, "That's your sewer company, we are all
6 hooked up to the same lagoon system."

7 And they said, "Oh, we're not getting a bill."

8 And we're, like, great, 33 percent of the folks
9 may not be getting a bill in Golden Ponds. That's, of
10 course, my idea. I don't know if, in fact, 33 or more
11 percent, or less, are getting a bill. But three
12 homeowners out of nine showed up at the meeting and
13 were, in fact, not getting a bill.

14 Your Honor, there are 16 digits in my Aqua
15 Missouri account. I don't know how many small
16 businesses in Missouri in fact have a 16-digit account
17 for their customers. They did kind of mention that at
18 the little pre-session here, that it's a small company
19 in Missouri, but it's really a big company of 16 or
20 some-odd states. I don't know how many states they
21 testified to or mentioned.

22 I did, in fact, call the automated service on
23 May 23rd -- or actually May 22nd, I'm sorry -- and I
24 was able to reach somebody. And it was done at 7:30
25 in the evening. I work eight to five.

1 And I was just wanting to ask a real simple
2 question: How many people in Golden Ponds Homeowners
3 Association are getting billed for these services?

4 And I know that these automated voice systems are
5 not cheap, because we talked about it in the
6 Department of Natural Resources, which is where I work
7 at, and they said we are not going to be able to
8 afford an automated voice system.

9 In fact, we're going to have to share a secretary
10 in between two different units, or actually the Land
11 Reclamation Program and the Office of Administration,
12 because the cost of an automated system is just not
13 even feasible.

14 Maintenance is part of an ownership of property.
15 We are required to maintain our property. And if this
16 increase is part of maintenance ownership, that should
17 be denied.

18 There has been a few inconsistent billing
19 practices. They mentioned this last bill was for
20 34.23. It's usually 27.75, or something in that
21 range. And then I've also had a bill that was only
22 for a lessor, like \$22, and I get questioned because
23 I'm the president of the association. How come it's
24 up or down, or whatever? And I just say it is just
25 the difference in day cycles. And I understand that.

1 I really don't have a big issue with that.

2 I do want to point out that this money does go to
3 Ohio, and I'm not sure how many small businesses in
4 Missouri outsource their billing to Ohio.

5 And, Your Honor, I'm willing to take questions.

6 JUDGE DIPPELL: Thank you. How many
7 homeowners are in your association?

8 THE WITNESS: We have 28 homeowners in our
9 association. There are 28 actual properties. Only 27
10 homes though because one property does not, in fact,
11 have a house on it.

12 JUDGE DIPPELL: Okay. Commissioner Murray,
13 did you have any questions?

14 QUESTIONS BY COMMISSIONER MURRAY:

15 Q. You indicated that you are required to
16 maintain your own systems; is that correct?

17 A. No. I'm required to maintain my own
18 property, and maintenance is just a part of property
19 ownership.

20 Q. Okay. And you're talking about the part of
21 your wastewater system that would be on your own
22 property?

23 A. No, I'm talking about mowing the lawn.
24 Which is what I see them -- because I have a
25 three-stage lagoon system right off my backyard, and

1 that's, essentially, what I see them do is mow the
2 lawn. And also they put some rip-wrap around the
3 edge, which we also do on our lake and we pay for that
4 out of our own money.

5 Q. But you are not saying that you are
6 required to maintain any portion of your sewer system?

7 A. I am required to maintain the portion of my
8 septic tank which runs into the sewer system.

9 COMMISSIONER MURRAY: Thank you. I just
10 wanted to clarify that.

11 JUDGE DIPPELL: Commissioner Gunn?

12 QUESTIONS BY COMMISSIONER GUNN:

13 Q. Just a quick question. You might not know.

14 Previously we had testimony that there were two
15 people that weren't receiving bills. And I think it
16 was the same neighborhood; is that correct?

17 A. Correct. Brad Backeds testified on Teal
18 Lane. There's, in fact, other people on the county
19 road now that we've located as well.

20 Q. So are the two he mentioned included in
21 your three, or are they three additional?

22 A. They are part of that three.

23 Q. Okay. All right. That's all the questions
24 I have. Thank you.

25 JUDGE DIPPELL: Ms. Baker?

1 MS. BAKER: I want to clarify a little bit
2 about more about that.

3 QUESTIONS BY MS. BAKER:

4 Q. There were three people that came to your
5 homeowners association who are receiving service from
6 Aqua but are not getting bills; is that correct?

7 A. At the February 23rd meeting, yes, there
8 were three people attending that meeting who did not
9 receive services out of the nine that attended.

10 Q. And there are 28 lots -- homes -- 27 homes
11 and one lot; is that correct?

12 A. Correct.

13 Q. Do you think it's possible that there are
14 more people there who are getting service but not
15 getting billed?

16 A. I do believe that there may be people on
17 the county road who are also hooked into the same
18 system even though they are not part of the homeowners
19 association.

20 Q. Would that be in a different subdivision
21 than Golden Ponds, or would that still be under Golden
22 Ponds?

23 A. It would not be under Golden Ponds. I'm
24 not 100 percent sure if they call themselves a
25 specific subdivision.

1 Q. I understand. Do you know if these people
2 went back and checked on why they were not getting
3 bills?

4 A. Yeah. In fact, my neighbor, Norma
5 Rockhold, she did, in fact, call Aqua Missouri. And
6 that's Rockhold, just like you're holding a rock, at
7 2024 Teal Lane. She is one of the most recent people
8 who have been hooked up to this system, and that
9 happened, I believe, in February. Aqua Missouri can
10 check their own records, but that home has been there
11 ever since I moved there in 2001.

12 Q. And so she moved in, in February, is that
13 what you are saying?

14 A. No. That's when Aqua Missouri started
15 billing them for their services. They actually moved
16 in -- I'm not sure 100 percent of the exact date, but
17 it was about a year ago. A little bit over a year
18 ago.

19 Q. So there's a possibility that there's
20 several years they have been getting service but not
21 getting billed?

22 A. Not specifically the Rockholds, but that
23 household.

24 Q. I understand. Any of the other two, that
25 you know of, did they contact?

1 A. I have not followed up on them. And I was
2 hoping that that was part of this hearing, what would
3 be an outcome.

4 In fact, in 2005, I wrote in to the Public Service
5 Commission and said I believe there are people who are
6 on the Golden Ponds homeowners subdivision sewer
7 system who are, in fact, not paying.

8 And in this most recent write-in I also put in a
9 "P.S." that there are people who I know, in fact, are
10 not paying.

11 Q. And those were your comments that you
12 submitted to the Commission earlier this year?

13 A. Earlier this year in writing, yeah.

14 Q. You said you have the lagoon in your
15 backyard or near to your property?

16 A. It would be -- yes. My property borders
17 the lagoon.

18 Q. Have you had any issues with the lagoon?

19 A. The only real issue is that there's
20 muskrats in there, and when they worked on it the
21 muskrats came into my pond -- it's Golden Ponds, so
22 there's two ponds -- and we had to pay for a removal
23 of muskrats.

24 MS. BAKER: That's all the questions I
25 have. Thank you.

1 JUDGE DIPPELL: Any questions from Staff?

2 MR. KRUEGER: No questions, Your Honor.

3 JUDGE DIPPELL: From the company?

4 MR. ELLINGER: Thank you for your
5 testimony. No questions, Judge.

6 JUDGE DIPPELL: Thank you, sir. You may be
7 excused.

8 Paul Bernskoetter?

9 PAUL BERNSKOETTER,

10 Of lawful age, being first duly sworn by the
11 Notary Public, testified as follows:

12 JUDGE DIPPELL: Can you state your name and
13 spell it?

14 THE WITNESS: My name is Paul, P-A-U-L,
15 last name is Bernskoetter, B-E-R-N-S-K-O-E-T-T-E-R,
16 and my address is 5216 Tanner Bridge Road, Jefferson
17 City, Missouri.

18 I'm part of the Grand Holland Estates, if you all
19 are familiar with that. Although I've got a Tanner
20 Bridge address, I'm on the same sewer system as the
21 houses behind me in Grand Holland Estates.

22 When we built our home we had put in dual concrete
23 tanks. One has a pump in it, and it goes into another
24 one, and it pumps it into the sewer. I think it's a
25 two-inch sewer line behind my yard. And it's a

1 liquid. It's all liquid. I have alarms on my house
2 that I had to pay for. I've got a check valve in my
3 line that if there's a problem it can't come back in
4 my house, the alarm will go off. To just kind of give
5 you an idea of what is going on there.

6 The thing I have, I guess -- my thing is my wife
7 and I are retired, and we've lived there exactly
8 six years this month. We moved there the last of
9 May in 2002.

10 And we thought, when we first found out, when we
11 built the house, that the sewer was going to be \$22
12 and some cents. I thought that was pretty high, but
13 we could live with that. And then when it went up to
14 27.75 we got more concerned. Now they want to raise
15 it up to \$63-and-something.

16 And just to give you an idea; my water bill in
17 March was \$13.63, and I get the water from Public
18 Water District No. 2. And in April my water bill was
19 \$13.53. Now, that's \$13.53, and they want to charge
20 me \$63 to get rid of that water. I know there's some
21 solids with that, but all the water doesn't go into
22 that system either. A lot of it is for watering
23 flowers and whatever else is involved.

24 The one question that the lady had earlier about
25 the bill. The bill that I had, I guess it's the March

1 bill, it said from February 22nd to March 24th --
2 please pay attention to March 24th, that date. The
3 last bill I got it says it's from March 24th to
4 April 30th. Now, how can they bill me for two days in
5 two months?

6 In other words, the last bill I got should have
7 started March 25th and not the 24th again because it
8 ended the 24th. It's only 92 and 93 cents, it's not
9 that big a deal, but how many customers do they have
10 that's being hit with that?

11 And I guess my other question is, I think it's bad
12 timing right now to ask for this kind of rate increase
13 when we were on a fixed income of Social Security, and
14 everything is going up so fast around us that one of
15 these days we're just not going to be able to own our
16 home anymore. That's just the way it's going to be.
17 That's the only comment I really have.

18 Oh, I guess the other question is, are they buying
19 any companies -- I'm talking about Aqua Missouri, or
20 whatever you want to call it -- are they buying any
21 companies that need major repairs that we in Grand
22 Holland Estates need to pay for?

23 Because we are a fairly new system out there, and
24 I don't know if I ever see a truck very often go by my
25 house. Maybe once in a great while. Maybe when I'm

1 not looking.

2 But I guess what I'm saying is, I want to make
3 sure that we're not having to pay the 27.75 to \$63 to
4 pay for somebody else's problems in Ohio, or wherever
5 it may be. That's about all I have.

6 JUDGE DIPPELL: Thank you, sir.

7 Commissioner Murray, did you have any questions?

8 COMMISSIONER MURRAY: I don't have any
9 questions, but thank you very much.

10 JUDGE DIPPELL: Commissioner Gunn?

11 COMMISSIONER GUNN: No questions.

12 JUDGE DIPPELL: Ms. Baker?

13 MS. BAKER: Just normal questions.

14 QUESTIONS BY MS. BAKER:

15 Q. Have you had any experience with the
16 customer service call-in numbers for Aqua Missouri?

17 A. No. When I got this last bill, I did call
18 them and told her that the March 24th is double. And
19 she said, "I'll send you a corrected bill." And that
20 was two weeks ago, and I haven't gotten one yet, and I
21 haven't paid my bill from May. That's the only --
22 anything else, I haven't had any other problem.

23 MS. BAKER: That's all the questions I
24 have.

25 JUDGE DIPPELL: Staff?

1 MR. KRUEGER: No questions. Thank you, Mr.
2 Bernskoetter.

3 JUDGE DIPPELL: Company?

4 MR. ELLINGER: Thank you, Mr. Bernskoetter.
5 No questions.

6 JUDGE DIPPELL: You may be excused.

7 Mr. Krueger, I'd like to ask you if you could have
8 Staff look into that overlap in the billing issue and
9 maybe include that information in your report when you
10 make a final recommendation to Staff --

11 MR. KRUEGER: Certainly.

12 JUDGE DIPPELL: -- I mean, to the
13 Commission. Thank you.

14 William Jurgensmeyer?

15 WILLIAM JURGENSMEYER,

16 Of lawful age, being first duly sworn by the
17 Notary Public, testified as follows:

18 THE WITNESS: William,

19 J-U-R-G-E-N-S-M-E-Y-E-R. I live at 4207 Darren Drive.

20 I'm talking on behalf of my mother who cannot be
21 here. She's lived in Lehman Acres subdivision since
22 1967 -- she's 89-years-old -- as well as there's
23 several other older ladies there on fixed incomes and
24 another couple of couples that are retired and on
25 fixed incomes.

1 She about had a heart attack when she seen that
2 rate increase that they wanted. I mean, she cuts
3 corners every which way she can trying to make ends
4 meet and stay on time. And she knows that she
5 couldn't come, but she's been on me to come, so I
6 appreciate the Public Service Commission letting me
7 speak my piece.

8 Like her, I feel it's a little outrageous at 63,
9 and I told her I would come and give my opinion. I
10 don't have anything much else to say except -- she
11 doesn't border the lagoon, but we can see it from her
12 house, it's right behind -- I haven't seen them down
13 working on the lagoon or anything, but when they do,
14 they do drive through her yard.

15 And I don't know if it was Aqua or who put the
16 fence up at the time, but we made several calls --
17 I've got other brothers and sisters from out of state
18 and she contacted them, of course, and we all made
19 calls to try to get it taken care of. But when Aqua
20 or anybody comes, they do come right down through the
21 driveway of the yard and go down to the lagoon.

22 And I haven't seen any improvements made much.
23 Let's see, they moved there in 1967. They have put up
24 a better fence around the lagoon. And I think they
25 did fix the drain going down off of it. And they have

1 dug up a few of the other parts of the neighborhood.
2 But other than that, I really haven't seen that much
3 improvement.

4 I'm there every -- about three times a week
5 checking on her. And she has a good eye, as well as
6 the other ladies around there, they kind of watch out
7 for stuff. I think that's the only comment I have.

8 JUDGE DIPPELL: Thank you, sir.

9 Commissioner Murray, did you have any questions?

10 COMMISSIONER MURRAY: I have no questions,
11 but thank you for your testimony.

12 JUDGE DIPPELL: Commissioner Gunn?

13 COMMISSIONER GUNN: No questions.

14 JUDGE DIPPELL: Ms. Baker?

15 QUESTIONS BY MS. BAKER:

16 Q. Has your mother had any issues with
17 billing?

18 A. She pays her bills regularly on time.

19 Q. And she gets her bills regularly?

20 A. Yes.

21 Q. Has she had any reason to call the customer
22 service number?

23 A. No, ma'am.

24 Q. That's all the questions that I have, thank
25 you.

1 JUDGE DIPPELL: Questions from Staff?

2 MR. KRUEGER: No questions, thank you.

3 JUDGE DIPPELL: Mr. Ellinger?

4 MR. ELLINGER: Thank you for your
5 testimony, Mr. Jurgensmeyer.

6 JUDGE DIPPELL: Richard Allen?

7 RICHARD ALLEN,

8 Of lawful age, being first duly sworn by the
9 Notary Public, testified as follows:

10 JUDGE DIPPELL: If you could spell your
11 name for the court reporter.

12 THE WITNESS: My name is Richard Allen,
13 A-L-L-E-N.

14 It's been a long evening. And some of the
15 concerns I've heard, I have the same ideas so I won't
16 repeat all the things other people have said.

17 I live in a neighborhood where I believe the
18 subdivision was called Sleepy Hollow subdivision. I
19 think there's a little package plant. Actually, when
20 I bought the house 11 years ago, my house wasn't
21 actually part of that subdivision. It was the next
22 one up. It was one of the original houses.

23 It had just a septic tank and drainage field. It
24 was failing, so when I bought the house I had a
25 choice -- well, I could have replaced the drain field,

1 but when you have clay soil and steep hills it doesn't
2 always work.

3 But I noticed the sewer system on the next
4 property down and I thought that would be neat if I
5 could hook up with that. At the time it was Capital
6 Utilities, and I called them up, and sure enough, you
7 know, for the right price you could hook up to them.

8 And, of course, you're hitched once you hook up to
9 the sewer system. I mean, you are going to have those
10 monthly bills no matter what. You are stuck. But I
11 thought that was the right thing to do and I went
12 ahead and did that. That was 11 years ago.

13 And we have gone through a couple of rate
14 increases, but they were minor, and I thought they
15 were justified, so I didn't complain. But when we
16 have a rate increase less than two years ago and then
17 we have another request for more than double --

18 And, you know, they may claim that they have all
19 these expenses, but people can pad expenses. I know
20 how things happen, and I know this is a for-profit
21 company based in Philadelphia. I know they want to
22 make money, and I wouldn't complain about a reasonable
23 return, but I think this is a little bit much.

24 The system that we have, I mentioned it was a
25 package plant, but that's not the whole story. Every

1 home in the subdivision, including mine -- which is
2 outside the subdivision, but since I hooked up to it I
3 had to go ahead and do the same thing as the rest of
4 the people in the subdivision have -- we have to have
5 a septic tank prior to a sewer line that goes down to
6 their treatment plant.

7 It's a small flow, it's a four-inch pipe, so I
8 understand why they want the septic tanks for the
9 solids. But the homeowners are responsible to
10 maintain and pump that septic tank. I mean, that's
11 our expense. Aqua doesn't pay for any of that. We
12 have to do that.

13 If they are going to look for this kind of
14 increase I would like to look for a little help in
15 there pumping my septic tank. That's an expense so
16 that I can spare them the load on their treatment
17 plant. So, you know, reasonable is reasonable and
18 unreasonable is unreasonable.

19 Now, as far as the billing question the one
20 gentleman brought up, I noticed the same thing. And
21 yes, this did happen once last year -- last summer --
22 where the billing dates weren't quite the first and
23 the last of the month so we didn't have a total month.

24 And, in fact, the billing date was changed to
25 somewhere before the end of the month, if you had a

1 lessor amount, and then later on it was adjusted to
2 get back to the end of the month. And I called and I
3 said, "What is the deal here, why do you change it and
4 then change it back?"

5 And she said, "It's a new computer system."

6 I said, "Well, by doing this you have gained X
7 amount of dollars."

8 Because the way they counted the days, they did
9 double count the end of one period. That day was also
10 carried to the beginning of the next period, and that
11 happened for two or three -- it was like three days
12 they were double counting. So if you do the per day
13 thing -- also, the per day thing is figured on a
14 30-day month, and those months happened to have
15 31 days, so they ended up with --

16 But she did not help me, so I made an informal
17 complaint to PSC. And voila, in about a week I had my
18 refund. So those things work.

19 Now the same thing has happened this year. And by
20 the way, back then they said that was a one time
21 thing, it would never happen again, it would always be
22 the complete month billing cycle, they wouldn't play
23 with changing the dates, and I think it was January or
24 February of this year they did it again, they
25 shortened it.

1 And, of course, nobody complains when it's less
2 than what you expect, which it was. But now the
3 catch-up time is here this last month, and that's why
4 it's more days than a month, and people notice the
5 higher bill.

6 But they did double count the days again. I
7 noticed the last day of the billing cycle and the
8 first day of -- the previous day and the first day of
9 the next one they were counting, so there were
10 three days. But because February here was a short
11 month it only ended up being one day because we're
12 based on a 30-day month. So it's like 93 cents, like
13 the one guy said.

14 I haven't made a complaint yet, because for 93
15 cents it's hardly worth it, but you add that up to all
16 your customers you're raking in money they didn't need
17 to. So anyway, that's it as far as the billing cycle.

18 I've noticed that -- maintenance, I don't know, I
19 see the trucks go down there. It's a package plant
20 and it requires more maintenance than the lagoon.

21 I just want them to get a fair increase. If it
22 was, like, just 30 bucks or so, I wouldn't complain at
23 all, if it was a reasonable increase, but I don't
24 think it's reasonable.

25 JUDGE DIPPELL: Any questions, Commissioner

1 Murray?

2 COMMISSIONER MURRAY: No questions. Thank

3 you, Mr. Allen.

4 JUDGE DIPPELL: Commissioner Gunn?

5 COMMISSIONER GUNN: No questions.

6 JUDGE DIPPELL: Ms. Baker?

7 MS. BAKER: I have no further questions.

8 Thank you.

9 JUDGE DIPPELL: Staff?

10 MR. KRUEGER: No questions.

11 JUDGE DIPPELL: Mr. Ellinger?

12 MR. ELLINGER: Thank you for your

13 testimony, Mr. Allen. No questions, Judge.

14 JUDGE DIPPELL: Thank you, Mr. Allen.

15 Hal Van Slyck?

16 HAL VAN SLYCK,

17 Of lawful age, being first duly sworn by the

18 Notary Public, testified as follows:

19 JUDGE DIPPELL: If you could state your

20 name and spell it for the court reporter.

21 THE WITNESS: My name is Hal Van Slyck.

22 The last name is two words, capital V-A-N, capital

23 S-L-Y-C-K.

24 I live in the Highlands subdivision south of Holts

25 Summit. I'm a customer of Aqua Missouri. I have not

1 had any billing problems. As far as I know there
2 aren't any problems with our wastewater collection and
3 treatment system.

4 I understand that for-profit companies need to
5 create a reasonable return on investment for their
6 shareholders. But I also know that, in these days,
7 for-profit companies need to be watched very carefully
8 because we are all seeing examples of rather excessive
9 amounts of profit.

10 One of the jobs that I do in my position with the
11 Missouri Department of Economic Development is First
12 Reviewer for the Community Development Block Grant
13 Program, and we have a look at 50 or 60 grant
14 applications a year for various things.

15 And some of those involve either the construction
16 of entirely new wastewater collection and treatment
17 systems in small communities in Missouri or a complete
18 retrofit of an existing substandard facility for the
19 same thing.

20 One of the standards that we apply to determine
21 whether or not the municipality's residents are paying
22 their fair share of the cost for wastewater treatment
23 involves the percentage of income factor that we look
24 at. This generally relates or converts to an average
25 monthly sewer bill for most people between 38 and 40

1 or 42 dollars a month.

2 In many cases that is a huge increase over what
3 they may have been paying in the past for a
4 substandard system, but with the new DNR regulations
5 in place, and some of these other issues, it does
6 involve rebuilding entirely new systems and that costs
7 a lot of money.

8 The wastewater collection and treatment facility
9 that serves my neighborhood, as far as I know, and I
10 was told by the developer, was just simply deeded over
11 to Aqua Missouri in the not too distant past. Aqua
12 Missouri did not build the system. They did not lay
13 the pipes or dig the lagoon.

14 It is certainly their obligation to pay for
15 servicing the system and keeping it in compliance.
16 But they didn't have much, if any, in the way of
17 upfront costs, so it's basically a revenue producing
18 situation for them.

19 I would just say that to come in and ask for a
20 127 percent rate increase is blatantly excessive. And
21 in my opinion, the Staff recommendation for it to run
22 from 27.75 to 45.38 is probably excessive as well in
23 this case.

24 I won't have anything else to say in my comments.
25 Everyone else has said everything I have to say.

1 JUDGE DIPPELL: Thank you, sir. Any
2 questions, Commissioner Murray?

3 COMMISSIONER MURRAY: No, but thank you for
4 your testimony.

5 JUDGE DIPPELL: Commissioner Gunn?

6 COMMISSIONER GUNN: No questions.

7 JUDGE DIPPELL: Ms. Baker?

8 QUESTIONS BY MS. BAKER:

9 Q. Have you had any opportunities to deal with
10 the customer service numbers for Aqua?

11 A. No, I haven't had any opportunity to deal
12 with them other than just in January of this year, you
13 know, signing up with the service. Prior to that time
14 we paid our sewer bills directly to the developer of
15 our subdivision. And in the process of converting it
16 to paying the bills and being billed directly to Aqua
17 Missouri, I did have contact with their office, and it
18 was satisfactory.

19 Q. How long did you pay bills directly to the
20 developer?

21 A. Since we had lived in the subdivision, and
22 that was about a one year period prior to last
23 January.

24 MS. BAKER: That's all the questions I
25 have.

1 JUDGE DIPPELL: Anything from Staff?

2 MR. KRUEGER: No questions.

3 JUDGE DIPPELL: Anything from the company?

4 MR. ELLINGER: Thank you for your
5 testimony, Mr. Van Slyck. No questions, Judge.

6 JUDGE DIPPELL: Doris Lawrence?

7 DORIS LAWRENCE,

8 Of lawful age, being first duly sworn by the
9 Notary Public, testified as follows:

10 JUDGE DIPPELL: Go ahead and state your
11 name and spell it for the court reporter, please.

12 THE WITNESS: Doris Lawrence, D-O-R-I-S,
13 L-A-W-R-E-N-C-E. I live at 2817 Covey Lane, Jefferson
14 City, 65109, and that's out at Quail Valley Lake also.

15 JUDGE DIPPELL: Go ahead with your
16 comments.

17 THE WITNESS: We have lived there since
18 1985. And when we originally purchased the home it
19 already had the septic system in and we had an aerator
20 along with it and then it went into our lake. It was
21 that way for a number of years. I don't recall how
22 many, but a long time.

23 And then we were advised that because of the
24 number of homes that were out there now -- or at that
25 time -- that we had to go have a regular pump station

1 and sewer system. So we did that. And they came out
2 and put the sewer system in because we were required
3 to hook up with it.

4 I haven't really had any problems with Aqua
5 Missouri except this rate increase. My February to
6 March water bill ran \$11.37. My March to April water
7 bill ran \$13.48. And as it is now even, I'm paying
8 more than twice what my water bill is. And if they
9 get this increase it's going to be several times more
10 than what my water bill is. I just can't see that
11 that's justified.

12 When I received this last bill for
13 \$34-and-something, I did call the PSC because I just
14 assumed that they had already put the rate into
15 effect, the new rate. And I thought, well, they
16 haven't even had the hearing yet, how could they do
17 that.

18 So I called PSC, and the person I spoke to didn't
19 know anything about it. She said she was also on Aqua
20 Missouri and had not received her bill yet so she
21 didn't know anything about it.

22 So I called Aqua Missouri and talked to someone
23 there and asked about why the increase. And she said,
24 "It's just our standard rate that we charge." And she
25 did not explain that it was for more than the 28 to

1 31 days, and I didn't know that until tonight after I
2 got here.

3 But my main concern is just the outrageousness of
4 the increase that they are requesting based upon the
5 water usage.

6 I wish that there would be some way -- we're under
7 PWD No. 1. I wish there was some way they could
8 connect the two some way so they could base it upon
9 water usage rather than just a standard rate. And
10 that's really all I have.

11 JUDGE DIPPELL: Thank you, ma'am.

12 Commissioner Murray, did you have any questions?

13 COMMISSIONER MURRAY: No questions. Thank
14 you.

15 JUDGE DIPPELL: Commissioner Gunn?

16 COMMISSIONER GUNN: No questions. Thank
17 you, ma'am.

18 JUDGE DIPPELL: Ms. Baker?

19 MS. BAKER: No questions. Thank you very
20 much.

21 JUDGE DIPPELL: Staff?

22 MR. KRUEGER: Thank you, Ms. Lawrence.

23 THE WITNESS: Thank you for this
24 opportunity to speak.

25 MR. ELLINGER: Thank you for your

1 testimony, Ms. Lawrence. No questions, Judge.

2 JUDGE DIPPELL: Laura Dampf?

3 LAURA DAMPF,

4 Of lawful age, being first duly sworn by the
5 Notary Public, testified as follows:

6 JUDGE DIPPELL: Go ahead and spell your
7 name first.

8 THE WITNESS: Laura Dampf, D-A-M-P-F. And
9 I presently live on Greenbrier Drive which is right
10 next to Horseshoe Road. I lived on Horseshoe Road for
11 20 years.

12 And I first want to clarify -- because we had
13 earlier testimony -- what you had first was testimony
14 from the homeowners in the Lehman Acres who were on
15 Horseshoe Drive. And then Mary Jennings, who gave you
16 the pictures, she lived on Horseshoe Road two doors
17 down from me for 20 years before I just moved a couple
18 years ago one street over onto Greenbrier. But I'm
19 still on the same lagoon system as I was on Horseshoe
20 Road.

21 And the pictures that Mary gave you, we did not
22 have the sunken situation with the backyards, but I
23 can testify as to the problems with the overflow from
24 the manholes in the middle of the street.

25 And I have not been up to take pictures of the

1 lagoon. It sits up a little bit higher, so I didn't
2 know how many actual things there were, but there have
3 been problems with that lagoon as far as smell.

4 And in the 23 years I have lived in that
5 neighborhood I have seen less than a dozen times --
6 and I teach, so I'm home a lot during the summer, I
7 walk a lot, and I can't tell you that I've seen people
8 out there ever working. I've seen weeds done.

9 From all that I've heard tonight, all these
10 different systems, the amount of maintenance or
11 whatever, that seems minimal. I do not understand.
12 Just from my area, I estimate that there's probably
13 maybe a hundred -- a little over a hundred families
14 there that are possibly into that same three-tier or
15 two-tier system, whatever we have, of the lagoon.

16 But a lagoon is a lagoon, and I can't imagine
17 that -- based on my estimate they are getting, like
18 right now, \$3,000 or more a month from customers. And
19 I just can't see that they are putting -- that that
20 much is going in. And for this amount to more than
21 double, I just can't imagine.

22 The expenses that I have heard -- the problems
23 that I have heard about other systems, the one on
24 Horseshoe Drive seems to be the biggest expense if
25 they actually were to fix it the way that they were

1 saying that somebody had told them it was going to
2 need. But none of these systems seem to me like they
3 are requiring a whole lot.

4 A lagoon, I mean, I was -- literally, when we
5 found out this rate increase was a possibility, I
6 thought, "Can we put in a lagoon on our land?" I
7 mean, we've got a pretty big area where we live in the
8 neighborhood. Or my brother owns the gas station down
9 the street and they have an extra lot next door. I
10 thought, "I wonder if there's a chance of them putting
11 in a lagoon so we could bypass this other one?" I
12 feel like this is a monopoly. We're kind of stuck,
13 and I'm trying to look for other options.

14 I just don't feel that it's reasonable or
15 justified. And the economy being what it is I realize
16 that everybody is getting pinched a little bit harder,
17 but I just can't see that happening with the amount
18 of -- the little maintenance that is required.

19 In this day and age you have more people who are
20 working, which literally translates to less flushes at
21 home per day. I mean, really, I was thinking, if
22 there's smaller families, people aren't having as many
23 kids, I really just think -- I don't see your costs
24 going up -- I really don't -- to that extent. That's
25 all I have.

1 JUDGE DIPPELL: Thank you for your
2 comments.

3 Commissioner Murray, any questions?

4 COMMISSIONER MURRAY: No questions. Thank
5 you.

6 JUDGE DIPPELL: Commissioner Gunn?

7 COMMISSIONER GUNN: Just a quick question.

8 QUESTIONS BY COMMISSIONER GUNN:

9 Q. You mentioned smell problems with the
10 lagoon. Is that something that's constant, or is that
11 something that happens on a particular -- under
12 certain conditions?

13 A. Well, I go walking, and I go along
14 Montecello Road. And when you are going past the
15 lagoon on Montecello there's a smell there, and
16 usually there's, like, you have to walk through the
17 wave of gnats because there's more bugs.

18 I also did forget that we've had some positive
19 tests for West Nile mosquitoes in the area for the
20 last several years. And I'm not sure where they're
21 actually testing. There's a facility at the highway
22 maintenance, there's a garage with the salt trucks and
23 domes and everything. I don't know if that's where
24 they did the test, right across the street and down
25 from the lagoon, or where they are actually doing

1 that, but I have had dead birds in my yard. And I've
2 been concerned about whether some of this is generated
3 from the lagoon area.

4 Q. So the smell problems are when you walk?

5 A. On Montecello Road past the lagoon.

6 Q. But in your home?

7 A. No, I'm up the road. Upwind. Up the other
8 direction.

9 Q. Thank you, ma'am.

10 JUDGE DIPPELL: Ms. Baker?

11 QUESTIONS BY MS. BAKER:

12 Q. I believe you stated that you've seen the
13 overflow of the manholes?

14 A. Yes.

15 Q. Describe that to me.

16 A. Well, there's one on Horseshoe Road. We
17 hadn't had any rain for a long time, and just walking
18 I see this manhole that's seeping, and we hadn't
19 had -- I'm thinking it was maybe last year, last
20 summer maybe. But there was seepage coming out of
21 that manhole, which surprised me because it had been a
22 long dry period at the time.

23 Q. Is that the last time you saw that, or have
24 you noticed it since?

25 A. Yeah. I haven't actually been walking too

1 much lately. I had foot surgery and haven't been
2 walking this past year.

3 Q. Have you had any billing issues?

4 A. I did notice the difference in the billing.
5 I believe I called and eventually got to talk to
6 somebody about it. I think it took more than one
7 phone call before I was able to get through, but I
8 can't actually remember. I didn't realize there was
9 some overlapping there. That wasn't mentioned.

10 Q. And you called the customer service number
11 about the bill?

12 A. Yeah. When I noticed the difference from
13 one month to the next, I called.

14 Q. And it took you a couple calls?

15 A. Yes. I remember it being more than one.
16 But like I said, in these times it takes more than one
17 to get through to most anybody.

18 Q. Did they give you an explanation?

19 A. Yeah, I think she did say they had changed
20 their billing cycle or something and that that was the
21 reason.

22 Q. That's all the questions I have. Thank
23 you.

24 JUDGE DIPPELL: Anything from Staff?

25 MR. KRUEGER: No questions.

1 JUDGE DIPPELL: And from the company?

2 MR. ELLINGER: No questions, Judge.

3 JUDGE DIPPELL: Thank you. Shirley Greil?

4 SHIRLEY GREIL,

5 Of lawful age, being first duly sworn by the

6 Notary Public, testified as follows:

7 JUDGE DIPPELL: Please state your name and
8 spell it for the court reporter.

9 THE WITNESS: Shirley Greil, G-R-E-I-L.

10 And my address is 3801 Lost Valley Lane, and I've been
11 there 21 years, and I haven't seen nothing that
12 they've done for me except get a rat in my toilet, and
13 I'm just not impressed with them.

14 I live in my house by myself. My water bill is
15 half that right now. In fact, I pay more with my
16 sewer when I moved in there and they upped it to
17 27.75. And I don't know why we can't get it here in
18 Missouri, you know. I just don't understand that.

19 And they were not very nice to my daughter when
20 she had to call when I was in the hospital, the
21 company wasn't.

22 And my last bill was \$34.23. And I called about
23 that because I pay mine ahead of time. I've had a
24 stroke so I have trouble with my words. But I have it
25 set up where they pay it every month at the same time.

1 And I already paid it when I got this bill, so I
2 called the company, and I called this number down
3 here, and they told me I had to pay that. They said
4 it was one day off or something. So I had to have
5 another one -- send another one in there for them,
6 6.48 to make the 34.

7 But I think that's way too high for one person,
8 you know. I think that other lady is right. I think
9 they should base it on the water you use.

10 JUDGE DIPPELL: Thank you very much for
11 your comments.

12 Commissioner Murray, did you have any questions?

13 COMMISSIONER MURRAY: No questions. Thank
14 you.

15 JUDGE DIPPELL: Commissioner Gunn?

16 COMMISSIONER GUNN: No questions. Thank
17 you for your testimony.

18 JUDGE DIPPELL: Ms. Baker?

19 QUESTIONS BY MS. BAKER:

20 Q. You made a statement that your daughter had
21 called the customer service when you were in the
22 hospital?

23 A. Uh-huh.

24 Q. Was there a problem that she was calling
25 about?

1 A. I don't know. Can she come up here and
2 tell you what it was?

3 Q. She can come up next, and we'll swear her
4 in next.

5 Do you know if the issue was resolved? I'll ask
6 her about that. That's all the questions I have.

7 A. She helps me take care of that stuff.

8 Q. Okay. I'll ask her about that. Thank you.

9 JUDGE DIPPELL: Anything from Staff?

10 MR. KRUEGER: No questions.

11 JUDGE DIPPELL: Anything from the company?

12 MR. ELLINGER: No questions. Thank you
13 very much for your testimony, ma'am.

14 THE WITNESS: Thank you for being here.

15 MS. BAKER: Can I convince your daughter to
16 come up?

17 MS. GREIL: Debbie Buschman.

18 DEBORAH BUSCHMAN,
19 Of lawful age, being first duly sworn by the
20 Notary Public, testified as follows:

21 JUDGE DIPPELL: Could you state your name
22 and spell it for the court reporter?

23 THE WITNESS: Deborah Buschman,
24 B-U-S-C-H-M-A-N.

25 JUDGE DIPPELL: And then could you go ahead

1 and tell us about your experiences with the company on
2 your mother's behalf?

3 THE WITNESS: Right. My mom was in the
4 hospital, and she informed me she does her payments on
5 the computer. And I didn't have her passwords, you
6 know, or anything, and I live 30 miles away from her.
7 So she had her bill in her purse -- which I had taken
8 and kept in the car while she was in the hospital --
9 so I called.

10 And at that time they were in Illinois, and the
11 lady just wasn't very helpful. She said -- I said,
12 "My mom's bill is due in a couple days. I don't have
13 access to her computer, is there something else we can
14 do, is there some place public where we could pay her
15 bill, someplace close?"

16 It used to be she could pay her bill in Jefferson
17 City until Aqua Missouri bought it out.

18 And I didn't realize at the time that I was
19 dealing with a company out of state. And she said,
20 "No, we are in Illinois, and she'll just have to pay
21 this \$5 late fee."

22 And I said, "Well, you don't understand, my mom is
23 on a fixed income and \$5 is a lot of money to her."

24 And she acted like it was not a big deal and just
25 to go ahead and pay it. And I would have been willing

1 to do that, but my daughter did go to her house, got
2 her passwords and paid it online, so it wasn't a
3 problem to work out later on.

4 But we didn't get any assistance as far as options
5 on how to pay it. You just either pay it or -- and
6 she had never been late. I work for the Department of
7 Revenue, and at least we give a leeway if you're one
8 day late one time. And they had nothing set up like
9 that. You just pay the \$5 late fee and be done.

10 JUDGE DIPPELL: When was that?

11 THE WITNESS: I want to say it was more
12 than three years ago, but according to the company
13 they have only been here for three years so I'm not
14 sure the exact date. She's been in the hospital quite
15 a few times in the last few years for different
16 things, and I couldn't actually tell you the time.

17 JUDGE DIPPELL: But you think it's more
18 than three years ago?

19 THE WITNESS: I want to say yes, but I
20 could be wrong.

21 JUDGE DIPPELL: Commissioner Murray, did
22 you have any questions?

23 COMMISSIONER MURRAY: No questions.

24 JUDGE DIPPELL: Commissioner Gunn?

25 COMMISSIONER GUNN: No questions.

1 JUDGE DIPPELL: Chairman Davis?

2 CHAIRMAN DAVIS: No questions.

3 JUDGE DIPPELL: Ms. Baker?

4 MS. BAKER: No, that was the information I
5 was looking for.

6 JUDGE DIPPELL: Staff?

7 MR. KRUEGER: No.

8 JUDGE DIPPELL: And the company?

9 MR. ELLINGER: No questions. Thank you for
10 your testimony.

11 JUDGE DIPPELL: Chris Ortmeyer?

12 CHRIS ORTMEYER,

13 Of lawful age, being first duly sworn by the
14 Notary Public, testified as follows:

15 JUDGE DIPPELL: If you could state your
16 name and spell it for the court reporter, please.

17 THE WITNESS: My name is Chris Ortmeyer,
18 C-H-R-I-S, O-R-T-M-E-Y-E-R.

19 First of all, I bought a home, basically back in
20 2005, and, of course, I was paying
21 27-dollars-and-something at that time, and I thought
22 that was kind of high. But, you know, I had no choice
23 but to pay it. Now I'm finding out that I'm going to
24 have to pay \$63 a month.

25 And for one thing, I'm single. I own my own home.

1 And going from 27 to 63 is quite a bit. And not only
2 that, it seems like, first of all, I don't use that
3 much water anyway. I use maybe one to two thousand
4 gallons a month. Just to me, that seems ridiculous
5 that I have to pay -- you know, go from \$27 to \$63
6 when I'm the only person at the residence.

7 I mean, to me, I just feel like I wish I could get
8 billed for how much I use, basically. And I know
9 that, you know, right now I pay my water through the
10 county, and I know that Aqua doesn't have that
11 information, but in a way I wish they did, because
12 that way, you know, if it came down to where we got
13 billed for how much water we use, it would make a
14 difference for me. I just find it, you know,
15 unacceptable.

16 JUDGE DIPPELL: Which subdivision do you
17 live in?

18 THE WITNESS: I live on Summit View Drive.

19 JUDGE DIPPELL: Commissioner Murray, did
20 you have any questions?

21 COMMISSIONER MURRAY: No questions. Thank
22 you.

23 JUDGE DIPPELL: Commissioner Gunn?

24 COMMISSIONER GUNN: No questions. Thank
25 you, sir.

1 JUDGE DIPPELL: Chairman Davis?

2 CHAIRMAN DAVIS: No questions. Thank you.

3 JUDGE DIPPELL: Ms. Baker?

4 QUESTIONS BY MS. BAKER:

5 Q. Have you had any billing issues with Aqua
6 Missouri?

7 A. I don't recall. But I wish I did go
8 through my bills, all my receipts. I wish I did that
9 before I came here to make sure. I think there was
10 maybe one time there was a situation, but I don't want
11 to say for sure considering I don't have those
12 receipts with me.

13 Q. If you find something like that you can
14 always send in comments later as well.

15 A. Okay.

16 Q. Have you ever called their customer service
17 line?

18 A. No. I have, however, contacted my State
19 Representative about the situation. I've also called
20 the Missouri Public Commission about the situation.
21 And during that, time they basically told me that it's
22 not official that they're actually going to do it and
23 more than likely they wouldn't do it. But of course
24 that was back -- I don't recall -- some time maybe
25 earlier this year that actually happened.

1 But again, I guess maybe a month ago I found out
2 that, you know, they are proposing to increase again,
3 so, you know, I thought, well, this is my opportunity
4 to actually say something.

5 Q. I do appreciate your comments.

6 MS. BAKER: I have no further questions.

7 JUDGE DIPPELL: Anything from Staff?

8 MR. KRUEGER: No questions.

9 JUDGE DIPPELL: Anything from the company.

10 MR. ELLINGER: Thank you for your
11 testimony, Mr. Ortmeyer. No questions, Judge.

12 JUDGE DIPPELL: Thank you, sir.

13 Norma Rockhold? She's no longer here?

14 That's the last person I have on this sign up
15 sheet. Was there another sign up sheet?

16 Pat Thomas?

17 PAT THOMAS,

18 Of lawful age, being first duly sworn by the
19 Notary Public, testified as follows:

20 JUDGE DIPPELL: If you could spell your
21 name and then give us your comments.

22 THE WITNESS: Pat Thomas, T-H-O-M-A-S. I
23 reside at 2040 Bealman in Holts Summit. That's the
24 Hunters Creek subdivision which backs up to the Golden
25 Ponds subdivision, kind of a second development.

1 We live in the house that is directly beside the
2 station. I don't know what the station does, I don't
3 care what the station does, I just want it to
4 function.

5 But we have a lot of small children in our
6 neighborhood, and I do think that it needs to be
7 weed-eaten, mowed and better maintained because of
8 mosquitoes, snakes and that kind of thing.

9 I know that if you were inside the city limits
10 somewhere the city would come out and mow that and
11 then send somebody a bill to take care of it because
12 it gets too tall.

13 When I received the notice in the mail, on
14 December 24th, let's just say that there was a lot of
15 not very happy people going to the mail box when they
16 got their Christmas cards.

17 I read it, and I thought, "This is just crazy."
18 Like most other people, I put it aside until January.
19 We had 30 days to comment. Let me say to you that I
20 commented and sent e-mails to Christina Baker and
21 Mr. Russo and said if I were doing this I would like
22 someone to know that by the time I took out holidays
23 to contact people, to try to find the information, and
24 weekends, there was actually about 14 business days
25 for customers to get information to send in a letter.

1 I don't think that's fair in the first place.

2 Secondly, I called in to someone at the PSC. And
3 they were very nice. My question was, what's the
4 average family in Missouri pay for sewer? Because
5 before I got upset I wanted to know is this justified,
6 have we just had a great deal all along? Was it the
7 89 cent McDonald's soda versus the full price
8 McDonald's soda? And they said we don't track that,
9 we don't know.

10 First off, why don't you know? That's a problem.
11 So I got to thinking about it, and could you
12 imagine -- we've talked about gas, and I'll equate
13 that in a second. But could you imagine if you went
14 to McDonald's to buy your 99 cent soda and the next
15 day it was \$2.26? Now, you would have a choice in
16 purchasing that soda. People who live under Aqua
17 Missouri have no choice. They are looking to you to
18 make that decision for them.

19 I know that for some of us this is not as big a
20 burden as it would be for some people. I know that,
21 whether it be a mobile home or senior housing, that's
22 a problem to ask them to go from \$27 to \$63.

23 While I was sitting in the back I picked up the
24 form. Let me equate it to gasoline. Even at the rate
25 hike that the Commission employee staff are promoting

1 or talking about, that would be taking a gallon of
2 gasoline from \$2.50 to \$4.10.

3 Now, you are going to be in the news, because we
4 all know gasoline is at 3.79 and people are already
5 upset, so if it went to 4.10 I can only imagine how
6 upset people would be, and they would want other
7 things to happen and it taken care of.

8 I did some research on Aqua Missouri. I went to
9 their website. I find it disturbing that in our
10 letter it said that it was due to an increase in
11 operating expenses and want more than \$1.2 million the
12 company invested.

13 They are a company to make a profit. And frankly,
14 if they felt it was necessary then, they should have
15 decided if that was for maintenance or expansion. And
16 if it was for expansion, they should have figured out
17 where they were going to get it without coming to
18 those of us who were already customers for a rate
19 hike.

20 Now, if it's necessary, because there's been new
21 regulations put on them through DNR and other sources,
22 then why is it that the proposed rate hike does not
23 have a sunset on it?

24 If I lived in a town that passed a bond issue to
25 pay for its sewer, there would be a sunset on that and

1 then it would be re-voted on. This is a forever
2 increase at this rate.

3 Why is there not a separate billing line?
4 Obviously they mess with our billing rates. They add
5 days and subtract days as they want. Why is there not
6 a separate billing line that talks about this is your
7 cost every month for maintenance and improvement,
8 whatever, this is the 2 percent or 5 percent or
9 7 percent that we need to keep up with healthcare,
10 gasoline and those kind of things? With computers in
11 this day and time, that is not a lot to ask of them.

12 So those are my suggestions, that there be a
13 sunset. If it ends up being necessary, there should
14 be a sunset on the portion that's passed onto the
15 customer for whatever improvements they made. And if
16 it's for general maintenance, it should be broken out
17 separately on our bills.

18 And I haven't had to call about any questions on
19 billing or customer service because that would just
20 send me through the roof.

21 JUDGE DIPPELL: Thank you, ma'am.

22 Commissioner Murray, did you have any questions?

23 COMMISSIONER MURRAY: I don't have any,
24 thank you.

25 JUDGE DIPPELL: Commissioner Gunn?

1 COMMISSIONER GUNN: No questions.

2 JUDGE DIPPELL: Chairman Davis?

3 CHAIRMAN DAVIS: Ms. Thomas, delightful to
4 see you this evening.

5 THE WITNESS: Good to see you.

6 JUDGE DIPPELL: Ms. Baker?

7 MS. BAKER: No, you took my questions away.

8 JUDGE DIPPELL: Staff?

9 MR. KRUEGER: No questions.

10 JUDGE DIPPELL: The company?

11 MR. ELLINGER: No questions, Judge.

12 JUDGE DIPPELL: Ken Lueckenotte?

13 KEN LUECKENOTTE,

14 Of lawful age, being first duly sworn by the
15 Notary Public, testified as follows:

16 JUDGE DIPPELL: Could you state your name
17 and spell it for the court reporter, please?

18 THE WITNESS: My name is Ken Lueckenotte,
19 L-U-E-C-K-E-N-O-T-T-E. I live at 2909 Foxdale Drive
20 in Quail Valley subdivision.

21 I had a couple of billing issues. It's been a
22 year or two ago, and the time period was April through
23 July, and I got a bill that was more than two times
24 the monthly bill. And I called Aqua Missouri, which I
25 think was in Illinois at the time, and they said they

1 were going through a change in their billing system.

2 And in looking back, I hadn't been billed since, I
3 don't know, March or something like that, so it was
4 over two months that had gone by. And they sent the
5 bill, but it was an odd amount, and they said it will
6 be adjusted on a later bill. And I think in the end
7 it all worked out, so that was okay.

8 At the end of April or first of May this year I
9 was gone on vacation. And I got back and I saw the
10 bill -- I'm on automatic pay. I saw the bill and it
11 had gone from \$27.75 to \$31 or something.

12 So I called one of my neighbors down the street
13 who is normally on top of all this stuff, and he said,
14 yeah, he had made a call -- and I thought he said to
15 the Public Service Commission -- and the response back
16 was that the Public Service Commission had granted
17 them an increase recently.

18 So I've been hearing different stories here
19 tonight, so I don't know what the real story is. So I
20 just let them go ahead and draft my account and say
21 that from now on it was going to be 30-some dollars
22 until this issue was resolved. So those are the two
23 billing issues that I've had.

24 I have seen the Aqua Missouri truck out there
25 periodically checking the pump stations. I don't know

1 whether we've had problems or not. Personally, I've
2 never had a problem with my sewer system.

3 I bought my lot in 1992, and built and moved in,
4 in January of 1993. And in our subdivision
5 restrictions I think \$2,000 of every lot purchased was
6 escrowed to install the sewer system. And I think our
7 sewer system was installed in 1995, somewhere in that
8 neighborhood.

9 The next thing I knew, we were getting this
10 monthly bill -- we also had to pay to hook up to the
11 system. We were getting a monthly bill I guess from
12 Capital Utilities at the time, and I don't remember
13 what it was. I think we had a slight increase after
14 that.

15 And then two or three years ago they were granted
16 the increase from 22 dollars and some change up to
17 27.75. Which, at a 23 percent increase from no change
18 ten years previously really wasn't that bad.

19 But I would really question now why the Public
20 Service Commission sees that a 60 or 70 percent
21 increase two years later is warranted. But that's for
22 you and the Staff to figure out what the expenses
23 really are of operating that system.

24 Going back to the escrow of every lot purchased.
25 My understanding was that \$2,000 -- and I think that

1 was the number that was supposedly escrowed to install
2 the system -- was to go to pay for the construction of
3 the system. And what I was told is that Ed Storey,
4 the developer, was forced to turn the system over to
5 Capital Utilities at that time. Obviously, he
6 didn't -- I don't think he had any expense in it
7 because the residents paid for the system.

8 And I heard earlier tonight that Aqua Missouri
9 paid Capital Utilities for the system. So what are we
10 doing here? Are we paying for this system twice? I
11 don't know.

12 I have no objection for paying for the service. I
13 guess I don't have any objection for paying for the
14 system. But I certainly don't want to pay for it
15 twice. So if we're paying not only for service but
16 for that system two times then I have a real problem
17 with that.

18 And I, like a lot of these other people, we're a
19 two-person household. My average utility bill, except
20 for the summer months when we have the irrigation
21 system going, averages about \$15 a month, so obviously
22 our sewer bill is considerably more than the water
23 usage that we have.

24 That's all the comments I have at this time.

25 JUDGE DIPPELL: Thank you, sir. I just

1 want to say that, at this point, the Public Service
2 Commission has not granted any increase.

3 THE WITNESS: I understand.

4 JUDGE DIPPELL: And as far as the
5 accounting of the paying for it and stuff, I would
6 encourage you to speak to our Staff about how that
7 money goes into rate base and so forth and get a
8 better understanding of that if are you interested in
9 doing that. I couldn't explain it to you if I tried
10 to.

11 Are there any questions, Commissioner Murray?

12 COMMISSIONER MURRAY: No questions.

13 JUDGE DIPPELL: Commissioner Gunn?

14 COMMISSIONER GUNN: No questions.

15 JUDGE DIPPELL: Chairman Davis?

16 CHAIRMAN DAVIS: No questions.

17 JUDGE DIPPELL: Ms. Baker?

18 MS. BAKER: I have no questions.

19 JUDGE DIPPELL: Staff?

20 MR. KRUEGER: No questions.

21 JUDGE DIPPELL: The company?

22 MR. ELLINGER: Thank you for your
23 testimony. No questions, Judge.

24 JUDGE DIPPELL: Thank you, sir.

25 I don't have any other names on the sign up sheet.

1 Are there others present that would like to testify?

2 Sir, would you like to come up?

3 JOHN WELLS,

4 Of lawful age, being first duly sworn by the

5 Notary Public, testified as follows:

6 JUDGE DIPPELL: Could you state your name
7 and spell it for us, please?

8 THE WITNESS: My name is John Wells,
9 W-E-L-L-S. I live at 2044 Bealman Road, in Hunters
10 Creek subdivision, in Holts Summit, not far from Ms.
11 Thomas who testified earlier.

12 I have a couple extra stories to relate. One of
13 them, I've heard comment several times tonight about
14 the fact that our water bill is considerably smaller
15 than what we pay for sewage. It's a question I raised
16 during the question and answer period.

17 When we pay about \$15 for potable water it seems
18 interesting to me that we pay double that amount for
19 sewage. And I understand there's some costs involved
20 with cleaning water.

21 But we have a closed system in our neighborhood.
22 And I understand that it's pumped out to another place
23 for treatment, whether that's in a lagoon or however
24 they do it these days, I'm not sure.

25 But we do live right next to the pump station, I

1 guess is what you would call it, or the closed system.
2 And we are adjacent to it. Not adjoining but right
3 next door. We've had problems in the past with noise,
4 and it seems like it's a problem that happens in the
5 wintertime especially. For some reason, during the
6 winter it gets louder. I don't know if it's because
7 there's no leaves on the trees. Although the property
8 line is covered by cedars so I don't know why that
9 would affect it.

10 But we have contacted the company several times.
11 The first time, two years ago, I had very poor
12 response from the company at that time. When we
13 received news of the increase, or proposed increase,
14 we contacted the Public Service Commission, and I'm
15 pleased to report that we got a good response from
16 your folks here. And, in fact, I had a nice letter
17 from Ms. Baker in our back and forth regarding the
18 noise issue.

19 I did receive a phone call from one of the PSC's
20 Staff about a month later, who then had Aqua Missouri
21 contact me, and I got explanations from both about
22 what possibly the noise might be related to, and they
23 did eventually come out and insulate the shelter.

24 The noise has decreased during that time, but that
25 whole process took probably two months from my

1 complaint to being completed.

2 There is still some noise issue, but it's not
3 nearly as bad. And again, I don't understand why it's
4 louder in the winter than in the summer. There may be
5 some answer to that.

6 That's essentially the gist of it. It's been an
7 interesting night here. It's been an education. And
8 a lot of my comments are related to what we've already
9 heard earlier this evening. But my contact with the
10 PSC has been positive.

11 JUDGE DIPPELL: Thank you for your
12 comments.

13 Commissioner Murray?

14 COMMISSIONER MURRAY: Thank you, Mr. Wells.
15 We like to hear good comments.

16 I just would like to point out though, even though
17 we'd like to take credit, Ms. Baker is not from our
18 office, she's from the Office of Public Counsel.

19 JUDGE DIPPELL: Commissioner Gunn?

20 COMMISSIONER GUNN: No questions. Thank
21 you for your testimony.

22 JUDGE DIPPELL: Chairman Davis?

23 CHAIRMAN DAVIS: No questions.

24 JUDGE DIPPELL: Ms. Baker?

25 QUESTIONS BY MS. BAKER:

1 Q. The only question I have is have you had
2 any billing issues?

3 A. I've noticed the same irregular billing
4 cycle that others have mentioned this evening, but I
5 don't know if I discerned it from the bill itself or
6 if I called and got an answer from the company, but I
7 realized it was related to a difference in billing
8 cycles.

9 I did not look at the billing -- or my
10 statement -- close enough to discern if there was an
11 overlap that I heard other people talk about.

12 JUDGE DIPPELL: Mr. Krueger?

13 MR. KRUEGER: No questions.

14 JUDGE DIPPELL: Mr. Ellinger?

15 MR. ELLINGER: Thank you for your
16 testimony, Mr. Wells. No questions, Judge.

17 JUDGE DIPPELL: Is there anyone else that
18 would like to testify?

19 I don't see anyone. I appreciate those of you
20 who -- Mr. Chairman?

21 CHAIRMAN DAVIS: I want to say one thing
22 here. I want to thank everyone who hung in here for
23 the last three hours until the bitter end. And I feel
24 like I owe you people an apology.

25 And I've only been here since 2004, and I was here

5 And quite frankly, there is no excuse for what
6 went on. And essentially, I mean, there was no
7 attention to how these properties were run at all.
8 And, you know, quite frankly, we are trying to pick up
9 the pieces as best we can, but it is a long, slow and
10 painful process. And, you know, I understand your
11 impatience, and I don't blame you for it one bit.

19 JUDGE DIPPELL: Thank you. With that, are
20 there any other closing remarks from the
21 Commissioners? All right then. I appreciate your
22 attendance, and that concludes this hearing. We can
23 go off the record.

1	I N D E X	
2		
3	SHANON HAWK	7
4	Questions by Commissioner Gunn	11
	Questions by Commissioner Murray	13
5	Questions by Ms. Baker	15
	Questions by Mr. Krueger	17
6	Questions by Mr. Ellinger	17
7	JAMES LINHARDT	18
8	Questions by Commissioner Murray	20
	Questions by Ms. Baker	20
9		
	MARY JENNINGS	24
10		
	Questions by Judge Dippell	25
11	Questions by Commissioner Murray	28
	Questions by Ms. Baker	29
12	Questions by Commissioner Gunn	30
	Questions by Mr. Ellinger	31
13		
	KEITH KEMPKER	31
14		
	Questions by Commissioner Murray	33
15	Questions by Ms. Baker	35
16	TOM BOYER	36
17	Questions by Ms. Baker	43
	Questions by Mr. Ellinger	46
18		
	MARVIN BERENDZEN	46
19		
	Questions by Commissioner Murray	48
20	Questions by Ms. Baker	49
21	HEATH LEPPER	51
22	Questions by Commissioner Murray	55
	Questions by Ms. Baker	58
23		
	BRAD BACKEDS	58
24		
	Questions by Commissioner Gunn	61
25	Questions by Ms. Baker	62

1	WILLIAM ZEAMAN	64
2	Questions by Commissioner Murray	67
	Questions by Commissioner Gunn	68
3	Questions by Ms. Baker	69
4	PAUL BERNSKOETTER	72
5	Questions by Ms. Baker	75
6	WILLIAM JURGENSMEYER	76
7	Questions by Ms. Baker	78
8	RICHARD ALLEN	79
9	HAL VAN SLYCK	84
10	Questions by Ms. Baker	87
11	DORIS LAWRENCE	88
12	LAURA DAMPF	91
13	Questions by Commissioner Gunn	94
	Questions by Ms. Baker	95
14	SHIRLEY GREIL	97
15	Questions by Ms. Baker	98
16	DEBORAH BUSCHMAN	99
17	CHRIS ORTMEYER	102
18	Questions by Ms. Baker	104
19	PAT THOMAS	105
20	KEN LUECKENOTTE	110
21	JOHN WELLS	115
22	Questions by Ms. Baker	117
23		
	E X H I B I T S	
24	Exhibit 1	Rec'd
25	(Booklet of Photographs)	26

1 CERTIFICATE OF REPORTER

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3

4 I, Mindy Vislay, Certified Court Reporter with the
5 firm of Midwest Litigation Services, and Notary Public
6 within and for the State of Missouri, do hereby
7 certify that I was personally present at the
8 proceedings had in the above-entitled cause at the
9 time and place previously described; that I then and
10 there took down in Stenotype the proceedings had; and
11 that the foregoing is a full, true and correct
12 transcript of such Stenotype notes so made at such
13 time and place.

14

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Mindy Vislay, CCR

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Notary Public (County of Cole)

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My commission expires March 19, 2011

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