

1 PLACE: Via Videoconference
2 DATE: November 1, 2021
3 DOCKET NO.: W-354, Sub 384
4 TIME IN SESSION: 1:31 P.M. TO 3:49 P.M.
5 BEFORE: Chair Charlotte A. Mitchell, Presiding
6 Commissioner Jeffrey A. Hughes
7 Commissioner Floyd B. McKissick, Jr.
8
9

10 IN THE MATTER OF:
11 Application by Carolina Water Service, Inc. of
12 North Carolina, 4944 Parkway Plaza Boulevard,
13 Suite 375, Charlotte, North Carolina 28217 for
14 Authority to Adjust and Increase Rates for Water
15 and Sewer Utility Service in All Service Areas
16 in North Carolina

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

2 CHAIR MITCHELL: All right. Good afternoon.
3 Let's come to order and go on the record, please. I'm
4 Charlotte Mitchell, the Chair of the North Carolina
5 Utilities Commission, and joining me today by way of
6 Webex are Commissioners Jeffrey Hughes and Floyd B.
7 McKissick.

8 I now call for hearing Docket Number W-354, Sub
9 384, In the Matter of the Application of Carolina Water
10 Service, Incorporated of North Carolina for Adjustment of
11 Rates, Charges, and Tariffs Applicable to Service in
12 North Carolina.

13 Before we proceed further and as is required by
14 the State Government Ethics Act, I remind members of the
15 Commission of our duty to avoid conflicts of interest,
16 and inquire at this time as to whether any member has a
17 known conflict with respect to the matters coming before
18 us today?

19 (No response.)

20 CHAIR MITCHELL: All right. The record will
21 reflect that no conflicts have been identified. We will
22 proceed.

23 On July 2nd, 2021, Carolina Water Service filed
24 an application with the Commission seeking authority --

1 excuse me -- to increase its rates for providing water
2 and sewer utility service in all of its service areas in
3 North Carolina.

4 Along with its application, Carolina Water
5 Service filed the testimony of expert witnesses
6 D'Ascendis, Denton, Drennan, Hill, Parks, and Schellinger
7 supporting its request to raise rates.

8 The intervention and participation of the
9 Public Staff in this rate case proceeding is recognized
10 pursuant to North Carolina General Statutes and the
11 Commission's rules. The Public Staff is the consumer
12 advocate and represents and Using and Consuming Public,
13 that is, the Company's customers.

14 During the course of this rate case, the Public
15 Staff will conduct an extensive audit of the data
16 underlying the Company's request and will make its own
17 independent recommendations to the Commission regarding
18 the Company's request to increase its rates.

19 On October 8th, 2021, the Commission issued an
20 Order Scheduling Investigation and Hearings, Establishing
21 Intervention, and Testimony Due Dates and Discovery
22 Guidelines and Requiring Public Notice. The Order
23 scheduled two public witness hearings to be held remotely
24 on this date and an expert witness hearing to begin on

1 December 7th, 2021.

2 That brings us to today. The purpose of
3 today's hearing is to hear from the Company's customers
4 regarding their concerns with the Company's requests in
5 this case or with the quality of the service that the
6 Company provides them.

7 Before we move on, I'd like to discuss the
8 procedures that will follow for this hearing today, and I
9 urge each of the witnesses who plans to testify to listen
10 carefully and abide by these procedures.

11 First, public witnesses will be appearing by
12 audio connection only. Commissioners and attorneys will
13 be appearing by video and -- video and audio connection.
14 Any public witnesses that wish to view a live video of
15 the proceeding may access it on their computers by way of
16 YouTube which is linked from the Commission's home page.
17 However, be sure to mute your computer when you're called
18 to testify to avoid feedback and interference with the
19 audio on this -- on this Webex.

20 This hearing is being transcribed by a court
21 reporter, and it's critical that we limit all
22 interference with her ability to hear me and those who
23 are testifying. So unless you're providing testimony,
24 please stay on mute. Our Webex administrator will mute

1 you if you inadvertently come off of mute.

2 Public witnesses will be called on to testify
3 in the order that you all have called in. When it's your
4 turn to speak, you'll be unmuted by our Webex
5 administrator. You'll hear two beeps on your telephone
6 line indicating that you have been unmuted. At that time
7 I'll ask the witness to state his or her name. And to
8 ensure that this hearing runs as efficiently as possible,
9 please pay close attention during the course of the
10 hearing and be ready to respond as soon as you hear those
11 beeps unmuting your phone line.

12 Once a witness states his or her name, I'll ask
13 that you affirm that the testimony you give will be the
14 truth, and once a witness gives that affirmation, the
15 attorney for the Public Staff will ask the witness to
16 provide his or her name and address for the record.
17 After the witness has done this, the witness may proceed
18 with his or her remarks.

19 Our hearing ends no later than 4:30 this
20 afternoon, or earlier if we've heard from all witnesses
21 by then or before then. Each witness will have two
22 minutes to testify, given the number of witnesses that
23 have registered to speak today.

24 Counsel for the parties and Commissioners may

1 ask questions of the witnesses. This means that if you
2 participate as a public witness, you may be asked
3 questions by counsel for the parties or by the
4 Commissioners.

5 All right. With that, we're ready to begin. I
6 now call upon counsel for the parties to announce their
7 appearances for the record, beginning with the Applicant.

8 MS. SANFORD: I'm Jo Anne Sanford appearing on
9 behalf of Carolina Water Service, Inc. of North Carolina.
10 Joining me today in the participant panel are Don Denton,
11 State Vice President of Carolina Water, and several of
12 his senior associates, Phil Drennan, Matt Schellinger,
13 Deb Park, Dana Hill.

14 We realize we are not able to answer customers'
15 questions today. This is for them to speak. But we want
16 to say to the Commission and to customers that we will be
17 freely available to contact customers after the hearing
18 is over, if that is useful, to try to deal with their
19 complaints in the way that we would be able to do if we
20 were in the live session setting instead of the virtual.

21 With me also are Kay Pashos and Mark Alson of
22 the Ice Miller Law Firm in Indianapolis. They have been
23 admitted pro hac vice into this proceeding. Mr. Alson
24 and I will divide up the witness responsibility over the

1 course of the afternoon and the evening. I will go
2 first, and we will let you know when we're switching off
3 to Mr. Alson. Same procedure this evening except in
4 reverse. He will go first.

5 With that, we thank you and the customers for
6 the opportunity to hear from them today, and -- and I
7 will yield.

8 CHAIR MITCHELL: All right. Thank you, Ms.
9 Sanford and crew. Public Staff?

10 MR. LITTLE: Yes, Your Honor. John Little,
11 staff attorney for the Public Staff. Appearing also
12 today is William Grantmyre, attorney for the Public
13 Staff, and Munasha Magarira, staff attorney with the
14 Public Staff, and Lindsey Darden, engineer with the
15 Public Staff - Water Division.

16 CHAIR MITCHELL: All right. Good afternoon,
17 and thank you, Mr. Little.

18 All right. Counsel, any preliminary matters
19 that we need to address before we begin?

20 (No response.)

21 CHAIR MITCHELL: All right. I'm not hearing
22 any, so one final comment from me about procedure. We
23 will -- it's about 1:40 right now. We're about to get
24 started with our first witness. We'll go for about 90

1 minutes, and we will take a break for our court reporter.
2 At the 90-minute mark we'll take about a 10- or 15-minute
3 break and then we will resume with the witnesses.

4 All right. So with that, Mr. McCoy, would you
5 please unmute the first witness?

6 MS. BENNETT: Yes.

7 CHAIR MITCHELL: All right. Would you please
8 state your name?

9 MS. BENNETT: Jan Bennett.

10 CHAIR MITCHELL: All right.

11 JAN BENNETT; Being first duly affirmed,

12 Testified as follows:

13 CHAIR MITCHELL: All right. Mr. Little, the
14 witness is yours.

15 DIRECT EXAMINATION BY MR. LITTLE:

16 Q Ms. Bennett, will you tell us your address,
17 please?

18 A 154 Sedi Lane in Brevard, North Carolina.

19 Q And are you a Carolina Water customer?

20 A I am.

21 Q And what subdivision are you in?

22 A I'm in Connestee Falls.

23 Q And what would you like for the -- to tell the
24 Commission today?

1 A I would like to tell them that the Carolina
2 Water Service should not be granted an increase in water
3 prices. It has not been shown to be warranted. Carolina
4 Water Service already charges more than many other
5 services, and I do have information to support that.
6 Carolina Water Service already receives a substantial
7 mandatory water base and it also receives a substantial
8 wastewater base charge. However, it does not stop there.

9 It also receives, Carolina Water, a hefty water
10 system improvement fee and yet more money is wanted. And
11 we have had frequent water main breakages which cause
12 disruption of lives, which cause inconvenience. You have
13 to boil water after, so there's an element of danger
14 there. This has happened over and over again, and yet
15 more money is wanted.

16 Another thing, too, is that for me, for
17 instance, I pay a \$123.38 a month. I live alone. I wash
18 once a week my clothes, my dishwasher, whatever. I take
19 showers at the gym. There are many who are on fixed
20 income, and this constant increase in fees is just
21 unconscionable. I think that a reasonable amount of
22 working capital, profit, whatever, is fine, but this
23 seems to be constant and they are already getting a water
24 system improvement charge over -- almost equaling the

1 water base charge, and let's see on the wastewater.

2 So they need to use the funds that they've been
3 given that they've gotten through these past meetings to
4 improve the quality of service before they ask for
5 anything else. There are many here who feel this way. I
6 did not realize at the beginning. When I called in, the
7 lady did tell me then, but then it was a little late to
8 get ahold of other people, that I could have represented
9 the whole Connestee Falls area because there are many
10 upset people. It keeps going up and up and up, and the
11 service has --

12 CHAIR MITCHELL: All right. Ms. Bennett, you
13 have reached -- you have reached the two-minute mark, so
14 please conclude your -- conclude your statement, please,
15 ma'am.

16 A I thank you very much for letting me speak.
17 It's very important to us people because we want to make
18 sure that we are heard against the big companies. Thank
19 you.

20 CHAIR MITCHELL: All right. Thank you, Ms.
21 Bennett. Let's see if there are any questions for you.
22 From the Company?

23 MS. SANFORD: No questions.

24 CHAIR MITCHELL: All right. And from the

1 Public Staff?

2 MR. LITTLE: No questions.

3 CHAIR MITCHELL: All right. Any questions from
4 Commissioners?

5 (No response.)

6 CHAIR MITCHELL: All right, Ms. Bennett. There
7 are no questions for you this afternoon. Thank you very
8 much, ma'am, for your participation, and you may be
9 excused.

10 THE WITNESS: Thank you.

11 (Witness excused.)

12 CHAIR MITCHELL: All right. Would you please
13 unmute the next witness?

14 MR. TAYLOR: Hello.

15 CHAIR MITCHELL: Would you please state your
16 name?

17 MR. TAYLOR: James Taylor.

18 CHAIR MITCHELL: James Taylor. All right.

19 JAMES TAYLOR; Being first duly affirmed,

20 Testified as follows:

21 CHAIR MITCHELL: All right. Mr. Little, the
22 witness is yours.

23 DIRECT EXAMINATION BY MR. LITTLE:

24 Q Mr. Taylor, would you please tell your address

1 and whether or not you're a Carolina Water customer,
2 please.

3 A Yes. My address is 151 Cascades, Boone, North
4 Carolina. And, yes, I am a customer.

5 Q What subdivision are you in?

6 A Hound Ears.

7 Q And what would you like to tell the Commission
8 today?

9 A Yes. I'm a 67-year-old, and I hope to retire
10 soon, but I am very worried about how I'll be able to
11 afford these essential services, given the monthly cost
12 is already very high. And if this rate increases passes,
13 the cost of these essential services obviously would be
14 even higher.

15 Please consider, I do live alone. I wash
16 dishes once a week, I wash clothes once a week, and
17 shower every other day unless I get dirty. I do not
18 water a yard or wash my car at home, or water for
19 anything other than personal needs. My current water and
20 sewer bill from Carolina Water Service is between 105 and
21 \$111 a month, plus a 2.25 convenience fee. I currently
22 spend more on water and sewer than I spend on electricity
23 for my home five to six months of the year.

24 I moved from Charlotte two years ago, and

1 compared to the municipal water system down there, I'm
2 paying twice what I was paying in Charlotte.

3 Everyone understands that Carolina Water
4 Service needs to make a reasonable profit, but the rates
5 they charge are already excessively high. And they are a
6 monopoly. It's not like we have any choice or
7 alternative for other, you know, competition to keep
8 their rates reasonable.

9 And all I'm asking is please protect us
10 consumers by denying this rate increase. Thank you very
11 much.

12 CHAIR MITCHELL: All right. Thank you, Mr.
13 Taylor. Let me see if there are questions for you from
14 counsel, beginning with the Company.

15 MS. SANFORD: No questions. Thank you.

16 CHAIR MITCHELL: Okay. Mr. Little?

17 MR. LITTLE: No questions, Your Honor.

18 CHAIR MITCHELL: All right. Any questions from
19 Commissioners?

20 (No response.)

21 CHAIR MITCHELL: All right. Hearing none, Mr.
22 Taylor, you may step down and be excused. Thank you very
23 much, sir, for your testimony this afternoon.

24 THE WITNESS: Thank you. Bye-bye.

1 (Witness excused.)

2 CHAIR MITCHELL: All right. Mr. McCoy, would
3 you unmute the next witness, please, sir?

4 MS. MILLER: Hello. This is Rachel Miller.

5 CHAIR MITCHELL: All right.

6 RACHEL MILLER; Being first duly affirmed,
7 Testified as follows:

8 CHAIR MITCHELL: All right. Mr. Little, the
9 witness is yours.

10 THE WITNESS: My neighborhood is at our wits
11 end. We've --

12 CHAIR MITCHELL: Ms. Miller? Ms. Miller? One
13 minute, please, ma'am. Let's let the Public Staff's
14 attorney ask you a few questions first.

15 THE WITNESS: I'm sorry.

16 DIRECT EXAMINATION BY MR. LITTLE:

17 Q Ms. Miller, tell us your address and then
18 whether or not you're a Carolina Water customer.

19 A I am a customer. I live at 2713 Glastonbury
20 Road, Apex, North Carolina.

21 Q What subdivision is that?

22 A Amherst.

23 Q Amherst. And now you can tell the Commission
24 what you'd like.

1 A Thank you. My neighborhood is at our wits end.
2 We've conversed through multiple facets and we do not
3 know how to fight the big dog's fight. In the past our
4 neighbors have attended court to fight the monopoly
5 Carolina Water Company, and we just seem not to be able
6 to win. We can't afford to pay these bills any longer.

7 My water bill last month was \$115. And that
8 might not seem a lot to you. I don't know. I only used
9 2,200 gallons, they stated. With a base charge of
10 \$28.92, pretty high; it showed up at 47 for just the
11 water. Their wastewater service base charge is \$58.91.
12 Let that sink in. More than half a hundred dollars is
13 just a base charge, giving me \$68.79 charge for just
14 wastewater. Even if I did not use any water, I turned it
15 off for a month, they would still charge me \$87.83 per
16 month for not even using any water. My electricity costs
17 less than that.

18 Carolina Water uses our neighborhood land as
19 well for their tanks. Please tell me how unjust this is.
20 I hope you, the Court, and anyone else who is a part of
21 analyzing that their profit, their cost to us is worth
22 the stress, the concern, and the utter disbelief is all
23 worth it.

24 If we are a democracy and we can't try to

1 change things, then what is the point of it? I believe
2 we should be able to be heard and should be able to speak
3 up on these matters that directly impact our daily lives
4 and how we live. I would hope you see other people's
5 responses and see the damage that this water company is
6 doing to us all.

7 They're a monopoly, and I understand that they
8 want to do projects, but price gouging, putting this much
9 stress on their clients is so unnecessary. It's not like
10 we can just go to some other water company because we're
11 dissatisfied like it's our internet. You're our only
12 hope at this point. It's only my husband and I in this
13 house, and I cannot imagine what it would be like if I
14 had two children, showering, eating, drinking water.
15 It's -- it's already hard times, but raising prices again
16 and again is only making these things harder. Thank you.

17 CHAIR MITCHELL: All right, Ms. Miller. Let me
18 see if there are questions from you from counsel,
19 beginning with the Applicant.

20 MS. SANFORD: No questions.

21 CHAIR MITCHELL: All right. Any from the
22 Public Staff?

23 MR. LITTLE: No questions.

24 CHAIR MITCHELL: All right. Commissioners?

1 (No response.)

2 CHAIR MITCHELL: All right. Ms. Miller, thank
3 you very much for your testimony this afternoon. You may
4 step down and be excused.

5 THE WITNESS: Thank you.

6 (Witness excused.)

7 CHAIR MITCHELL: All right. Mr. McCoy, next
8 witness, please.

9 MS. VELEZ-SALEM: Good afternoon. My name is
10 Luz Velez-Salem.

11 CHAIR MITCHELL: All right.

12 LUZ VELEZ-SALEM; Being first duly affirmed,
13 Testified as follows:

14 CHAIR MITCHELL: All right. Mr. Little, the
15 witness is yours.

16 DIRECT EXAMINATION BY MR. LITTLE:

17 Q Ms. Velez-Salem, would you please tell us your
18 address and whether or not you are a customer of Carolina
19 Water Service?

20 A Yes, sir. My -- I live at 13706 Dealtry Lane
21 in Pineville, North Carolina, and we live on the
22 unincorporated side of Pineville, and Carolina Water
23 Service is -- I am their customer.

24 Q What would you like to tell the Commission

1 today?

2 A Well, I totally oppose this rate increase, and
3 I have several reasons as to why -- in my opinion, why
4 they don't deserve an increase at this time.

5 First of all, I'd like to address that it's
6 just my husband and I living in our home, and we have two
7 dogs. Our monthly water bill last -- just last month was
8 almost \$200, and it's just two of us, which both of us
9 are taking one shower a day. We spend \$150 a month to
10 bring in bottled water. And so the only time we're using
11 this water is either to, you know, flush the toilet,
12 maybe do a dishwasher, and do laundry once a month, and
13 I'm still paying \$200 a month in water, not including the
14 \$150 that we spend on an average so that we can have
15 feasible drinking water for ourselves, for our dogs, to
16 cook with, to make ice with, because unfortunately the
17 water here tastes very nasty, number one.

18 Number two, we've taken -- we've taken tap
19 water and made ice cubes with it. I did an experiment.
20 And then I took the ice cubes and put it in a glass of
21 cold -- in a glass of Coke, and after the ice melted,
22 there was so much thick, nasty film on top of my soda
23 that I knew for a fact that this was water that I do not
24 want to drink or cook with.

1 Also, all three of our bathrooms -- we live in
2 a two -- we have three bathrooms in our home. All three
3 bathrooms smell like straight up feces. We have hired
4 plumbing companies to come in here and verify to see how
5 we can get rid of this nasty smell that permeates through
6 our house and our bedrooms. Even though we do put bleach
7 tablets and I have Glade Plug-ins, it still smells. Our
8 dogs also will not drink the tap water.

9 And then even though we did find that we did
10 get a water test per the VA home loan, because I am a
11 veteran, even though it passed the water test, we did
12 contact Carolina Water and we had them send one of their
13 technicians to come and drink this tap water. And the
14 gentleman that came here did agree with us that, yes, the
15 water was not tasting accurately, but that the samples
16 showed that the water test -- that the samples were
17 correct and the levels of treatment in the water.

18 And at this time, you know, when I'm looking at
19 a base charge for my water, for example, just without
20 even turning on the faucet, it's expensive. Our
21 wastewater this last -- this month even -- I mean, last
22 month currently, the base was 58.91, and I only used
23 \$34.70. And there's only two of us here.

24 I currently don't agree with the rate increase

1 right now. I think that Carolina Water needs to do a
2 much better service with providing their customers with
3 feasible drinking water.

4 CHAIR MITCHELL: Ms. Velez-Salem, you have
5 exceeded your two minutes, so please wrap up your
6 statement, please, ma'am.

7 A As I said, I just -- currently at this time,
8 you know, we're in the middle of a pandemic, and with
9 Carolina Water about to shut off -- a lot of customers'
10 water off, I don't think at this time they should deserve
11 a rate increase at this time until they can provide
12 better water for the customers.

13 CHAIR MITCHELL: Okay. Let me see if there are
14 questions for you from the Company.

15 MS. SANFORD: No questions.

16 CHAIR MITCHELL: All right. From the Public
17 Staff?

18 MR. LITTLE: Yes. A few follow-up questions,
19 Your Honor.

20 BY MR. LITTLE:

21 Q Ms. Velez-Salem, you said that you had --
22 somebody from Carolina Water Service came out to your
23 house and said that -- did they say that everything was
24 fine?

1 A The gentleman did agree with me that the water
2 did not taste appropriate to drink because he sampled the
3 water inside my home, except that he said that -- he
4 showed me that the treatment that they're putting into
5 the water, according to the Charlotte Carolina whatever
6 he said, that the levels were accurate in the treatment
7 of the water so there was not much he could do for us.

8 Q Have you made any other further complaints
9 since that visit?

10 A Yes. I have contacted them on a couple of
11 occasions, expressed to Carolina Water that this water,
12 there is a problem here. There is the bathroom smell
13 like feces even though we're not using them, and they
14 have done nothing to even correct the problem. You know,
15 we even hired Morris Jenkins, the plumbing company, to
16 come in here and see if there was something that we can
17 pay out of our own pocket to try to get rid of the smell,
18 and unfortunately there's nothing that we can do about
19 it. It's just through a community well, and that this --
20 the effects of the water maybe not being properly
21 treated. We're on a -- we don't know, but we just know
22 that we -- we've hired people, we've spent money, we've
23 alerted Carolina Water, and we still have the same
24 issues.

1 And we also noted to Carolina Water on or about
2 April -- somewhere between March or April of 2020, when
3 they came out here and experiment--- and tasted the
4 water, we expressed to them that we were unable to drink
5 this water, the coffee was nasty, and the only way that
6 we can make good coffee here is by buying bottles of
7 water. And we're spending \$150 a month to drink water in
8 our house on top of \$184 --

9 Q Thank you.

10 A -- water bill.

11 Q Thank you, Ms. Velez-Salem.

12 MR. LITTLE: That's all the questions that I
13 have --

14 THE WITNESS: Yes, sir.

15 MR. LITTLE: -- Your Honor.

16 CHAIR MITCHELL: All right. Let me check in
17 with the Commissioners to see if they have questions for
18 Ms. Velez-Salem. All right. None from Commissioner
19 McKissick and none from Commissioner Hughes. All right.
20 Ms. Velez-Salem, your testimony has been informative
21 today. We appreciate your being here and letting us know
22 your concerns. You may step down and be excused this
23 afternoon. Thank you again, ma'am.

24 THE WITNESS: And thank you so much for taking

1 your time to listen to your -- to your residents.

2 CHAIR MITCHELL: Absolutely.

3 (Witness excused.)

4 CHAIR MITCHELL: All right. Mr. McCoy, call
5 the next witness, please.

6 MS. FELTER: Hello.

7 CHAIR MITCHELL: All right. Would you please
8 state your name, please, ma'am?

9 MS. FELTER: This is Jessica Felter.

10 CHAIR MITCHELL: Would you spell your last
11 name, please, ma'am?

12 MS. FELTER: Yes. It's F, as in Frank,
13 E-L-T, as in Tom, E-R.

14 CHAIR MITCHELL: All right.

15 JESSICA FELTER; Being first duly affirmed,
16 Testified as follows:

17 CHAIR MITCHELL: All right. Mr. Little, you
18 may proceed.

19 DIRECT EXAMINATION BY MR. LITTLE:

20 Q Ms. Felter, will you give us your address and
21 whether or not you're a customer of Carolina Water
22 Service, please?

23 A I am a customer of Carolina Water Service. Our
24 address is 304 Wadkins, W-A-D, as in dog, K-I-N-S, and

1 it's a Boulevard, here in New Bern, North Carolina.

2 Q What subdivision or area in New Bern?

3 A We are labeled in the Oak Creek Estates
4 subdivision under the Carolina Pines subdivision. We are
5 one of the flat rate sewer customers.

6 Q Thank you. And what would you like to tell the
7 Commission today?

8 A I would like to request that they do not be
9 honored with the rate increase. Back in April of 2020
10 this Company was approved to have a significant rate
11 increase at that time of almost \$16 extra a month. I
12 currently pay 73.73 just for the sewer. And they are
13 proposing another nearly \$11 increase within a year, and
14 I wonder why.

15 I felt the need to call and come forward
16 because this Company is moving towards a monopolistic
17 control, and we have no substitutes readily available to
18 choose from. Our subdivision, the part I'm living in,
19 was built in 2006 to 2007 and had been -- and had a sewer
20 system built specifically for our new division. At that
21 time it was under the affiliation of Utilities,
22 Incorporated. We are using that system that is only 15
23 years old and we are having these increases, and our
24 subdivision has not yet reached max capacity. It is

1 still undeveloped in many of the lots in this
2 subdivision.

3 I also find this proposed rate increase to be
4 for the flat rate users more than those versus on the
5 metered rate. This seems odd since we, again, would have
6 no way to avoid the increased charges by changing our own
7 use patterns. Therefore, this Company just seems to want
8 to take more money, and we don't know what they're using
9 it for.

10 The same impression was given to me when they
11 strongly suggest in multiple emails that we should use
12 their website and app to pay the bills. This last email
13 was sent to me on October 20th. Unless I consent to
14 letting them use auto draft from the bank only on the day
15 my bill is due, I would be charged an extra fee. I
16 currently have my bank send checks a week in advance, and
17 I am not about to switch to their app so that I can be
18 charged for it to be paid ahead of time.

19 I also wanted to voice my -- I also wanted to
20 have my voice heard today as a customer that feels that
21 we have no choice and that they're taking advantage of us
22 at times when they don't need it, and they've had a whole
23 year of increased rates to be used towards future
24 maintenance that will be used in this subdivision. That

1 concludes my message.

2 MR. LITTLE: Chair, you're muted.

3 CHAIR MITCHELL: Thank you, Mr. Little. Let me
4 make sure -- Ms. Felter, thank you for your comments this
5 afternoon. Let me make sure there are no questions from
6 counsel, beginning with the Applicant. Questions for the
7 witness?

8 MS. SANFORD: We have no questions. Thank you.

9 CHAIR MITCHELL: All right. Questions from the
10 Public Staff?

11 MR. LITTLE: No questions.

12 CHAIR MITCHELL: All right. Questions from
13 Commissioners?

14 COMMISSIONER HUGHES: Just a really quick
15 simple question, Chair Mitchell.

16 CHAIR MITCHELL: All right. Go ahead.

17 EXAMINATION BY COMMISSIONER HUGHES:

18 Q Ms. Felter, you mentioned your sewer bill.
19 Where do you get water from? Is it a well or is it a
20 municipal water supply?

21 A A municipal water supply through Craven County.

22 Q Okay. Thanks very much.

23 COMMISSIONER HUGHES: That's all.

24 THE WITNESS: Yes, sir.

1 CHAIR MITCHELL: All right. Thank you, Ms.
2 Felter. We appreciate your time with us this afternoon
3 and your sharing your concerns with us. You may be
4 excu--- you may step down and be excused.

5 THE WITNESS: Thank you, and you all have a
6 good day.

7 CHAIR MITCHELL: All right. Thank you very
8 much.

9 (Witness excused.)

10 CHAIR MITCHELL: All right. Mr. McCoy, please
11 unmute the next witness.

12 MR. GUMBEL: This is John Gumbel.

13 CHAIR MITCHELL: All right.

14 JOHN GUMBEL; Being first duly affirmed,

15 Testified as follows:

16 CHAIR MITCHELL: All right. Mr. Little, you
17 may proceed.

18 DIRECT EXAMINATION BY MR. LITTLE:

19 Q Mr. Gumbel, can you give us your address and
20 whether or not you are a Carolina Water Service customer,
21 and the subdivision or area where you reside?

22 A Yeah. I -- I am a Carolina Water Service
23 customer for the flat rate sewer system. Like the last
24 speaker, I do live in Carolina Pines subdivision of New

1 Bern area. 107 Forest Landing -- 107 Boros Landing, New
2 Bern, North Carolina.

3 Q And what would you like to tell the Commission
4 today?

5 A I'm a retired marine colonel. I live in the
6 Carolina Pines subdivision. I'm going to talk real fast
7 because I have a lot to say. I've got a bachelor's
8 degree in economics from UCLA, a master's in systems
9 analysis, and another master's in national resources
10 strategy which includes things like utilities.

11 So I'm speaking about the Carolina Water
12 Service's requested rate increase of 14.8 percent and
13 their flat rate sewer service that will take the rate to
14 84.31 month. That increase means those of us with that
15 service will be spending a thousand ninety-two --
16 \$1,000.92 per year on just sewer service.

17 This requested 14.8 increase is after Carolina
18 Water Services just got a 27.9 percent increase in April
19 of 2020. Unfortunately, the North Carolina Utilities
20 Commission does not look at rate increase requests in the
21 aggregate over a period of time. Instead, they take each
22 rate increase in isolation.

23 If they did look at aggregate rate increases,
24 the Utilities Commission could see that this requested

1 increase would result in a 155 percent in compounded rate
2 increases since July of 2009. That 155 percent in
3 increases is 5.65 times the increase in the Consumer
4 Price Index which rose a compounded 27.4 percent from
5 July 2009 through September of this year.

6 Simply put, this requested rate increase will
7 push my sewer cost increases to 565 percent the rate of
8 inflation since July 2009. There's simply no
9 justification for that. Imagine, if you will, that our
10 courts looked at every criminal case in isolation.
11 Imagine someone going in for a seventh DUI prosecution in
12 the last 12 years and the court did not look -- consider
13 his previous six convictions. That's what the North
14 Carolina Utility Commission is doing when they take each
15 rate increase in isolation. They need to look at the
16 aggregate over a single period of time.

17 And every flat rate increase request by
18 Carolina Water Service over the last 12 years has been
19 approved, even when it violated the North Carolina
20 Utilities Commission's own policies concerning the size
21 of increases. The largest increase on a percentage basis
22 was in May 2014. It was a 40 percent increase. That
23 increase, after being approved by the Commission, in
24 spite of significant consumer protest, was found in

1 violation of the policy and rolled back in August 2014.

2 If I got my sewer through the City of New Bern,
3 I would have paid \$524 for sewer instead of the 1,000 I
4 will be paying to Carolina Water Service if this rate
5 increase goes through. That is to say, if this rate
6 increase is approved, I will have paid nearly -- nearly
7 double for sewer what I would have paid if I lived in New
8 Bern city limits.

9 I get my water from Craven County, as the last
10 speaker mentioned. I've had one very marginal increase
11 for water in the 16 -- last 16 years, and that was in
12 2011. Craven County kept their base rate the same as it
13 was in 2011 at \$15 per month, which is the total amount
14 that many residences pay. In 2009 I paid \$332 for water
15 and 442 for sewer. Last year I paid only 260 for water
16 and 881 for sewer. As my water usage has gone down, my
17 sewer bill has increased dramatically.

18 Carolina Water Service also requested change to
19 the process in the electronic payments to Carolina Water
20 Service's third-party payment vendor that promotes
21 eliminating electronic payment fees that customers pay
22 directly to the third-party vendor. Instead, they want
23 to roll them into the base rate. I've got the automatic
24 debit that Carolina Water Service wants to use, so I

1 don't pay that additional fee. If they roll those
2 additional fees into the base rate, that means I get to
3 pay a portion of those as well which I'm really not
4 interested in doing.

5 CHAIR MITCHELL: All right. You've reached the
6 end of your two minutes. I've given you some leniency
7 here, sir, but please wrap it up.

8 THE WITNESS: Okay.

9 A Bottom line, Carolina Water Service is being
10 incentivized for behavior that's negative for us
11 consumers. We need the North Carolina Utilities
12 Commission to properly incentivize them for saving
13 consumer money instead of incentivizing them to add more
14 and more to their base rate. We need the North Carolina
15 Utilities Commission to develop a rate structure and
16 incentives that are beneficial for North Carolina
17 consumers and the suppliers, not just the suppliers. But
18 until they can do that, until they can develop a rate
19 structure, they need to deny this rate increase requested
20 by Carolina Water Service.

21 Thanks for listening. I've got more. I've got
22 plenty more, but I'll stop here.

23 CHAIR MITCHELL: All right. All right, Mr.
24 Gumbel. You said a whole lot in those brief minutes, so

1 thank you for sharing your concerns. Let me check to see
2 -- with counsel to see if there are questions for you,
3 beginning with the Applicant.

4 MS. SANFORD: We have no questions. Thank you.

5 CHAIR MITCHELL: All right. Public Staff?

6 MR. LITTLE: No questions.

7 CHAIR MITCHELL: All right. Commissioners?

8 (No response.)

9 CHAIR MITCHELL: All right. Mr. Gumbel, my
10 colleagues don't have questions for you, but I do have
11 one.

12 EXAMINATION BY CHAIR MITCHELL:

13 Q Just tell me about the quality of the service
14 that -- of the wastewater service that Carolina Water
15 provides you. Has that been satisfactory? Has it been
16 adequate?

17 A Yeah. Chair Mitchell, there's no complaint
18 about the sewage system. I mean, it's an unmetered
19 system. The plant is -- you know, I walk my dog past the
20 plant here in Carolina Pines, and really there's been no
21 changes to that plant in the last 16 years. I'm at a
22 loss for where all this money is. But really, this whole
23 thing is about cost, and it's about cost in comparison to
24 the Consumer Price Index, 565 percent of the consumer

1 price increases over -- since July 2009, and it's just
2 unconscionable.

3 And I checked with the Public Staff, and the
4 Public Staff did make me aware that rate increases are
5 not considered in the aggregate. They're only done in
6 isolation for the current rate increase. Nobody does
7 business like that. Nobody. That's how you end up with
8 compounded rate increases that are over five times the
9 rate of inflation.

10 Q All right, Mr. Gumbel. Thank you for your
11 response.

12 CHAIR MITCHELL: All right. With that, sir,
13 you -- you may step down and be excused this afternoon.
14 Thank you very much for your testimony today.

15 THE WITNESS: Thank you.

16 (Witness excused.)

17 CHAIR MITCHELL: All right. Mr. McCoy, please
18 unmute the next witness.

19 MS. DUNWIDDIE: Hello?

20 CHAIR MITCHELL: All right. Would you please
21 state your name for the record?

22 MS. DUNWIDDIE: Kimberly Dunwiddie.

23 CHAIR MITCHELL: All right.

24 KIMBERLY DUNWIDDIE; Being first duly affirmed,

1 Testified as follows:

2 CHAIR MITCHELL: All right. Mr. Little, you
3 may proceed with the witness.

4 DIRECT EXAMINATION BY MR. LITTLE:

5 Q Ms. Dunwiddie, give us your address and whether
6 or not you're a Carolina Water customer and the area or
7 subdivision where you reside.

8 A Yes. Our address is 410 Hillcrest Drive,
9 Morehead City. Our subdivision is Brandywine Bay. And,
10 yes, I am a Carolina Water Service customer

11 Q What would you like for the Commission to hear
12 from you today?

13 A Well, I would like to say that we strongly
14 oppose the rate increase that Carolina Water is applying
15 for. Our average bill for water and sewer is \$154 a
16 month, and that's just for two of us. The color of our
17 water is yellow. And I'm serious, it is yellow. It
18 stains our sinks, our tubs, our toilets, our white
19 towels. We were told by our other neighbors in
20 Brandywine Bay that they have been told through Carolina
21 Water that it's the tannins in the water that gives the
22 yellow color.

23 We obviously don't drink this water. It's
24 horrible looking. It makes our ice yellow. So we buy

1 our ice, we buy our drinking water. We just feel that
2 the rate increase is uncalled for.

3 CHAIR MITCHELL: All right. Ms. Dunwiddie,
4 thank you for your testimony today. Let me check in with
5 counsel to see if there are questions for you, beginning
6 with the Applicant.

7 MS. SANFORD: No questions. Thank you.

8 CHAIR MITCHELL: All right. Public Staff?

9 MR. LITTLE: Yes.

10 BY MR. LITTLE:

11 Q Ms. Dunwiddie, you said you've been told about
12 it's the tannins. Have -- has that been from Carolina,
13 from somebody coming to your residence?

14 A No. We've been told through multiple neighbors
15 in the Brandywine Bay subdivision that that is what they
16 have been told through Carolina Water from people
17 actually coming in. We're fairly new to the
18 neighborhood, so this is really new to all of us. So --

19 Q Have you actually -- have you talked -- have
20 you called and made a complaint to Carolina Water about
21 the quality of your water?

22 A I have not. Like I said, we're relatively new
23 to the neighborhood, so I have not done this yet, but
24 getting this notice in the mail has prompted me to want

1 to be a witness today.

2 MR. LITTLE: That's all I have, Your Honor.

3 CHAIR MITCHELL: All right. Thank you, Mr.
4 Little. Questions from Commissioners?

5 (No response.)

6 CHAIR MITCHELL: Ms. Dunwiddie, I do have -- my
7 colleagues don't have questions for you, but I do have
8 one or two.

9 THE WITNESS: Uh-huh. Okay.

10 EXAMINATION BY CHAIR MITCHELL:

11 Q You indicated that you and your husband are
12 fairly new to the Brandywine Bay subdivision. Did I hear
13 that correctly?

14 A That's correct.

15 Q Where did you all -- were you all Carolina
16 Water customers prior to moving into Brandywine Bay?

17 A No. We moved here from Indiana.

18 Q From Indiana. Okay.

19 A Uh-huh.

20 Q And can you tell me how the cost of your water
21 and sewer service compares to that which you paid when
22 you lived Indiana?

23 A Oh. It's almost double what we paid in
24 Indiana.

1 Q Were you a municipal customer in Indiana or
2 were you a customer of a water utility?

3 A We were water -- a water utility.

4 Q Okay. All right.

5 CHAIR MITCHELL: Ms. Dunwiddie, I have nothing
6 further for you. Thank you for your time this afternoon
7 and your testimony regarding your concerns about the rate
8 increase. You may --

9 THE WITNESS: Okay.

10 CHAIR MITCHELL: -- step down and be excused.

11 THE WITNESS: Thank you very much for hearing
12 me.

13 CHAIR MITCHELL: All right.

14 (Witness excused.)

15 CHAIR MITCHELL: Mr. McCoy, unmute the next
16 witness, please.

17 MR. YANDUKIN: Hello. Hi. This is Alex
18 Yandukin.

19 CHAIR MITCHELL: All right. Would you please
20 spell your name for the record, sir?

21 MR. YANDUKIN: Alex Yandukin, Y-A-N, as in
22 Nancy, D-U-K-I-N, as in Nancy.

23 ALEX YANDUKIN; Being first duly affirmed,

24 Testified as follows:

1 CHAIR MITCHELL: All right. Mr. Little, you
2 may proceed.

3 DIRECT EXAMINATION BY MR. LITTLE:

4 Q Mr. Yandukin -- excuse me -- please give us
5 your address and tell us whether or not you're a Carolina
6 Water Service customer and the subdivision or area that
7 you live in.

8 A It is 5413 Swordsman Court, Knightdale. I am a
9 user of Carolina Water Service, and I reside in Covington
10 Cross.

11 Q What would you like to tell the Commission
12 today?

13 A That the Company does not deserve a pay
14 increase and -- a rate increase, and they simply should
15 be blocked from asking for at least several years.
16 That's too frequent.

17 CHAIR MITCHELL: All right. Mr. Yandukin, is
18 that the extent of your testimony today?

19 THE WITNESS: Oh, no, no. Okay. I'm sorry.

20 A So basically for me what happened here is I
21 bought the house in Knightdale. I moved here from
22 Raleigh. I bought a house in Knightdale just November
23 last year. So when I moved in, I started setting up my
24 utilities and everything. I called up the water company

1 they told me to call. So I spent 45 minutes on hold for
2 them while they created my account. I don't know what
3 happened there, but for 45 minutes I was put on hold just
4 waiting for my account to be created.

5 So I just looked up on Google and saying like
6 what's wrong the Company? Is it common for them to have
7 such crap service? So I only see one star review for
8 them, and all of them really complain about how -- all
9 the complaints were about the quality of service was
10 really bad. The infrastructure was bad. The price of --
11 the cost of service was bad. The quality of water is
12 also -- most of the reviews were about that.
13 Specifically about the cost; everybody was simply
14 concerned about the cost.

15 So at first it kind of hard to believe, but --
16 I'm having some small technical issues. Okay. And so I
17 was comparing the two bills side by side because I just
18 moved from Raleigh, just 16 miles away, and I was
19 serviced by City of Raleigh. And comparing the two
20 bills, they were simply -- I'm sorry -- my computer just
21 froze up. So the two bills for comparison side by side,
22 it was just phenomenal. It was just -- the base charge
23 for water and sewer are \$90 a month. Okay. Here -- so
24 my previous address before I moved from the City of

1 Raleigh, the base water cost was \$26 for base charge.
2 For Carolina Water Service, the base charge is \$28.92.
3 For the waste, the City of Raleigh, jumping forward, a
4 base charge of \$7.61, and the base charge for Carolina
5 Water Service is \$58.91.

6 And additionally, the water charge for City of
7 Raleigh was \$1.15 per 1,000 gallons, whereas in Carolina
8 Water Service it's \$8.27 per 1,000 gallons. The change
9 is completely very different.

10 And I couldn't get any explanations anywhere I
11 called. I talked to the people who check my meter
12 services. They didn't know how to explain what the
13 charges are for, an explanation of -- and there's no
14 explanation why a rate increase right now, why they
15 deserve the pay increase. What's happening?

16 And the result, I pay more for water than I pay
17 for electricity. My property taxes are way cheaper than
18 the water bill. My internet and two phone -- cell phones
19 cost is cheaper than my water bill. My car insurance is
20 cheaper for two cars, is cheaper than my water bill. And
21 there's no explanation for why the charge is so high, why
22 the service is bad, why -- and why the rate, it is
23 increasing right now.

1 And I actually, before that I lived in Phoenix,
2 Arizona --

3 CHAIR MITCHELL: Mr. Yandukin --

4 THE WITNESS: Yeah.

5 CHAIR MITCHELL: -- you've come to the end of
6 your two minutes, so please wrap up your testimony.

7 THE WITNESS: Okay.

8 A So I don't understand the reason why the water
9 is so high for Carolina Water Service, and I don't
10 understand explanation why the rate keeps increasing.
11 There's no explanation for this rate increase. And I
12 really just urge people just also look at -- besides
13 listening to all testimonies, just look up on Google
14 reviews, Better Business Bureau, et cetera, of other
15 users complaining about the same issue.

16 CHAIR MITCHELL: All right. Thank you, Mr.
17 Yandukin. Let me see if there are questions for you from
18 counsel, beginning with the Applicant.

19 MS. SANFORD: Thank you. One quick question.

20 EXAMINATION BY MS. SANFORD:

21 Q Mr. Yandukin, are you in the city limits of
22 Knightdale?

1 A No. That would be right -- I'm not sure about
2 the city -- I mean, the city limits, but I'm right in the
3 Town of Knightdale.

4 Q Okay. All right. Thank you.

5 MS. SANFORD: That's all I have. Thank you
6 very much.

7 CHAIR MITCHELL: All right. Questions from the
8 Public Staff?

9 MR. LITTLE: No questions.

10 CHAIR MITCHELL: All right. Questions from
11 Commissioners?

12 COMMISSIONER HUGHES: Just a quick question,
13 Chair Mitchell.

14 EXAMINATION BY COMMISSIONER HUGHES:

15 Q You talked about the base charge. Could you
16 say a little bit about your total bill and whether it
17 varies from month to month or is it fairly flat across
18 the year? I guess you've lived there about a year, I
19 think.

20 A Uh-huh. Yeah. So my average bill is from 110
21 to \$120 a month. Last -- in October it was \$118.84.

22 Q Okay.

23 A Whereas in Raleigh, my average bill was about
24 \$45 a month.

1 Q Okay. Do you know what your highest bill has
2 been since you moved there?

3 A No. About \$120.

4 Q Okay.

5 A My water usage about the same.

6 Q Okay.

7 COMMISSIONER HUGHES: That's all. Thank you
8 very much.

9 CHAIR MITCHELL: All right, Mr. Yandukin.
10 There are no further questions for you, so you may step
11 down and be excused. Thank you very much for your
12 testimony this afternoon, sir.

13 THE WITNESS: Thank you.

14 (Witness excused.)

15 CHAIR MITCHELL: All right. Mr. McCoy, please
16 unmute the next witness.

17 MR. WHITED: Hello. This is James Whited.

18 CHAIR MITCHELL: All right. Mr. --

19 MR. WHITED: Hello. This is James Whited.

20 CHAIR MITCHELL: Hold on. We hear you loud and
21 clear, sir.

22 JAMES WHITED; Being first duly affirmed,

23 Testified as follows:

1 CHAIR MITCHELL: All right. Thank you, Mr.
2 Whited. Mr. Little, the witness is yours.

3 DIRECT EXAMINATION BY MR. LITTLE:

4 Q Mr. Whited, would you give us your address,
5 whether or not you're a Carolina Water or sewer customer,
6 and the subdivision or area where you reside, please?

7 A Sure. Yes. I am a Carolina Water Service
8 customer. My address is 6055 Habersham,
9 H-A-B-E-R-S-H-A-M, Drive. That is in Kernersville, North
10 Carolina, and it is in the Abington Subdivision.

11 Q And what would you like to tell the Commission
12 today, sir?

13 A And I forgot to mention, I am also a customer
14 of water and sewer of Carolina Water.

15 First of all, I want to say that I am opposed
16 to this request to increase rates. I've spoken with a
17 number of other residents in our neighborhood that is not
18 able to attend.

19 Over the last two years -- we've lived in this
20 neighborhood for five years, and we came from a town
21 called Randleman, North Carolina. It's roughly 30 miles
22 away. We paid -- our usage -- we're a family of four. I
23 have two small kids. And my daughter is six, so at the
24 time she was one, one and a half when we moved. When we

1 lived in Randleman -- I went and got my last water bill
2 from there when we were there. We were charged every two
3 months. Our usage was roughly 10,000 gallons over two
4 months. We paid almost \$60 for water and \$60 for sewer,
5 so that was roughly 120 to 130 every two months for both
6 water and sewer at a town very close to here.

7 We were very surprised to see the increase in
8 water and sewer when we moved into the neighborhood. I
9 have not felt compelled to call in and testify to the
10 various and numerous requests for rate increases by
11 Carolina Water. We don't have any other options for
12 water and sewer in our neighborhood. I've been told that
13 we can pay the city to run pipes and lines to our houses,
14 but that would get into thousands upon thousands of
15 dollars, and I think Carolina Water Service knows this.

16 Carolina Water Service is a -- I believe a
17 subsidiary of Utilities, Inc., and I think a lot of the
18 money that they are taking is also going back to the
19 parent company. They have a monopoly on our area, and
20 they are taking advantage of the residents of this area.
21 They're taking advantage of their customers.

22 In February of 2020 our water was roughly \$55,
23 and our waste, our sewer was roughly \$60. That's both
24 base and usage. We are very usage conscious. We bought

1 a rain barrel to water our garden. We shower roughly
2 every other day, sometimes every day if it's -- if the
3 kids are dirty or something --

4 CHAIR MITCHELL: Mr. Whited --

5 A -- but --

6 CHAIR MITCHELL: Mr. Whited, you've reached
7 your --

8 THE WITNESS: Yes, ma'am.

9 CHAIR MITCHELL: -- two minutes, so please wrap
10 up your testimony.

11 THE WITNESS: Okay. I'm sorry.

12 A This Company has asked -- has increased their
13 rates in March, I think you've heard, roughly by \$13 on
14 base. They increased it again in December. It looks
15 like they increased it also in April. They're asking to
16 increase it again. The increase, if annualized, has
17 resulted in roughly 9-1/2 percent increase year over
18 year. That's more than any other utility company or
19 electric company combined. And I would ask that the
20 Commission review Utilities, Incorporated's request,
21 along with other municipalities in the area, to verify
22 their cost before approving any further increases.

23 Thank you for your time. I really appreciate
24 you listening to our testimonies.

1 CHAIR MITCHELL: All right. Thank you, Mr.
2 Whited. Let me see if there are questions for you from
3 counsel, starting with the Applicant.

4 MS. SANFORD: No questions. Thank you.

5 CHAIR MITCHELL: All right. Questions from the
6 Public Staff?

7 MR. LITTLE: No questions.

8 CHAIR MITCHELL: Questions from Commissioners?

9 COMMISSIONER McKISSICK: Chair Mitchell, I have
10 one or two questions.

11 CHAIR MITCHELL: All right. Commissioner
12 McKissick.

13 EXAMINATION BY COMMISSIONER McKISSICK:

14 Q Mr. Whited, I just want to make sure I
15 understand your testimony. I think you indicated that
16 you've lived in this subdivision in Kernersville for
17 about five years; is that correct?

18 A That's correct.

19 Q And is it your testimony that it's increased --
20 your charges for water and sewer have increased about
21 9-1/2 percent per year each year since you've resided
22 there?

23 A Yes. A lot of this data is based off of
24 another neighbor in my area. They annualized these --

1 this increase since 2013. Sorry I didn't state that.
2 But, yes, another resident named Dave Weekings (ph.)
3 produced a spreadsheet going from 2013 until now, showing
4 the rate increases using about a 5,000 gallon usage that
5 -- and then annualized is about a 9-1/2 percent
6 annualized rate of increase.

7 Q I see. So this was not your -- an increase you
8 personally observed. It was based upon the computations
9 of a neighbor who extrapolated what it had been since
10 2013; is that correct?

11 A That is correct. Our increase -- we have been
12 experiencing multiple increases, most notably March of
13 last year right after the pandemic started, which was a
14 base increase of about \$13 on wastewater and roughly 4 to
15 \$5 on water. The increases continue to go up. I have
16 not personally calculated the actual rate of our
17 increase, but it has been increasing. And this one is,
18 like I said, 9-1/2 percent that he has experienced and
19 shared with me.

20 Q I see. And I think you said when you were in
21 Randleman you would consume about 10,000 gallons, and
22 that was every two months; is that right?

23 A That's correct. I'll say that the bill that I
24 am currently looking at, the date from was April 5th,

1 2016 to May 28 of 2016, and the usage on that is 10,100
2 gallons.

3 Q Okay. And just two more questions.

4 A Sure.

5 Q How many gallons per month do you think you're
6 consuming right now?

7 A On our last bill it shows 4,400 gallons, and I
8 would say that's pretty much around the average for us.
9 Our last bill that I'm looking at combined was \$143.99.
10 It has gone up upwards around 155. It has been down
11 around 135. And that's after this last rate increase.

12 Q And I guess --

13 A But we do generally --

14 Q Sure.

15 A We do generally stay around 4,400. I'm sorry.
16 Go ahead.

17 Q And before you bought the home in the
18 subdivision that you are in or rented that home, did you
19 realize that Carolina Water Service was your provider or
20 would be your provider?

21 A It was disclosed to us that Carolin--- well, at
22 the time I can't remember if it was advertised as
23 Utilities, Inc. or if it was Carolina Water because I --
24 I've originally known them as Utilities, Inc., and I

1 don't recall where that came from, but I do know that it
2 was disclosed to us that that was the provider.

3 We didn't think to ask for a history of usage
4 on water. Again, we were thinking, you know, coming from
5 Randleman where our bill was roughly \$135 every two
6 months -- prior to that I lived in Thomasville, North
7 Carolina, in a county, and the water was -- I want to say
8 it was like \$25 a month, and it had a -- it had a septic
9 system. I had no idea that the water would be as
10 expensive as it is here.

11 The water here is extremely hard. I know
12 Carolina Water can't help that. But we've also bought a
13 water softening system, a whole-home water softening
14 system and a filter for our home. We just noticed some,
15 I guess, just digestive things, and we were worried about
16 the water. A lot of neighbors told us that the water was
17 extremely hard. Some suggested a whole-home water
18 softening system, and so we went ahead and invested in
19 that. It has helped, but that also, it adds to our cost
20 because we've got to buy salt pellets every three to four
21 months.

22 COMMISSIONER McKISSICK: Thank you, Mr. Whited.
23 Chair Mitchell, I don't have any further questions.

24 CHAIR MITCHELL: All right. Mr. Whited, thank

1 you very much for your testimony today. You may step
2 down and be excused.

3 THE WITNESS: Thank you all very much. You
4 have a good day.

5 CHAIR MITCHELL: All right.

6 (Witness excused.)

7 CHAIR MITCHELL: Mr. McCoy, you may unmute the
8 next witness.

9 MR. MELLOW: Hello.

10 CHAIR MITCHELL: Good afternoon. Would you
11 please state your record -- your name for the record?

12 MR. MELLOW: Are you talking to me?

13 CHAIR MITCHELL: I am talking to you, sir.
14 Would you please identify --

15 MR. MELLOW: Oh, okay.

16 CHAIR MITCHELL: -- yourself for the record?

17 MR. MELLOW: Absolutely. This is Ron Mellow,
18 M-E-L-L-O-W.

19 CHAIR MITCHELL: All right.

20 RON MELLOW; Being first duly affirmed,

21 Testified as follows:

22 CHAIR MITCHELL: All right. You may -- let's
23 see. Mr. Little, you may proceed with your witness.

24 DIRECT EXAMINATION BY MR. LITTLE:

1 Q Mr. Mellow, give us your address, please.

2 A Certainly. This is 1162 Trays Island Road in
3 Sapphire, North Carolina.

4 Q Excuse me. And are you a customer of Carolina
5 Water Service?

6 A Yes. We have been since they bought our local
7 water system in about 2007 or '08. We built our home
8 here in 1999, and we're summer residents only.

9 Q Well, what is the name of your subdivision or
10 the area you live in?

11 A We live in Fairfield Sapphire Valley in Holly
12 Forest 14.

13 Q What would you like to tell the Commission
14 today, sir?

15 A Well, I've been hearing so many other people
16 that have mentioned similar problems, but in 2011 CWS was
17 granted a 39.8 percent increase, and in 2013 they got
18 22.6 percent water, 62.5 percent sewer increase. Right
19 now our monthly rate is \$102. That's base. We're only
20 here six months of the year, so for six months we pay
21 \$102 for zero water usage. And when we use water, the
22 bill is around 130 to \$140 a month. We also pay for
23 water availability on our vacant lot.

24 One of the problems we see, that our system

1 here is old and it's in need of maintenance. CWS just
2 patches. We had 11 boil water notices in the recent
3 past. Now, one reason we're getting a lot of those is
4 they're putting in a fiber optic system, and they're
5 digging near the water pipes and they've broken several
6 pipes. I happened to walk by and talk to the water line
7 repair man down in the hole, and he told me that the pipe
8 was not directly hit, but even a close call will crack
9 old pipes.

10 Now, when CWS has a leak, they have to shut the
11 water off in our entire neighborhood because the
12 isolating valves are inoperable. It seems the road
13 paving crew paved over the valves a few years ago. I
14 would think that CWS should repair that or get it
15 repaired by now so they could use their valves.

16 We do pay a monthly improvement charge, but we
17 don't see any improvements. I think our water bill is
18 too high, of course, like everybody else, but they should
19 not be increased until the upgrade improvements that
20 we're paying for are planned, approved, and started.

21 I might mention, too, that we're residents of
22 central Florida. Our legal address is Florida. And we
23 saw -- we've seen many newspaper articles that Utilities,
24 Incorporated purchased some private water systems in

1 central Florida, and all have reported these same
2 problems in our local newspaper. So I think it's a
3 systemic thing, that United Water buys these little
4 utility companies and goes for a price increase, price
5 increase, price increase, because they must have
6 developed a good program to gain these increases from the
7 Public Service Commission that we call it in Florida,
8 here the Utilities Commission.

9 I don't think they are --

10 CHAIR MITCHELL: All right.

11 THE WITNESS: -- entitled to any more
12 increases. Thank you.

13 CHAIR MITCHELL: Mr. Mellow, you have reached
14 the end of your two minutes. Let me see if there are
15 questions for you from counsel for the Company.

16 MS. SANFORD: No questions from the Company.
17 Thank you.

18 CHAIR MITCHELL: All right. Questions from the
19 Public Staff?

20 MR. LITTLE: No questions.

21 CHAIR MITCHELL: All right. Any questions from
22 Commissioners?

23 COMMISSIONER HUGHES: Yeah. I have several,
24 Chair Mitchell.

1 CHAIR MITCHELL: Okay.

2 EXAMINATION BY COMMISSIONER HUGHES:

3 Q Could you just -- you had mentioned when
4 there's a leak they shut a valve down and it impacts your
5 neighborhood. How many houses are roughly in that -- in
6 that area?

7 A How many houses?

8 Q Yeah.

9 A Well, our neighborhood, which is Holly Forest
10 14, called Eagle Ridge, we have 65 houses.

11 Q Okay. And of those 65 houses, do you have a
12 rough estimate of how many people live there year round
13 versus just part time?

14 A Sure. We have about four year round residents
15 and -- glad you brought that up. Interesting, because it
16 seemed like in the past every time there was an announced
17 rate increase, the meetings were always held when there
18 was nobody here, so we never got to attend. I did write
19 the Attorney General in 2011, asking him to be my
20 advocate. I got a letter back from the assistant where
21 she had passed my letter on to the Commissioners. But
22 we're -- we're strictly a summer home place here, I
23 guess.

24 Q Okay. Well, thank you for that.

1 COMMISSIONER HUGHES: No further questions.

2 THE WITNESS: Thank you.

3 CHAIR MITCHELL: All right. Mr. Mellow, there
4 are no further questions for you, so you may step down
5 and be excused. Thank you very much for your testimony
6 before us today, sir.

7 THE WITNESS: Thanks for having me on. I
8 appreciate it. Bye-bye.

9 CHAIR MITCHELL: Bye-bye.

10 (Witness excused.)

11 CHAIR MITCHELL: All right. Mr. McCoy, please
12 unmute the next witness.

13 MR. BENTLEY: Hello. This is Randy Bentley
14 here.

15 CHAIR MITCHELL: All right.

16 RANDY BENTLEY; Being first duly affirmed,
17 Testified as follows:

18 CHAIR MITCHELL: All right. Mr. Little, you
19 may proceed with your witness.

20 DIRECT EXAMINATION BY MR. LITTLE:

21 Q Mr. Bentley, would you tell us your address,
22 whether or not you're a Carolina Water Service water
23 customer, sewer customer, and the name of your
24 subdivision, please?

1 A My title is the Director of Property Services
2 at the Hound Ears Club which is in Boone, North Carolina.
3 The address is 328 Shulls Mill Road in Boone. And
4 basically I'm just trying to speak for some of the
5 representatives that -- or some of the residents that
6 live in Hound Ears Club.

7 Me, personally, I'm not a Carolina Water -- I
8 am personally a Carolina Water customer from my own home,
9 but not in Hound Ears where I'm speaking about.

10 Q So you're speaking on behalf of the Hound Ears
11 subdivision?

12 A Yeah. I'm speaking on the administrative part
13 of the Hound Ears Club because we've got, you know,
14 clubhouses and other facilities that Hound Ears owns, but
15 also speaking for some of the homeowners that can't
16 attend the meeting.

17 Q What would you like to tell the Commission
18 today?

19 A Basically, that a lot of the homeowners in here
20 are on fixed incomes and, you know, the -- they just want
21 to make sure that basically if there is a price increase,
22 that, you know, it's warranted and basically that it's
23 not, you know, an obscene amount. The cost of living is,
24 you know, I think they've generated that for next year at

1 5.9 percent, and they're saying that that's the biggest
2 annual hike in 40 years for overall cost of living rate
3 increase. So I think that their increase rate over here
4 is around 11 percent which is, you know, even higher than
5 the price of living increase.

6 So basically just want to make sure that, you
7 know, if they're warranted any kind of a price increase
8 that it's, you know, justified and a reasonable amount.
9 And that's it.

10 CHAIR MITCHELL: All right, Mr. Bentley. Thank
11 you for your testimony. Let me see if there are
12 questions for you from counsel, beginning with the
13 Applicant.

14 MS. SANFORD: No questions of Mr. Bentley.
15 Thank you.

16 CHAIR MITCHELL: All right. Any from the
17 Public Staff?

18 MR. LITTLE: No questions.

19 CHAIR MITCHELL: Questions from Commissioners?

20 (No response.)

21 CHAIR MITCHELL: All right, Mr. Bentley. There
22 are no questions for you this afternoon, so you may step
23 down and be excused. Thank you very much, sir, for your
24 testimony today.

1 THE WITNESS: Thank you.

2 (Witness excused.)

3 CHAIR MITCHELL: All right. Mr. McCoy, call
4 the -- would you unmute the next witness, please?

5 MR. STALLINGS: Good afternoon.

6 CHAIR MITCHELL: Good afternoon, sir. Would
7 you state your name for the record?

8 MR. STALLINGS: My name is Trip Stallings.

9 CHAIR MITCHELL: All right.

10 TRIP STALLINGS; Being first duly affirmed,

11 Testified as follows:

12 CHAIR MITCHELL: All right. Mr. Little, you
13 may proceed.

14 DIRECT EXAMINATION BY MR. LITTLE:

15 Q Mr. Stallings, give us your address, tell us
16 whether or not you're a Carolina Water Service sewer
17 and/or water customer.

18 A Yes. I live at 1088 Powder Horn Mountain Road
19 in Deep Gap, and I am a customer of CWS.

20 Q And what would you like to tell the Commission
21 today?

22 A I'm here to speak against the proposed rate
23 increase, like everybody else's point, but with what I
24 hope is a constructive option.

1 My small mountain community near Boone is
2 similar to many of those served by Carolina Water. Much
3 of my community's water system, though, is little more
4 than PVC pipe run in a thin spiderweb network about one
5 to two feet underground and often with no major
6 protection. Some segments are old and they were
7 installed when the community was first established in the
8 '80s. I don't know whether Carolina Water installed it
9 or just inherited it at some time between then and now,
10 but it is now Carolina Water's responsibility.

11 The original pipe is very brittle. It breaks
12 easily in your hand if you flex it. Not surprisingly,
13 like some of the other callers, Carolina Water is in our
14 community often, sometimes several times a week,
15 repairing leaks as they're discovered. Usually these
16 repairs include upgrading a link to the brittle pipe.
17 But even with frequent visits and regular replacements,
18 much of the original system remains, with Carolina Water
19 typically opting for minimal replacement whenever a leak
20 is discovered rather than proactively planning for a
21 uniform upgrade to our entire water system.

22 And leak discovery, unfortunately, is sometimes
23 a little more than guesswork. Our best hope is actually
24 when we have a leak that is large enough for water to

1 appear on the surface. When no surface water is visible,
2 we have to rely on Carolina Water personnel being willing
3 to use listening devices to search for an underground
4 leak. Detection is an art. It's not a science. I've
5 been out there with them. We're on a first name basis.
6 Last week a Carolina Water crew member examined the line
7 outside my house with such a device and reported that
8 though he could hear several what he called whispers, he
9 was unsure whether Carolina Water would approve line
10 replacement without more evidence.

11 Pressure to my house fell to about 30 PSI,
12 which I understand is the bare minimum, at the street
13 connection several months ago. Some days it's even lower
14 than that. And it remains there today even with recent
15 pipe replacements farther up the line. Neighbors down
16 the line from me inexplicably have higher pressure than I
17 do, and at this point I've invested about a thousand
18 dollars in getting plumbers to verify that the pressure
19 problem is not related to anything located on my
20 property.

21 But to be honest with you, I'm not here to
22 complain about water pressure or even what I pay per
23 month. I pay a lot less than most of the other callers.
24 Anybody who lives in a mountain community like mine knows

1 that water systems are likely always going to be a little
2 laissez-faire relative to what we could have in an
3 incorporated town. Instead, I'm here to encourage --
4 urge this Commission to deny Carolina Water's request for
5 a rate increase unless Carolina Water is willing to sign
6 a legally binding commitment to begin uniformly upgrading
7 outdated water systems in neighborhoods like mine as soon
8 as possible.

9 This Commission, as some callers have noted, is
10 the only lever remaining for consumers like me and my
11 neighbors. We're not able to apply pressure for change
12 on our own by taking our business elsewhere. We have
13 nowhere else to turn.

14 Thank you for your time for hearing my
15 testimony today.

16 CHAIR MITCHELL: All right. Mr. Stallings,
17 thank you for your testimony. Let me see if there are
18 questions for you from counsel, beginning with the
19 Applicant.

20 MS. SANFORD: No questions. Thank you, Mr.
21 Stallings.

22 CHAIR MITCHELL: All right. Any questions from
23 the Public Staff?

24 MR. LITTLE: No questions.

1 CHAIR MITCHELL: All right. Questions from
2 Commissioners?

3 COMMISSIONER HUGHES: Just a quick one.

4 EXAMINATION BY COMMISSIONER HUGHES:

5 Q What do you have for sewer service, wastewater
6 service, Mr. Stallings? Is it a septic system or a
7 municipal system, or is it Carolina Water?

8 A I'm on -- I'm on septic.

9 Q Okay. Thanks.

10 A Uh-huh. Which is probably why my cost per
11 month are so much less than these other callers. I've
12 never experienced that septic charge they're talking
13 about.

14 CHAIR MITCHELL: Mr. Stallings, I do have a
15 question for you as well. Commissioner Hughes, just give
16 me a signal that you are -- that you have no further
17 questions for the witness.

18 COMMISSIONER HUGHES: No further questions.

19 CHAIR MITCHELL: Okay.

20 EXAMINATION BY CHAIR MITCHELL:

21 Q Mr. Stallings, have you discussed the pressure
22 issue with the Company?

23 A Oh, I've been working on this with them for
24 about six months now. The most recent passage of time I

1 started again with them in late August and have been
2 going through up to about a week or two ago. I typically
3 get a notice afterwards that they tried to contact me,
4 which usually isn't the case, but when the guys do come
5 out, and they're in our neighborhood all the time, I can
6 either just talk to them directly or flag them down as
7 they're driving by, but it's been a weekly event for me
8 for the last couple months.

9 Q And so since you have been engaging with the
10 Company over the past six months, has there been any
11 improvement in the pressure? Has there been any action
12 taken by the Company to address your concern?

13 A Yeah. I mean, I want to give them props for
14 that. So they replaced about 2 or 300 feet of line up
15 about a quarter of a mile from my house, but the problem
16 is, like I said, the the pipe is so brittle. And as you
17 may recall, we've had minor earthquake tremors and things
18 like that up in the mountains over the last year or two.
19 There are too many breaks for patchwork to really do the
20 job, and that's the issue. You can't go in and find one
21 leak and fix it, which they do. It's hard enough to find
22 a leak sometimes, and even when they do, there's just so
23 much more piping that needs to be replaced so that it's
24 not this brittle stuff that breaks every time you breathe

1 on it. But, yeah, they come out. There's guys here all
2 the time working on stuff, and that's actually one of the
3 problems.

4 Q Okay. All right.

5 A They've never -- they've never, though,
6 isolated, you know, my problem. They can't seem to solve
7 that, and I can't, either. I'm a thousand dollars in on
8 other plumbers trying to solve it, so, you know, there's
9 still more to do.

10 Q All right.

11 CHAIR MITCHELL: Thank you, Mr. Stallings.
12 Appreciate your testimony today.

13 COMMISSIONER McKISSICK: Madam Chair, could I
14 ask him one quick question, follow-up to your inquiries?

15 CHAIR MITCHELL: All right. All right.
16 Commissioner McKissick, you may.

17 MR. McKISSICK: Yeah.

18 EXAMINATION BY COMMISSIONER McKISSICK:

19 Q You mentioned that you've been dealing with
20 Carolina Water Service over the last six months about
21 issues. Have you raised with them the question that
22 you've raised with us today about any systemwide
23 improvement, and if so, what were you told?

24 A I haven't asked them that, but part of the

1 reason is because I can't talk to them, Mr. McKissick.
2 When you call them, you get a call center in Illinois or
3 Florida. I'm on a first-name basis with those folks.
4 Shout out to Kelly in Florida who had been a delight.
5 I've asked many times to get a call back from our local
6 representative, who I know by name, but I'm not going to
7 name in testimony. That would just be cruel. But I've
8 never received that. I finally got one phone call back
9 at the end of the last two months spate from a guy who
10 doesn't service my area, but services the one next to it
11 and was just covering up on some of the calls that had
12 been -- that had been backlogged. I have yet to have a
13 chance to talk to anybody other than the guys who come to
14 the neighborhood who I can flag down. And they only know
15 as much as they know on their end, which is on the
16 maintenance side. I would love the opportunity to talk,
17 but have never really had a chance to connect, even
18 though I've called frequently.

19 Q Okay. And what would you say your average
20 water/sewer bill is?

21 A Oh, it's way low compared to these guys, but
22 part of that is because there's no water in my house. I
23 don't take a shower every day because I can't. I
24 probably pay 30 or 40 a month. I -- I have no problem

1 with the current cost. This is more about whether or not
2 we're going to see anything as a result of this increase
3 to fix this decrepit 40-year-old system.

4 Q And you're a year-round resident in Deep Gap;
5 is that right?

6 A I'm part year, but I will be full year
7 transitioning in January. I'm there about six months of
8 the year now. I go back and forth between Deep Gap and
9 Raleigh.

10 Q I see. Thank you, sir.

11 COMMISSIONER McKISSICK: I don't have any
12 further questions.

13 THE WITNESS: Thanks.

14 CHAIR MITCHELL: All right, Mr. Stallings.
15 Thank you very much for your testimony today. You may
16 step down, sir, and be excused.

17 THE WITNESS: All right. Thanks very much.

18 (Witness excused.)

19 CHAIR MITCHELL: All right. All right. Mr.
20 McCoy, unmute the next witness, please, sir.

21 MS. McDONALD: Hello.

22 CHAIR MITCHELL: All right. Would you state
23 your name for the record, please, ma'am?

24 MS. McDONALD: Capri McDonald.

1 CHAIR MITCHELL: All right.

2 CAPRI McDONALD; Being first duly affirmed,

3 Testified as follows:

4 CHAIR MITCHELL: All right. Would you please
5 proceed. Mr. Little, would you please proceed with the
6 witness.

7 DIRECT EXAMINATION BY MR. LITTLE:

8 Q Ms. McDonald, tell us your address and whether
9 or not you're a Carolina Water customer.

10 A My address is 5204 Mylady Court, M-Y-L-A-D-Y,
11 located in Knightdale, North Carolina. I am a Carolina
12 Water Services customer, and my community is actually
13 Bishop Point.

14 Q Are you a water and sewer customer or just
15 water?

16 A Water and sewer.

17 Q What would you like to tell the Commission
18 today?

19 A I come before you today to testify against the
20 proposed rate increase from Carolina Services. Since my
21 homeownership at my property I have seen the rates
22 increase from Carolina Services throughout the years. I
23 bought my home 10 years ago in 2011. I have
24 documentation going back to July 2013 where my rate was

1 \$66.66 -- \$66.62 a month. It's now currently \$156.97 a
2 month.

3 My household consists of solely myself and my
4 four-year-old son. With only my son and I residing at
5 the home, my water and sewer bills are continuously
6 higher than my electric bills, my gas bills, and even my
7 car insurance.

8 My current average monthly water and sewer bill
9 I didn't average over the past 13 months. It averages
10 out to be about \$145 a month. If I do it penny -- dollar
11 for dollar, I paid \$1,800 in water and sewer for the year
12 of -- from October 2020 to October 2021. It is truthful
13 to say that I currently pay more for my water than
14 heating, cooling, and other electrical needs of my 1,958
15 square foot home.

16 According to recent data that I found from
17 Eskins, the average of about 500 water and wastewater
18 utilities that serve more than 800 million people in
19 North Carolina, on average, the pay is about \$27.00 to
20 \$41.00 per month per 5,000 gallons of water and
21 wastewater. In October of this year, 2021, during a 30-
22 day cycle I used a comparable 5,000 gallons of water and
23 had a bill of \$156.97.

24 Due to the incredible cost of water and sewer,

1 I have contacted a plumber to ensure there were no water
2 leaks. I have updated all of my appliances to energy
3 efficient appliances, including my washer. The water
4 heater has been replaced, dishwasher, refrigerator. All
5 of my appliances are new. I have replaced faucets to
6 efficient flow faucets in the kitchen and as well in all
7 the bathrooms. And still, to no prevail, I'm still
8 having high water bills.

9 In addition to implementing these things in my
10 home, I have also contacted the Utility Commission to
11 inquire on the rates and file complaints. I have also on
12 numerous occasions contacted Carolina Water -- Carolina
13 Water Services and requested that they come out to reread
14 my meter to ensure that it was accurate. Again, as some
15 of the callers have already stated, it has been difficult
16 to get follow up and follow through with Carolina Water
17 Services when contacting them.

18 Carolina Water Services is currently the only
19 water and sewer utility company serving the Bishop Point,
20 Amber Acres, Covington Cross communities. We are a
21 community that kind of runs into one, but is three
22 different separate communities. Without broader
23 selection of water and sewer utility companies the
24 residents must pay the rates that are imposed by Carolina

1 Water Services.

2 I ask that you consider the fair and comparable
3 rates in North Carolina and limit -- limit the -- limit
4 or more or less deny a rate increase by Carolina Water
5 Services. That's it.

6 CHAIR MITCHELL: All right. Thank you, Ms.
7 McDonald. Let's see if there are questions for you,
8 beginning with the counsel for the Applicant.

9 MS. SANFORD: No questions. Thank you.

10 CHAIR MITCHELL: All right. Public Staff?

11 MR. LITTLE: Yes. A few questions, Your Honor.

12 CHAIR MITCHELL: All right, Mr. Little.

13 BY MR. LITTLE:

14 Q Ms. McDonald, you said you had contacted the
15 Utilities Commission?

16 A Yes.

17 Q Did you file -- was that the Consumer Support
18 Division?

19 A It was the North Carolina Utilities Commission
20 located in Raleigh, North Carolina. I was assigned a
21 investigator or whomever it was who reached back out to
22 me and got more information about the complaint, but
23 nothing was formally done other than a request for them
24 to come out and reread the reader -- the meter.

1 Q Is that the only time you contacted the
2 Utilities Commission?

3 A I've been here for 10 years, and I've contacted
4 the Utilities Commission on numerous occasions. I really
5 can't even tell you how many times.

6 Q Okay.

7 A And I've also been -- during those contacts,
8 the last investigator, she also told me to participate in
9 the public hearings. That would be my time to voice
10 about any concerns I had regarding the rates.

11 Q What is your complaint about that you've been
12 making to the Commission? Is it about your billing or
13 your service issues? Can you give us why? Why were you
14 calling the Commission?

15 A It was about the billing. Each month -- well,
16 a little bit of both, honestly. It was about the
17 billing. I would reach out to Carolina Water Services
18 and would never get anyone to call me back or be able to
19 get any solid answers, and then also just wanted to know
20 why each month my rate was continually -- continuously
21 going up.

22 When I first moved into my home, I was working
23 for a Head Start program and traveled across the state
24 and would literally be home one week out of the month,

1 and was still having outrageous water and sewer bills.
2 And so I contacted Carolina Water Services, couldn't get
3 any follow up. That prompted me to contact the Utility
4 Commission. Again, this year about March it seems like
5 the rates jumped. I contacted the Utility Commission.
6 So I've contacted them again throughout my 10 years of
7 residing in the home on numerous different occasions.

8 Q And -- and you're not satisfied with your bill
9 still, I take it?

10 A Nothing has been done. No, sir. I've even
11 contacted the Town of Knightdale trying to find other
12 avenues as far as if there was other water companies in
13 which I could switch my utilities. I've been explained
14 -- it has been explained to me that we are outside of the
15 Town of Knightdale. If we wanted to be a part of the
16 Town of Knightdale Water, we would have to pay for the
17 additional piping to be laid which, again, would be
18 thousands of dollars. But, yes, I'm not that --

19 Q We're talking there -- we're talking about the
20 rate increase, and I'm trying to understand what your
21 billing issues are. Is it leaks in your home? Is it
22 inaccurate meters? Or is it --

23 A It's -- that's the thing. I don't have any
24 leaks. I paid for plumbers to come out. I don't have

1 any leaks. It's just myself and my four-year-old son,
2 and I pay \$156.97 a month for water and sewer my --
3 currently. This is before the proposed -- any additional
4 proposed hikes that you all are suggesting now. So my
5 issue is what I pay on a monthly basis for just me and a
6 four-year-old in a home.

7 Q All right. Thank you.

8 MR. LITTLE: That's all the questions I have.

9 CHAIR MITCHELL: All right. Questions from
10 other Commissioners?

11 COMMISSIONER McKISSICK: Madam Chair, just one
12 quick question.

13 CHAIR MITCHELL: All right, Commissioner
14 McKissick.

15 EXAMINATION BY COMMISSIONER McKISSICK:

16 Q And that's this, Ms. McDonald. I think you
17 said when you originally moved in your bill was about
18 \$66.62 or somewhere thereabouts. Do you know --

19 A Yes, sir.

20 Q -- what your gallons of consumption were at
21 that time?

22 A It was still the base of 5,000. Well, actually
23 4,400.

24 Q 4,400. Okay.

1 A Uh-huh.

2 Q And now you're saying with you and your four-
3 year-old it's about 5,000 a month, is that right --

4 A Yes.

5 Q -- of gallons of consumption?

6 A That's right.

7 Q And it's now --

8 A My current bill says 5,000.

9 Q 5,000. Okay. And it's gone from \$66 up to
10 \$156; is that right?

11 A That's correct.

12 Q And you've had everything checked out in your
13 home and you have all new appliances, so you don't
14 attribute it to anything other than, I guess, a modest
15 increase in consumption since you first began living
16 there?

17 A That's correct.

18 Q Okay. I just want to make sure I had it
19 straight. Thank you very much, Ms. McDonald.

20 COMMISSIONER McKISSICK: I have no further
21 questions, Chair Mitchell.

22 THE WITNESS: Thank you.

23 CHAIR MITCHELL: All right. Ms. McDonald,
24 thank you very much for your testimony this afternoon.

1 We appreciate hearing from you and appreciate the time
2 that you've taken to be here. There's nothing --

3 THE WITNESS: Thank you.

4 CHAIR MITCHELL: -- further for you, so you may
5 step down this afternoon. Thank you.

6 THE WITNESS: Thank you.

7 (Witness excused.)

8 CHAIR MITCHELL: All right. Mr. McCoy, why
9 don't you go ahead and unmute the next witness, please,
10 sir. All right. Do we have a witness on the line?

11 MR. BASS: Hello.

12 CHAIR MITCHELL: All right. Would you please
13 state your name for the record, please, sir?

14 MR. BASS: It's William David Bass.

15 CHAIR MITCHELL: All right.

16 WILLIAM DAVID BASS; Being first duly affirmed,

17 Testified as follows:

18 CHAIR MITCHELL: All right. Mr. Little?

19 DIRECT EXAMINATION BY MR. LITTLE:

20 Q Mr. Bass, would you give us your address and
21 tell us whether you're a Carolina Water customer, water
22 and sewer service, or just water?

1 A I am Carolina Water, and it's sewer and water,
2 and it's 4900 Matlock, M-A-T-L-O-C-K, Court, Apex, North
3 Carolina. I'm in the Amherst subdivision.

4 Q And what would you like to tell the Commission
5 today, sir?

6 A Oh, yeah. I've been in this house for 28
7 years. My water bill was \$19, and I done forgot who had
8 it first. I know Utilities, Inc. had it at one point,
9 then Carolina Water got hold of it, and from that point
10 on it's been increase after increase. And I've been
11 through several -- I went to court with testimony, and
12 the courts never deny their increases. I just wonder
13 what makes them think they deserve an increase? I mean,
14 they're not doing anything special.

15 I had to put -- I've got a RainSoft water
16 system in my house. And, you know, my water is fine. I
17 can't complain about the quality, but I think it's got a
18 lot to do with the water system, too. But they never
19 read my meter. They -- they use a guess, guesstimate. I
20 even go out there and put a piece of tape on the meter
21 just to see if it's been lifted up, and they would never
22 see that -- it's not lifted up, so they -- they never
23 read it. They just charge you what they want to.

1 But this increase is just unbelievable. I pay
2 about \$145 a month for myself, and that's just -- people
3 are moving out of this neighborhood because of the cost
4 of water. And I'll never move into another -- another
5 place that has Utilities, Inc., Carolina Water, or none
6 of the rest of them because they're unfair, they're a
7 legal monopoly. That's all I've got to say.

8 CHAIR MITCHELL: All right. Mr. Bass, let me
9 see if there are questions for you from counsel for the
10 Applicant.

11 THE WITNESS: Okay.

12 MS. SANFORD: I'm sorry. No questions. Thank
13 you.

14 CHAIR MITCHELL: All right.

15 THE WITNESS: Thank you.

16 CHAIR MITCHELL: Public Staff?

17 MR. LITTLE: No questions.

18 CHAIR MITCHELL: Commissioners?

19 (No response.)

20 CHAIR MITCHELL: All right, Mr. Bass. Thank
21 you very much for your testimony today. We appreciate
22 your time and your being with us here this afternoon.
23 You may step down and be excused, sir.

1 THE WITNESS: Okay. I appreciate you all's
2 time.

3 CHAIR MITCHELL: All right. Thank you.

4 (Witness excused.)

5 CHAIR MITCHELL: All right. Mr. McCoy, let's
6 -- folks, we're going to take one more witness before we
7 take a 10-minute break, so Mr. McCoy, please unmute the
8 next witness. All right. Do we have a witness on the
9 line?

10 MR. KAHRIMANIAN: Yes. Hello?

11 CHAIR MITCHELL: All right. Would you please
12 state your name for the record, please, sir?

13 MR. KAHRIMANIAN: Yes. It's Michael
14 Kahrmanian. That's K-A-H-R-I-M-A-N-I-A-N.

15 CHAIR MITCHELL: All right.

16 MICHAEL KAHRIMANIAN; Being first duly affirmed,
17 Testified as follows:

18 CHAIR MITCHELL: All right. Mr. Little, the
19 witness is yours.

20 DIRECT EXAMINATION BY MR. LITTLE:

21 Q Mr. Kahrmanian, will you give us your address
22 and tell us if you're a Carolina Water Service customer?

23 A Yes. It's 913 Sea Holly Court, New Bern, North
24 Carolina, in Fairfield Harbour.

1 Q And what would you like to tell the Commission
2 today, sir?

3 A Yes. I would like to strongly oppose the rate
4 increase and, in fact, I think the rate should be rolled
5 back. Just as a point of reference, I purchased my home
6 in October of 2018. Full disclosure, I am not a -- it's
7 not my primary residence, so I have months of zero usage
8 when I'm not there. And when comparing my May of 2021
9 bill versus my January of 2019 bill, the rate was -- the
10 rate of increase was a whopping 34.4 percent with no
11 usage. And I have other months that show comparisons as
12 well. Also, as far as usage goes, when I purchased the
13 house, it was \$3.36 per 1,000, and the current rate is
14 \$4.20 per 1,000. That's a 25 percent increase. And they
15 want another increase.

16 Also, I've got a complaint about the fact that
17 everybody pays the same wastewater rate, I assume, in my
18 neighborhood. I think the wastewater rate should be
19 based on your usage as it is in Western New York where my
20 primary residence is. I think -- I don't think it's fair
21 that people with low usage should have to pay a higher
22 wastewater rate.

23 And the third thing I'd like to complain about
24 is Carolina Water is the only utility bill that I

1 actually mail a check to. Every credit card company,
2 every utility I have, other than Carolina Water, I pay
3 out of a draft out of my bank, but they charge a
4 processing fee which is, I think, ridiculous. I could
5 see if you were paying by credit card they charge you a
6 fee, but for paying out of your checking account, there
7 should be no fee and cost, and yet they send emails
8 complaining about the mail, that -- that checks received
9 late. Well, drop the payment fee and I'll be more happy
10 to pay online.

11 CHAIR MITCHELL: All right. Mr. Kahrimanian,
12 you have come to the end of your two minutes, so please
13 wrap up your testimony.

14 A Again, I'd just like to stress that I strongly
15 oppose this rate increase. It's -- it's well above the
16 rate of inflation, and I think there should be a price
17 rollback.

18 CHAIR MITCHELL: All right, Mr. Kahrimanian.
19 Let me see if there are questions for you from counsel,
20 beginning with the Applicant.

21 MS. SANFORD: No questions. Thank you.

22 CHAIR MITCHELL: All right. Anything from the
23 Public Staff?

24 MR. LITTLE: No questions.

1 CHAIR MITCHELL: All right. Commissioners,
2 questions for the witness?

3 (No response.)

4 CHAIR MITCHELL: All right. Mr. Kahrmanian,
5 we have nothing further for you this afternoon. Thank
6 you very much for your time, sir, and for your testimony
7 today. We appreciate your being here with us.

8 THE WITNESS: Thank you.

9 CHAIR MITCHELL: You may step down and be
10 excused.

11 THE WITNESS: Thanks.

12 (Witness excused.)

13 CHAIR MITCHELL: All right. At this point in
14 the hearing we are going to take a brief break for the
15 sake of our court reporter. So it's 3:05 now. We will
16 go off the record. We will go back on at 3:15. Back on
17 at 3:15. Counsel, please mute your lines and turn off
18 your cameras. Thank you.

19 (Recess taken from 3:05 p.m. to 3:19 p.m.)

20 CHAIR MITCHELL: All right. Let's go back on
21 the record. Mr. McCoy, if you would unmute your next
22 witness.

23 MR. MEDWELL: Hello.

24 CHAIR MITCHELL: All right. Would you please

1 identify yourself for the record.

2 MR. MEDWELL: Lucas Medwell.

3 CHAIR MITCHELL: All right.

4 LUCAS MEDWELL; Being first duly affirmed,
5 Testified as follows:

6 CHAIR MITCHELL: All right. Mr. McCoy, you may
7 procee--- Mr. Little, you may proceed.

8 MR. LITTLE: Attorney Magarira is going to be
9 taking the remaining witnesses in this session.

10 DIRECT EXAMINATION BY MR. MAGARIRA:

11 Q Mr. Medwell, can you hear me?

12 A Yes, I can. Can you hear me?

13 Q I can hear you loud and clear. So what is your
14 address and subdivision?

15 A My address is 14801 Pomerol Lane, Pineville,
16 North Carolina, and that is the Winghurst neighborhood.

17 Q All right. Thank you. And are you a customer
18 of Carolina Water?

19 A Yes, I do. I receive residential water service
20 and residential wastewater service, but not stormwater,
21 and that has been the case for the five years I've lived
22 here.

23 Q Perfect. Thank you. And you can proceed with
24 the rest of your testimony.

1 A Thank you. CWS' rates are already far too
2 high. For example, in June '21 my household used just
3 2,300 gallons. My bill was \$119.42. That's 87.83 just
4 to be connected, 29.70 for the water I actually consumed,
5 and a 2.25 fee for paying online. That's an absurdly
6 high bill, and because so much of it is fixed cost, I
7 can't even save money by changing my behavior to save
8 water.

9 In contrast, I have a good friend that lives a
10 10-minute walk from my home, but on the other side of the
11 road in Charlotte proper. I have his water bills here.
12 He used 2,244 gallons the same month, almost the same as
13 I did, but he paid just \$45.34 for this amount, 62
14 percent lower than what I paid. The fixed cost was only
15 20.27 or 77 percent lower than what I'm forced to pay.

16 Carolina Water Service has already raised rates
17 three times since I've been here, November '17, March
18 '19, and April 2020. So compared to when I moved here,
19 the flat fee for water is up 29 percent, sewer is up 39
20 percent, price per gallon of water is up 29 percent, and
21 price per gallon of sewer is up 58. In contrast, the
22 stormwater bill I pay directly to the City has been
23 stable the entire time.

24 My community cannot handle further increases.

1 This is why I recommend that not only should this rate
2 increase be rejected, but also NCUC and Charlotte Water
3 should actually use their power to acquire CWS and
4 replace it and provide my community with the city water
5 that most of Mecklenburg County gets to enjoy. I don't
6 understand why this corporation has been given a literal
7 monopoly to syphon profits out of our community. They
8 add absolutely no value, and there's a perfectly viable
9 public alternative. My neighborhood wants our water and
10 sewer from City of Charlotte the way our stormwater
11 already is. Thank you.

12 CHAIR MITCHELL: All right, Mr. Medwell. Let
13 me see if there are questions for you from counsel,
14 beginning with the Applicant.

15 MR. ALSON: No questions. Thank you.

16 CHAIR MITCHELL: All right. Questions from
17 Public Staff?

18 MR. MAGARIRA: Just one clarifying.

19 BY MR. MAGARIRA:

20 Q Mr. Medwell, you mentioned both you and a
21 friend of yours who is a Charlotte resident had about the
22 same sort of gallon or water usage. I don't know if I
23 got the number right. Did you say it's 2,204 or -- I
24 just want to make sure I have the gallon usage right.

1 A I used 2,310.

2 Q 2,310.

3 A He used 2,244.

4 Q All right. Thank you.

5 MR. MAGARIRA: No further questions from Public
6 Staff.

7 CHAIR MITCHELL: All right. Questions from
8 Commissioners?

9 (No response.)

10 CHAIR MITCHELL: All right. Mr. Medwell, we
11 have no questions for you this afternoon. You may step
12 down and be excused. Thank you very much for your
13 testimony to us today.

14 THE WITNESS: Thank you.

15 (Witness excused.)

16 CHAIR MITCHELL: All right. Mr. McCoy, would
17 you please unmute the next witness?

18 MR. HARTLEY: Yes. Nathan Hartley.

19 CHAIR MITCHELL: All right.

20 NATHAN HARTLEY; Being first duly affirmed,

21 Testified as follows:

22 CHAIR MITCHELL: All right. The witness is the
23 Public Staff's.

24 MR. MAGARIRA: Great.

1 DIRECT EXAMINATION BY MR. MAGARIRA:

2 Q Mr. Hartley, can I get your address and
3 subdivision?

4 A Yes. 14300 Blue Granite Road in Pineville,
5 North Carolina, and I am a CWS sewer and water customer.

6 Q Great. And what was the subdivision that you
7 live in?

8 A It is Woodside Falls.

9 Q Okay. Great. Thank you. And you can proceed
10 with your testimony.

11 A Yes. Much like the previous person who spoke,
12 I live in unincorporated Mecklenburg County, literally
13 100 or so feet from Charlotte proper. Much like the
14 previous person said, the rate increases are not
15 warranted.

16 I've lived here since 2016, but lived in
17 Charlotte my whole life. But at this location I'm
18 raising a family here, so I'm seeing since I've lived
19 here three increases. So is that something I can expect
20 to see over the next 30 years? So are we going to see,
21 you know, anywhere from 15 -- 10 to 15 increases over
22 that time?

23 I think that CWS needs to have more
24 transparency over what they are doing with this money.

1 Why do we have a connection fee every single month?
2 Power doesn't do that. Why, you know, what -- speaking
3 of power, Duke Energy puts together really nice
4 infographics on what you can do better. Again, we've
5 been trying to do a lot to change our usage which is
6 about -- last month was \$135, 2020 total was 1,519 paid
7 to the Company.

8 You know, it just makes -- you know, here's how
9 you can change to LED lightbulbs, right? Here's how you
10 can change to low-flow faucets. But yet, like many of
11 these other people have said, we haven't been -- even if
12 you make these changes, your base rate is still an
13 obscene amount. So if I plan to live here, do I really
14 want to pay this obscene amount? No. But we're kind of
15 forced into it even though we could run a pipe to
16 Charlotte. So I agree. I would really love Charlotte
17 Water to purchase -- take this off your hands.

18 I see that we're a cash cow. All of us
19 residents are, no matter if you live in Boone, Brevard,
20 Apex, New Bern, Morehead City, Kernersville, Sapphire,
21 Deep Gap, Pineville. It's -- it is not fair. It is
22 really just not fair and it's inappropriate, and I want
23 to express my displeasure with CWS and their practices.
24 And that is what I have to say.

1 CHAIR MITCHELL: All right. Thank you, Mr.
2 Hartley. Let me see if there are questions for you from
3 counsel, beginning with the Applicant.

4 MR. ALSON: No questions. Thank you.

5 CHAIR MITCHELL: All right. Public Staff?

6 MR. MAGARIRA: Just one clarifying.

7 BY MR. MAGARIRA:

8 Q Mr. Hartley, you mentioned that you -- I might
9 have this incorrect -- that you have been either in
10 Charlotte or just your property since 2016. I just want
11 to make sure just about the length of --

12 A Correct. Yeah. I've lived in Charlotte my
13 entire life. I've lived at this property at Woodside
14 Falls since 2016, yes.

15 Q All right. Thank you.

16 MR. MAGARIRA: No further questions.

17 CHAIR MITCHELL: All right. Questions from the
18 Commissioners?

19 (No response.)

20 CHAIR MITCHELL: All right. Mr. Hartley, we
21 have no further questions for you. You may step down and
22 be excused. Thank you very much, sir --

23 THE WITNESS: Thank you.

24 CHAIR MITCHELL: -- for your testimony today.

1 THE WITNESS: Thank you for your time. Thank
2 you.

3 (Witness excused.)

4 CHAIR MITCHELL: All right. Mr. McCoy, you may
5 unmute the next witness.

6 MS. GEARY: Hi. My name is Elizabeth Geary.

7 CHAIR MITCHELL: All right.

8 ELIZABETH GEARY; Being first duly affirmed,

9 Testified as follows:

10 CHAIR MITCHELL: All right. You may proceed,
11 Mr. Magarira.

12 DIRECT EXAMINATION BY MR. MAGARIRA:

13 Q Ms. Geary, could you give me your address and
14 subdivision?

15 A The address is 112 Mountain Boulevard, Lake
16 Lure, and I'm representing Fairfield Mountain Property
17 Owners Association, Inc. which is the -- which is a
18 customer of Carolina Water Service, and that includes the
19 service areas of Fairfield Mountain, Apple Valley also
20 known as Rumbling Bald, Highland Shores subdivision, and
21 Laurel Mountain Estates.

22 Q Okay. Great. And so I take it, obviously,
23 from what you just said, the group that you're
24 representing is a customer of CWS, Carolina Water. Are

1 you yourself a Carolina Water customer?

2 A I am not. I'm representing the POA.

3 Q Okay. All right. Please proceed with your
4 testimony.

5 A First, thank you to the Commission for the
6 opportunity to speak today. And while we do appreciate
7 the process in place regarding notice and the ability to
8 voice concerns, the information provided in the notice
9 announcement did not provide the appropriate data to
10 justify the rates that have been proposed for 2022.
11 Considering the number of previously approved double-
12 digit percentage increases from year to year, we consider
13 it imperative that CWS be required to account for the
14 revenue that has already been generated.

15 So a typical increase due to inflation could be
16 justifiable even up to 5 percent. However, the water and
17 sewer rates well exceed the projected Consumer Price
18 Index and Construction Cost Index. If budgets are being
19 followed and reserves for capital improvements are being
20 appropriately funded, there should be no reason for
21 repeated increases of this magnitude.

22 We are respectfully requesting that the
23 Commission decline the increased proposal.

24 CHAIR MITCHELL: All right, Ms. Geary. Let me

1 see if there are questions for you from counsel,
2 beginning with the Applicant.

3 MR. ALSON: No questions. Thank you.

4 CHAIR MITCHELL: Public Staff?

5 MR. MAGARIRA: No questions for the Public
6 Staff.

7 CHAIR MITCHELL: All right. Commissioners?

8 (No response.)

9 CHAIR MITCHELL: All right, Ms. Geary. We have
10 nothing further for you. You may step down and be
11 excused. Thank you very much for your testimony before
12 us this afternoon.

13 THE WITNESS: Thank you.

14 (Witness excused.)

15 CHAIR MITCHELL: All right. Mr. McCoy, call
16 the next witness, please.

17 MR. FOSTER: Hello.

18 CHAIR MITCHELL: All right. Please identify
19 yourself for the record.

20 MR. FOSTER: Sure. John Foster, F-O-S-T-E-R.

21 CHAIR MITCHELL: I am having -- sir, I need you
22 to speak up and identify yourself, please.

23 MR. FOSTER: John Foster, F-O-S-T-E-R.

24 CHAIR MITCHELL: All right.

1 JOHN FOSTER; Being first duly affirmed,
2 Testified as follows:

3 CHAIR MITCHELL: All right. Mr. Magarira, you
4 may proceed.

5 DIRECT EXAMINATION BY MR. MAGARIRA:

6 Q Mr. Foster, what is your address and
7 subdivision?

8 A I'm at 2514 Country Club Drive in Hampstead,
9 North Carolina, and our subdivision is Belvedere.

10 Q All right. And are you a customer of Carolina
11 Water?

12 A Yes, I am.

13 Q And are you receiving just water, just sewer,
14 or do you receive both services from Carolina Water?

15 A Just water, uh-huh.

16 Q Please proceed with your testimony.

17 A Okay. I'm opposed to the proposed rate
18 increase. I've been a customer since 2003, and I have
19 some historical information. So in January 2011 the base
20 charge for the system or for us was \$14.83 and for 1,000
21 gallons of water the rate was \$4.48. In January 2021 the
22 base charge is \$28.92 and the per 1,000 gallon rate is
23 \$8.27. So it's a 95 percent increase in the base rate.
24 You think about that, 95 percent over 10 years. And the

1 water rate increase is an 84.5 percent increase. Now,
2 nobody listening here, except maybe attorneys and the
3 executives for Carolina Water, get anywhere near that
4 kind of pay increase.

5 There's a significant number of other Carolina
6 Water customers -- I would say there's probably 3 or
7 4,000 customers in the Belvedere subdivision. All of
8 them experience subquality water. And what I mean by
9 subquality, it's very turbid and the pressure does
10 fluctuate. It stains the sinks, the toilets, et cetera.
11 Many people I know have installed whole-house filters for
12 -- to take the sediment out and -- as well as reverse
13 osmosis.

14 So we're basically paying for substandard water
15 from a company that's owned by Utilities, Inc., which is
16 obviously a for-profit organization. Nothing wrong with
17 that. But the rates of what we have been paying are just
18 terrible. And I think the only recourse we have is you,
19 the public Utilities Commission, to help us out. So I
20 think you guys need to think about a 95 percent increase
21 over 10 years and 84 percent and a half increase over 10
22 years and ask yourself is it worth it for the customers
23 and the residents of North Carolina. Okay. That's it.

24 CHAIR MITCHELL: All right, Mr. Foster. Let me

1 see if there are questions for you from counsel,
2 beginning with the Applicant.

3 MR. ALSON: No questions. Thank you.

4 CHAIR MITCHELL: All right. Public Staff?

5 MR. MAGARIRA: Yeah. Just a couple questions
6 about the water quality issues you flagged.

7 BY MR. MAGARIRA:

8 Q So I think you had mentioned there are issues
9 with the turbidity and pressure of the water, and then
10 specifically you mentioned that some of the residents
11 have had staining. I just want to clarify. Are those
12 issues that you also are experiencing or are these just
13 issues that folks have kind of relayed to you?

14 A The homeowners association for Belvedere,
15 homeowners association, is sort of the clearinghouse for
16 all the residents. I'm just calling in on myself. But,
17 yeah, we have those problems here at this location.

18 Q And how frequently have you experienced those
19 issues that you sort of flagged?

20 A Well, say, we'll go away, let's say, on, you
21 know, a three-week vacation and, you know, no water
22 usage, and when we come back and use some water and it
23 comes out brown for about, you know, three minutes. And
24 then it slowly weans itself, you know, back to semi

1 clear. So, yeah, it's a problem. I mean, yeah, it's a
2 problem.

3 Q Have you contacted the Company about these
4 issues?

5 A Well, what we've done, the Belvedere
6 Homeowners' Association, when you guys are having public,
7 you know, attended reviews and comment periods, we've
8 been there, you know, representing hundreds of customers.
9 And the last time I attended one of those, there were
10 promises made by Carolina Water. This is probably three
11 years ago. And I'm not sure any of those have been
12 addressed.

13 Q And the specific promises made were with
14 regards to sort of the issues that you've talked about?

15 A Yeah. Turbidity -- turbidity and low water
16 pressure. Yeah. It's a -- it's a big deal, you know,
17 for people around here. I mean, we're talking about, you
18 know, hundreds and hundreds, you know, of people have
19 this -- this issue. It's not just me. And I'm hoping
20 later, you know, I know you have two -- some hearings
21 later today. I hope the president of the Belvedere
22 Homeowners' Association will be able to chime in with,
23 you know, how many people he's actually, you know,
24 representing, but, you know, at this point I'm

1 representing myself.

2 Q Thank you.

3 MR. MAGARIRA: And no further questions.

4 THE WITNESS: Thank you.

5 CHAIR MITCHELL: All right. Questions from
6 Commissioners for the witness?

7 (No response.)

8 CHAIR MITCHELL: All right. I'm not hearing
9 any, so Mr. Foster, we have nothing further for you this
10 afternoon. Thank you very much, sir, for being here with
11 us today and for your testimony.

12 THE WITNESS: Okay. Goodbye.

13 CHAIR MITCHELL: You may step down, sir.

14 (Witness excused.)

15 CHAIR MITCHELL: All right. Mr. McCoy, would
16 you unmute the next witness, please?

17 MR. SMOAK: Hello.

18 CHAIR MITCHELL: Good afternoon, sir. Would
19 you please identify yourself for the record?

20 MR. SMOAK: Yes. My name is David Smoak,
21 S-M-O-A-K.

22 CHAIR MITCHELL: All right.

23 DAVID SMOAK; Being first duly affirmed,
24 Testified as follows:

1 CHAIR MITCHELL: All right. Mr. Magarira, you
2 may proceed with your witness.

3 DIRECT EXAMINATION BY MR. MAGARIRA:

4 Q Mr. Smoak, could you provide your address and
5 subdivision?

6 A Yes. It's 96 Northridge Trail in Sanford. The
7 subdivision is Carolina Trace.

8 Q And are you a customer of Carolina Water?

9 A I've been a customer of sewage and water from
10 CWS for over 11 years.

11 Q Great. Thank you. And please proceed with
12 your testimony.

13 A Thank you. I actually have some positive
14 things to say about Carolina Water Service, but
15 unfortunately, in the interest of time, I have to go
16 right into the negative.

17 I'd like to list the following objections.
18 This accelerated approval schedule is entirely
19 unacceptable. The time between my notice of this rate
20 hike and having to be registered for this public hearing
21 was only one week, and this hearing was another short
22 week thereafter. If residents were traveling or simply
23 having a busy week, their right to speak and be heard by
24 you has been eliminated.

1 I also object to the two-minute time limit
2 mentioned in the email after I registered for this
3 hearing, but was not mentioned in the public docket. I
4 request my comments be entered into the record in its
5 entirety, even if I must submit them in writing after
6 being cut off.

7 I object to the language of the written notice
8 as being unnecessarily obscure and confusing. I
9 understand how the advantage of combining all the
10 districts serviced by CWS into one notice speeds the
11 process of rate adjustments. However, the individual
12 subdivisions deserve at least a summary sheet explaining
13 directly how the proposed rate increase would affect them
14 specifically. On page 6 of the notice there is a line
15 explaining a 5.5 percent water rate increase for Carolina
16 Trace, and on the following page there is nothing
17 specifying Carolina Trace for the sewer utility service
18 increase, but we are supposed to know in that situation
19 we fall under the Uniform flat rate increase of 14.35
20 percent. I guarantee that most of my residents here in
21 Carolina Trace don't even know what the total rate
22 increase that is being petitioned.

23 I object to the proposal of CWS to absorb the
24 payment processing fees into our base service charges

1 unless they can demonstrate that this action will be
2 provided at a cost savings to all the customers. The
3 base charges are supposed to cover the cost and profits
4 of providing water and sewage services. If CWS starts
5 expanding what is covered by those base charges, then
6 they are also able to expand their profit on those
7 services to justify further base charge increases. This
8 may not be a bad thing for either them or us customers
9 financially, but should be demonstrated mathematically.

10 Finally, I would like to object to the lack of
11 communication from CWS. Last year I asked our CWS
12 regional operations manager for two items. I should
13 clarify that I am the president of the Carolina Trace
14 Association, which is a representational organization for
15 the 1,600 homes in Carolina Trace.

16 The first thing I asked for was a map of our
17 sewage lines and manholes that we paid for in a robotic
18 survey several years ago. I explained that my community
19 still has 800 empty lots and that a map of our sewage
20 lines would greatly help our empty lot owners when trying
21 to plan for development of their property. I also asked
22 for a plan to renovate or update our service lines since
23 my residents complain so much about the cost of our
24 water, then I could at least give them a possible plan to

1 invest in. I have not received either of the items I
2 asked for, and developers continue to encounter
3 unforeseen obstructions when trying to develop our empty
4 lots.

5 And while we have been receiving a system
6 improvement charge on our monthly bills, there's never
7 been a plan or cost attached to that charge to explain
8 how that money is being spent or for how long we will pay
9 it.

10 Sorry. I've got one more thing. In closing, I
11 fully understand that the financing of private utilities
12 is very different than the financing of public utilities
13 that are subsidized by local taxes or bond sales. I
14 would ask that CWS communicate better with us on how to
15 lower our costs, not just the ways to reduce water
16 consumption, but ways to avoid the never-ending march of
17 their base service charges ever upwards.

18 I know we -- I know we are in a world of
19 increasing inflation. It's in the news all the time.
20 And CWS' labor and other costs will inevitably continue
21 to rise. However, it is the highest frustration that I
22 hear from my residents that even when they are gone for
23 the entire month of service, but their base charges of
24 over \$90 must still be paid to cover the cost and profit

1 of CWS operations.

2 I would finally like to ask the Utilities
3 Commission itself to speak on behalf of us taxpayers
4 serviced by private utility companies. When or if the
5 federal infrastructure spending plan is finally approved,
6 I would hope that some of those funds would be allocated
7 for us residents serviced by private utilities and not
8 all spent on municipal water projects. I understand that
9 aging utility infrastructure is an issue across our state
10 and the entire nation, but please don't forget about us.

11 Thank you for this time and your service on
12 behalf of our state.

13 CHAIR MITCHELL: All right, Mr. Smoak. Let me
14 see if there are questions for you from counsel,
15 beginning with the Applicant.

16 MR. ALSON: No questions.

17 THE WITNESS: Okay.

18 CHAIR MITCHELL: All right. Public Staff?

19 MR. MAGARIRA: No questions from the Public
20 Staff.

21 CHAIR MITCHELL: All right. Commissioners?

22 (No response.)

23 CHAIR MITCHELL: All right. Mr. Smoak, we have
24 nothing further for you. Thank you very much, sir, for

1 your time today and for your testimony on these issues.
2 You may step down and be excused.

3 THE WITNESS: Thank you, ma'am. Have a good
4 day.

5 (Witness excused.)

6 CHAIR MITCHELL: All right. Mr. McCoy, would
7 you please unmute the next witness?

8 MR. BECTON: Yes, ma'am. It's Paul Becton.

9 CHAIR MITCHELL: All right.

10 PAUL BECTON; Being first duly affirmed,
11 Testified as follows:

12 CHAIR MITCHELL: All right. Mr. Magarira, you
13 may proceed. You're muted, sir.

14 MR. MAGARIRA: Oh. Apologies about that.

15 DIRECT EXAMINATION BY MR. MAGARIRA:

16 Q Mr. Becton, could you provide your address and
17 subdivision?

18 A I live at 134 Carefree, which is one word,
19 Lane, Morehead City, North Carolina. I'm in the Carefree
20 -- excuse me -- the Hammock Place HOA, but that's within
21 the Brandywine community.

22 Q Sorry. I don't know why I muted again. Mr.
23 Becton, are you a Carolina Water customer?

24 A Yes, for water and wastewater service.

1 Q Thank you. And you can proceed with your
2 testimony.

3 A So my fiancé and I have not lived as long in
4 this area compared to some of the other residents in
5 different areas, but we have lived in Morehead City for
6 three years now. Back when were on just the Morehead
7 City water, our water bill was probably only -- which it
8 did include trash -- was only probably about \$40 a month.
9 Then we moved into Brandywine, not knowing the outrageous
10 water cost and wastewater cost through Carolina Water
11 Service, and now my bill is ranging from anywhere from
12 100 to \$250 a month.

13 The problem that I have is not necessarily
14 fully with the cost. I definitely think that the cost is
15 completely outrageous, but I think it's the ratio of cost
16 to quality that really frustrates me. I have a whole-
17 house water filter, water softener, as well as filters in
18 my refrigerator, and still use a Brita filter, and the
19 water quality is still horrendous.

20 In the back of my toilets it actually collects
21 sludge to where the -- it actually can affect the
22 flushing and the use of the toilet. I actually have
23 contacted Carolina Water Services last year. This was
24 during the pandemic outbreak, which was larger down here,

1 and he did not come into the residence to view these. He
2 just told me that it is normal, and that if I didn't have
3 a water softener that the sludge would not be there, even
4 though I live on the coast and I do not know anybody that
5 does not have to have one to get normal quality water.

6 I am just very against the water price hike in
7 regards to nothing being done in terms of increasing the
8 water quality. The last couple of months we have also
9 gotten notifications that they are -- actually been found
10 to have harmful ingredients in the water treatment plant
11 within our subdivision, and so if the water quality
12 continues to decrease, there should be no reason for the
13 -- the water prices to increase, in my opinion.

14 CHAIR MITCHELL: All right, Mr. Becton. You've
15 come to the end of your two minutes. Let me see if there
16 are questions for you from counsel, beginning with the
17 Applicant.

18 MR. ALSON: No questions. Thank you.

19 CHAIR MITCHELL: All right. Public Staff?

20 MR. MAGARIRA: Yeah. Just a couple questions.

21 BY MR. MAGARIRA:

22 Q So I think at the tail end of your testimony
23 you'd sort of mentioned, and I don't think I caught it
24 all, that there were some issues sort of in the system,

1 not at your house. Could you sort of clarify what you
2 meant towards the end of your testimony there?

3 A Yes. So we purchased the house in 2019. It
4 was already set up to have a whole-house water filter
5 because the water quality in our neighborhood is
6 horrendous. And even with this filter, which I change
7 every three to six months, there is sludge formation that
8 forms with standing water in the back of our commodes,
9 along with the smell of the water in any sink in the
10 house is horrendous. It smells like something is
11 decomposing in the sink or in the faucet.

12 Q Gotcha. And I recall you sort of had a repair
13 worker from CWS who had been in contact with you, and
14 that individual had said basically because of COVID
15 reasons we don't come into the property, and had sort of
16 said that the water softener was the issue. Have those
17 issues continued?

18 A Yes. They've continued, and because of that
19 lack of really any positive or constructive advice, I,
20 you know, there -- I feel like they -- my hands are tied
21 behind my back to get good water quality in my
22 neighborhood because of the monopoly that Carolina Water
23 Service has over the neighborhood.

24 The City of Morehead will actually not even

1 take on Brandywine because of the issues with, from what
2 I understand, with Carolina Water Service and the water
3 treatment plant within our neighborhood.

4 Q Thank you.

5 MR. MAGARIRA: No further questions from Public
6 Staff.

7 CHAIR MITCHELL: All right. Any questions for
8 the witness from Commissioners?

9 (No response.)

10 CHAIR MITCHELL: All right, Mr. Becton. We
11 have nothing further for you. Thank you for your
12 testimony today. You may step down and be excused.

13 THE WITNESS: Okay. Thank you so much.

14 (Witness excused.)

15 CHAIR MITCHELL: All right, Mr. McCoy. Please
16 unmute the next witness.

17 MR. McCOY: Chair, that is it.

18 CHAIR MITCHELL: All right. It looks like at
19 this time we have come to the end of the list of
20 witnesses appearing to testify before us in this
21 afternoon hearing. With that, we will be adjourned.
22 Thank you very much everybody. Let's go off the record,
23 please.

24 (The hearing was adjourned.)

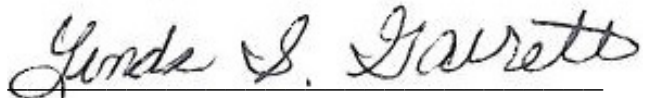
STATE OF NORTH CAROLINA
COUNTY OF WAKE

C E R T I F I C A T E

I, Linda S. Garrett, Notary Public/Court Reporter, do hereby certify that the foregoing hearing before the North Carolina Utilities Commission in Docket No. W-354, Sub 384, was taken and transcribed under my supervision; and that the foregoing pages constitute a true and accurate transcript of said Hearing.

I do further certify that I am not of counsel for, or in the employment of either of the parties to this action, nor am I interested in the results of this action.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 5th day of November, 2021.



Linda S. Garrett
Notary Public No. 19971700150