

1 PLACE: Mecklenburg County Courthouse,
2 Charlotte, North Carolina
3 DATE: October 26, 2022
4 DOCKET NO.: W-354, Sub 400
5 TIME: 7:05 P.M. TO 8:31 P.M.
6 BEFORE: Commissioner Daniel G. Clodfelter, Presiding
7 Commissioner ToNola D. Brown-Bland
8 Commissioner Jeffrey Hughes
9
10

11 IN THE MATTER OF:
12 Carolina Water Service, Inc. of North Carolina,
13 4944 Parkway Plaza Boulevard, Suite 375,
14 Charlotte, North Carolina 28217
15 for Authority to Adjust and Increase Rates
16 for Water and Sewer Utility Service
17 in All Its Service Areas in North Carolina
18 and for Approval of a Water and Sewer Investment Plan
19

20 VOLUME 5
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24

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

2 COMMISSIONER CLODFELTER: Good evening,
3 folks. Madam Court Reporter, will you open the record
4 for this evening?

5 I am Commissioner Dan Clodfelter. I'm the
6 Presiding Commissioner for the hearing this evening.
7 Joining me for this public hearing are over to my
8 right, Commissioners ToNola Brown-Bland, raise your
9 hand so they know who you are, and Commissioner Jeff
10 Hughes. Our other colleagues tonight are attending
11 other public hearings that have been scheduled around
12 the state, one in Wilmington tonight. It's a very
13 busy time of the year for us, but please be assured
14 that all Commissioners will have access to the record
15 of the hearing tonight before we conduct any further
16 proceedings in the case.

17 I'm going to call for hearing Docket Number
18 W-354, Sub 400, which is -- the title of which is the
19 Application by Carolina Water Service of North
20 Carolina for Authority to Adjust and Increase Rates
21 and Charges for Water and Sewer Utility Service in All
22 the Areas They Serve in North Carolina and for
23 Approval of a Three-Year Water and Sewer Investment
24 Plan.

1 First of all, pursuant to the North Carolina
2 State Government Ethics Act, I remind the members of
3 the Commission that it is our duty to avoid conflicts
4 of interest, and I will ask of the any of the other
5 Commissioners whether they have a known conflict of
6 interest with respect to this docket?

7 (No response.)

8 COMMISSIONER CLODFELTER: Madam Court
9 Reporter, please let the record reflect that neither I
10 nor any of my colleagues tonight have identified any
11 known conflicts of interest.

12 All right. Next let me just give a little
13 bit of the procedural background for the hearing
14 tonight. On July 21st of this year, Carolina Water
15 Service filed an Application with the Commission
16 Seeking Authority to Adjust its Rates for Providing
17 Water and Sewer Service in All of Its Service
18 Territories in North Carolina and for Approval to
19 Establish and Implement a Water and Sewer Investment
20 Plan pursuant to General Statute 62-133.1B. Carolina
21 Water Service proposes new rates for a base year and
22 then for three rate years thereafter included in its
23 water and sewer investment plan.

24 Carolina Water Service serves approximately

1 34,565 water customers and 21,469 sewer customers in
2 38 different counties in North Carolina. The proposed
3 new rates are based on a test period ending March
4 31st, 2022.

5 On July 26 this year, the Commission issued
6 an Order Establishing this case as a General Rate Case
7 and Suspending Rates pending further proceedings.

8 On September 2nd of this year, the
9 Commission issued an Order Scheduling Hearings,
10 Establishing Due Dates for Testimony and Intervention
11 and Discovery Guidelines and Requiring Public Notice.
12 That Order scheduled hearings for the purpose of
13 taking testimony from public witnesses to be held
14 tonight in Charlotte, as well as hearings in Raleigh,
15 in Boone, in Jacksonville, and a virtual hearing was
16 held via Webex on October 19th.

17 That Order also scheduled a hearing for the
18 purpose of accepting expert witness testimony which
19 will begin on November 28, 2022 in Raleigh beginning
20 at 2:00 p.m. in the afternoon. At that hearing the
21 Commission will take testimony from the Company, from
22 the Public Staff, and from the parties who have
23 formally intervened in the docket. Those proceedings
24 will be available for viewing via YouTube. And if you

1 want to follow up with those hearings at the end of
2 November, go to the Commission's website at
3 www.ncuc.gov, and you can find out details about how
4 to follow the hearings on November 28th via YouTube.

5 On September 15th this year, Carolina Water
6 filed a Certificate of Service showing that customer
7 notice had been provided as required. And on
8 September 19th, Carolina Water Service filed updated
9 information regarding the rate case application.

10 So that's the background that brings us to
11 tonight. At this point I'm going to ask counsel for
12 the parties to announce their appearances for the
13 record, beginning with the Applicant.

14 MS. PASHOS: Good evening. I'm Kay Pashos
15 with the law firm Ice Miller representing Carolina
16 Water Service of North Carolina.

17 COMMISSIONER CLODFELTER: Thank you.

18 MR. FREEMAN: Good evening, Commissioners.
19 I am Will Freeman. I am an attorney with the Public
20 Staff. With me is Evan Houser who is an engineer with
21 the Water Division, and we represent the Using and
22 Consuming Public. Thank you.

23 COMMISSIONER CLODFELTER: Before we begin
24 the hearing, I want to say a few words about the

1 process that we'll follow tonight.

2 First, we greatly appreciate you coming
3 tonight to voice your views on this case, and we
4 welcome your testimony and we're glad to be here to
5 listen to you.

6 In conducting this hearing, the Utilities
7 Commission functions as a court. We act like judges
8 and we are required to do that by North Carolina law.
9 Because we're acting as a court, we are not in a
10 position here tonight to answer questions from you or
11 to give you our views or our judgment. We are not
12 supposed to do that until after we've heard all the
13 evidence in the case. So we can't give you
14 information or answer questions tonight. We're here
15 to hear from you and to take your testimony for the
16 proceedings.

17 The Public Staff, Mr. Freeman and Mr.
18 Houser, represent you. They're the people who
19 represent you, the Using and Consuming Public. They
20 are automatically a party to this proceeding and to
21 all similar proceedings before the Utilities
22 Commission by law. And in this proceeding, if you've
23 got questions about how we're going to run this
24 proceeding or about what's going to happen in the case

1 next or how things might go from here or why something
2 is the way it is or isn't the way it should be, you
3 think it should be, these are the folks you should
4 contact. They're the lawyers who represent you, and
5 they will assist you with your testimony tonight and
6 can answer questions after tonight as things go
7 forward.

8 So that everyone has a full opportunity to
9 speak to us tonight, we're going to follow the
10 following procedures. Many of you have been with us
11 before in other cases and so these won't be new to
12 you. They're very familiar, standard procedures we
13 use for these kind of public -- witness proceedings.

14 If you want to testify tonight, you should
15 sign up with one of these two gentleman from the
16 Public Staff. They were at the door as you came in
17 taking -- taking your names. If you haven't had a
18 chance to sign up with them yet and you want to speak
19 to us tonight and haven't been able to do that yet,
20 very quietly, as quietly as you can, come up here and
21 see Mr. Freeman or Mr. Houser, and they've got the
22 list and you can sign up to testify with them. You
23 will be called to testify in the order in which you
24 signed up on that list. So don't everybody stampede

1 all at once, but if you still need to sign up, just as
2 I say, come up and see one of these two gentlemen as
3 we go forward.

4 So that everyone has an equal opportunity to
5 speak to us tonight, we have a limit of three minutes
6 for each person to address us. And so we would
7 appreciate it if you would try to use your time
8 efficiently. If someone has already said what you
9 want to say, the easiest way to save time is just to
10 say I agree with my neighbor so and so, and then you
11 can move on to something else that hasn't already been
12 covered.

13 If you don't feel you can get everything in
14 in three minutes' time, this is not your last shot.
15 Witnesses are free to file public statements with the
16 Clerk in writing, and those can be as long or as short
17 as you want them to be. So if you don't cover
18 everything you want to cover tonight, you have a right
19 to file a written statements with the Commission
20 Clerk. Again, if you go to the website, that will
21 tell you how you do that. And if you've got -- for
22 example, if you've got a long document you want us to
23 read and consider or some -- some evidence you want us
24 to look at, some photographs, things like that are

1 very common and you just don't think you can get to
2 those tonight, you're free to file those, and those do
3 become part of the official record. So this is not
4 your only opportunity to put a matter before the
5 Commission. This is your only opportunity to come up
6 to the witness stand tonight, but there is an
7 opportunity to file written statements with the
8 Commission.

9 We function as a court, as I said, and so we
10 follow the Rules of Civil Procedure and the Rules of
11 Evidence that apply in the courts of North Carolina.
12 And that means that I have to have you, when you come
13 up to testify, either take an oath or give an
14 affirmation as to the truth of the testimony that
15 you're going to give. When your name is called,
16 please come up to the witness stand, which is right
17 over here to my left, and I will give you the oath
18 before you testify. If you'd rather affirm your
19 testimony rather than swear an oath, just let me know
20 that when you come up here and I'll give you an oath
21 of affirmation instead.

22 After that, sit down. Again, as we learned
23 from the deputy and the court reporter, pull the
24 microphone to you as close as you can. Before you say

1 anything else, give us your name and tell us your
2 address, and probably would be good tonight to tell us
3 what subdivision or what neighborhood you live in
4 because there are multiple, different areas that
5 Carolina Water Service operates in, so it would be
6 helpful to let us know which neighborhood are you --
7 you live in.

8 Please stick to what we're talking about
9 tonight, which is the rate application by Carolina
10 Water Service, and avoid trying to drift off into
11 opinions on things that aren't before us tonight.
12 We've got a lot of public hearings going on on a lot
13 of different dockets around the state. Some of you
14 have been here on other issues. I recognize you've
15 been here on other cases. We'll hear about those at
16 another time in another docket.

17 So also please address your comments to
18 Commissioner Brown-Bland, Commissioner Hughes, and to
19 me and not to the audience. We're the ones that
20 really need to hear from you, and it's important that
21 you talk to us and not to the Company or to other
22 folks in the audience.

23 After you're done, we -- we don't have a
24 clock with us tonight. The clock's in Wilmington. We

1 only have one clock and we had two hearings tonight,
2 so Wilmington got the clock tonight. But over to my
3 right here are our timekeepers tonight. And if you
4 see them waving, holding their hands up and waving,
5 that means your time is up and you need to wrap up.
6 I'll cut you a little bit of slack, but I can't let
7 you just go on and on and on because we have a lot of
8 folks here tonight and we want to hear from them.

9 After you're done, the lawyers for the
10 Company and the lawyers for the Public Staff might
11 want to ask you some questions, or Commissioner Brown-
12 Bland, Commissioner Hughes or I might have a question
13 for you. Don't take anything from that. We might not
14 ask you anything, but we might have a question. So
15 don't get up and run off as soon as you're done
16 testifying. Wait for just a second so I can see if
17 anybody has any questions for you.

18 The testimony is being taken down here by
19 the court reporter, and she's probably the most
20 important person in the room because she's the one
21 who's going to get down on paper exactly what you say
22 and she's going to get it right. So you need to speak
23 clearly and speak directly and plainly. And we ask
24 you not to do things that make it hard for her.

1 Sometimes we go to these things and people will want
2 to sing to us. Well, that's hard for the court
3 reporter. Or they want to stand up and do a
4 pantomime. We've had that happen before. That's very
5 hard for the court reporter to take down. So just
6 give us your testimony the way you do in any normal
7 court.

8 If you've already testified at one of the
9 earlier public hearings -- and I say this because
10 we've had this happen to us. If you've already
11 testified in one of our other hearings or you've
12 testified at the hearing we had on Webex, I can't call
13 on you to testify a second time tonight. This is for
14 folks who haven't talked to us about this before. So
15 again, as I say, you have the opportunity to file
16 written supplemental testimony and take advantage of
17 that if you need to talk to us further.

18 And, again, final reminder, we are not
19 allowed to respond to your questions during the
20 hearing; however, after the hearing is done and we
21 close for the evening, there are representatives of
22 the Company here, and the Public Staff, as I said, are
23 here. So if you have questions you want to follow up
24 on, this is a great opportunity after we finish the

1 formal hearing to catch one of these folks and tell
2 them about what you want to know, what your problem is
3 or if you've got an issue you want to follow up with
4 -- the Company with, they're going to be here, and
5 they'll hang around afterwards to take the questions.

6 Okay. I think those are the preliminaries.
7 And I understand that the Company would like to make a
8 brief opening statement before we hear from the first
9 witness.

10 MS. PASHOS: Yes. If we could first briefly
11 introduce a couple of -- identify a couple of people.

12 COMMISSIONER CLODFELTER: Please do so.

13 MULTIPLE AUDIENCE MEMBERS: We can't hear
14 you.

15 COMMISSIONER CLODFELTER: Okay. Remember,
16 they're going to have to hear you.

17 MS. PASHOS: Thank you. I just want to
18 briefly introduce a couple of the Company
19 representatives in case anyone has a specific question
20 about your utility service. First, Don Denton,
21 President of the Company; Tony Konsul, Director of
22 State Operations; Gary Peacock, Director of State
23 Operations; and Deb Clark, Communications Manager and
24 Manager of Community Engagement.

1 And Mr. Denton, I believe, has a brief
2 opening statement.

3 COMMISSIONER CLODFELTER: Mr. Denton.

4 MR. DENTON: Thank you. Can everybody hear
5 me? Okay.

6 Commission Staff and community members here
7 tonight, good evening. I'm Don Denton, President of
8 Carolina Water Service of North Carolina.

9 Tonight's hearing is an important part of
10 our application for a water and sewer investment plan.
11 Team members from Carolina Water Service are here
12 tonight, and we welcome the opportunity to hear from
13 our customers.

14 While there is never an ideal time to ask
15 customers to pay more for a product or service, the
16 proposed rate increase is essential for our Company to
17 continue to deliver safe and reliable water and
18 wastewater services. The largest driver of the rate
19 request is a need to invest more than \$110 million in
20 the complex water and wastewater systems that serve
21 our customers throughout the state. As always, our
22 goal is to help ensure safety and reliability.

23 Again, we thank you for the opportunity to
24 hear from our customers in this forum tonight.

1 COMMISSIONER CLODFELTER: Thank you. Mr.
2 Freeman, anything?

3 MR. FREEMAN: No, thank you.

4 COMMISSIONER CLODFELTER: Let me ask
5 counsel, are there any motions or preliminary matters
6 we need to deal with before we take witnesses?

7 MS. PASHOS: No, Commissioner.

8 MR. FREEMAN: If I may, Commissioner, not
9 withstanding the number of people in the room, we only
10 had nine to sign up to testify, and some of those I
11 said write your name down in case you change your
12 mind. So did I get the impression that maybe all but
13 one or two people who have some things to say that
14 maybe talked to other people?

15 UNIDENTIFIED AUDIENCE MEMBER: Yes.

16 MR. FREEMAN: So maybe with the Commission's
17 indulgence, maybe we could have one or two witnesses
18 with more than three minutes and then -- a few more
19 than three minutes?

20 COMMISSIONER CLODFELTER: If -- I tell you
21 what we'll do --

22 MR. FREEMAN: Sort of, kind of comes --
23 absorb some of the other peoples' time.

24 COMMISSIONER CLODFELTER: If you've only got

1 nine signed up, yeah. You know, we try to run these
2 things so that they all run the same way and nobody
3 says we're playing favorites wherever we go, whether
4 it's in Gastonia or Wilmington or Charlotte, wherever.

5 I tell you what I will do, I'll open it to
6 five minutes since we've only got nine people. And as
7 I say, if we get really pushed, we'll take, I mean,
8 things in writing. We do read. We get a lot of
9 paper, but it is easy to keep up with, you can carry
10 it around with you, you remember it. And so again, if
11 you get pushed on time, we'll work with you. All
12 right?

13 MR. FREEMAN: Thank you, Commissioner.

14 COMMISSIONER CLODFELTER: All right. So
15 five minutes.

16 MR. FREEMAN: I did see someone with an
17 exhibit. Was that you that had the -- okay. Tell me
18 your name.

19 MR. GODWIN: James Godwin.

20 MR. FREEMAN: All right, Mr. Godwin. If you
21 wouldn't mind coming up.

22 COMMISSIONER CLODFELTER: While Mr. Godwin's
23 coming up, let me -- let's say this, too. If you've
24 got papers you want us to consider, documents or

1 photographs or exhibits and things like that, bring
2 them with you and we will mark them, and the court
3 reporter will make copies of them. If you don't have
4 extra copies, we'll need to leave them with the court
5 reporter tonight, though, because she'll need to have
6 them, and then we'll get them back to you. If you've
7 got extra copies, that's great.

8 Okay. So our first witness is?

9 MR. FREEMAN: Mr. Godwin.

10 JAMES GODWIN; Being first duly sworn,
11 testified as follows:

12 COMMISSIONER CLODFELTER: Again, your city,
13 name, address, subdivision or neighborhood, and then
14 you can launch into it.

15 THE WITNESS: Thank you. My name is James
16 Godwin. I live at 196 Bayberry Creek Circle in
17 Mooresville, North Carolina.

18 DIRECT STATEMENT:

19 I know we only have a few minutes each, so
20 kind of a simple guy. I want to boil this down and
21 set the stage for what we're here talking tonight.

22 Basically, we want to talk about the Classic
23 Cost Value Model (indicating exhibit). The same way
24 you wouldn't expect to pay ten cents for a Cadillac,

1 you also wouldn't expect to pay \$100 for a Snickers
2 bar. So -- and on our model, we would expect that the
3 cost per 1,000 gallons is commensurate to the quality
4 and availability of the product that we get
5 afterwards.

6 So where does that -- where does that put
7 us? We're a little bit out of balance. Currently,
8 our proposed \$14.41 per 1,000 gallons in the next rate
9 increase also has a current rate of \$11.71, which
10 we're currently paying, is raising the cost towards
11 the sky, while quality issues that we have, which is
12 scale, rust, dirt, corrosion, decreased availability
13 -- we've got abandoned wells coming up and we're
14 outsourcing to city water -- it's tipping the value in
15 the other direction.

16 Brief history of where we're at to kind of
17 simply this. Carolina Water took over in the back
18 half of 2017. At that rate -- at that time we were
19 paying \$6.40 per 1,000. Soon afterwards in 2018, our
20 rates went up to \$7.70 per 1,000. Flash forward to
21 this current year, we're at \$11.71. Now, this is
22 \$11.71 and we don't have sewer. We are water only.

23 Just to put that into perspective, Iredell
24 Water -- Iredell Water Corporation's rate is currently

1 \$4.20 per 1,000 gallons. The ends -- the North
2 Carolina median rate is \$8.22 per 1,000. We're
3 already at 11. Proposed increases are such that in
4 2023, at the proposed rate we're going to \$14.01, in
5 2024 going to \$14.70, and following up in 2025 with
6 \$15.42.

7 One of the other things that I talked about
8 on the scale was, no pun intended, scale. These are
9 photos from my house, and I just replaced my fixtures
10 at the beginning of this year, showing the scale and
11 the other hard water results from our current product.
12 This is what -- this is what we have to deal with on
13 top of paying the rates that we are.

14 So what the heck are we here for? We're
15 asking to reassess the past excessive rate increases,
16 forego approval of any further increases, and also
17 begin an environmental quality investigation into the
18 current quality issues. So we're in a mess, you all.
19 We're paying for Perrier and we're getting pine water.
20 So thank you.

21 (Applause.)

22 COMMISSIONER CLODFELTER: Hold on. This is
23 going to really slow us down. We don't need that, all
24 right? We don't need booing or hissing, either. So

1 let us just move through this. Do you have copies of
2 those --

3 THE WITNESS: I do. Yes, I do.

4 COMMISSIONER CLODFELTER: -- in a slide form
5 where we can get them?

6 THE WITNESS: Right.

7 COMMISSIONER CLODFELTER: That's great.
8 Let's mark those as Godwin Exhibit Number 1, and we'll
9 enter those into the record as Godwin Exhibit Number
10 1.

11 (Whereupon, Godwin Exhibit Number
12 1 was marked for identification
13 and admitted into evidence.)

14 THE WITNESS: Thank you, sir.

15 COMMISSIONER CLODFELTER: Thank you. Hold
16 on, hold on. There may be some questions for you.
17 Like I say, hold on, let's see.

18 Let me ask if either of the parties have
19 questions for Mr. Godwin?

20 MS. PASHOS: No, sir.

21 COMMISSIONER CLODFELTER: Mr. Freeman?

22 EXAMINATION BY MR. FREEMAN:

23 Q Tell me, you said "we." What subdivision
24 are you in?

1 A I'm in The Farms, which is basically
2 everything surrounding Brawley School Road.

3 Q And no sewer, just water?

4 A No sewer. It's septic.

5 Q I don't have any more questions. Thank you.

6 COMMISSIONER CLODFELTER: Questions from the
7 Commissioners? Commissioner Hughes?

8 EXAMINATION BY COMMISSIONER HUGHES:

9 Q Just the scale that you -- scale that you
10 shared, the scale, the -- has that been going on since
11 2017 or when --

12 A Yeah. We moved in, it will be five years in
13 December, and I've had it ever since. We have to
14 remove it in five or six months and it's a pretty big
15 chore, as you can see, the amount that -- that we have
16 to deal with. And it's not just that. I've replaced
17 the washing machines. I've replaced several
18 appliances just due to the water that we do get.
19 Heaven forbid you leave water on your car in the sun
20 here. It's like scraping barnacles off on a ship's
21 hull.

22 COMMISSIONER CLODFELTER: Commissioner
23 Brown-Bland?

24 EXAMINATION BY COMMISSIONER BROWN-BLAND:

1 Q So you mentioned some quality issues. What,
2 if anything, has been done about those issues? And
3 what I mean, did you report it to anybody? Have you
4 had any health department or any type of inspection?

5 A No. We've had a couple of boil water issues
6 in the past. We have a combination of, I believe,
7 over 30 different wells, and that is put in with the
8 -- into the community towers, and we also get a
9 mixture of, I want to say, close to 500,000 gallons of
10 Mooresville City water that is also mixed in. So
11 other than dealing with your residential problems, no,
12 we -- I haven't had anybody start any quality
13 inspection of any well sites or --

14 Q All right. And did you speak to anybody
15 from the Company about these problems?

16 A No.

17 Q How recent were your last boil water
18 notices? Do you know?

19 A Going off memory, it was within the last 12
20 months.

21 Q Okay. And that was -- was that one in the
22 last 12 months or more?

23 A There might have been two between the last
24 12 months or maybe 16 months ago.

1 Q All right. And on your photos, just so I
2 can be sure, you replaced -- this is how they --

3 A That shower -- that shower head on there was
4 replaced in May, and I removed the Great Barrier Reef
5 off of my kitchen faucet there back in beginning of
6 June. So that's how much scale builds up.

7 COMMISSIONER CLODFELTER: I'm sorry, sir.
8 Beginning when?

9 THE WITNESS: June.

10 Q And but -- and this is -- and this is a
11 current picture taken --

12 A That was from two days ago.

13 Q Two days ago. All right. Thank you.

14 A Thank you.

15 COMMISSIONER CLODFELTER: Okay. Anything
16 further?

17 MR. FREEMAN: I'd like to move Godwin
18 Exhibit 1 into evidence.

19 COMMISSIONER CLODFELTER: It is received
20 into evidence. Mr. Godwin, thank you for coming. We
21 appreciate it.

22 THE WITNESS: That's it? Thank you.

23 (Witness excused.)

24 MR. FREEMAN: Fred Becker. We call Mr.

1 Becker.

2 COMMISSIONER CLODFELTER: Okay.

3 FRED BECKER; Being first duly sworn,
4 testified as follows:

5 COMMISSIONER CLODFELTER: Please be seated.
6 Name, address, and neighborhood or subdivision you're
7 in.

8 THE WITNESS: Sure. My name's Fred Becker.
9 I live at 117 Island Cove Lane in The Harbour. I
10 reside in the 334 homeowner community in Iredell
11 County, and I'm here on behalf of The Harbour
12 Homeowners Association.

13 I brought a written statement I would like
14 to include in the record. I was told to bring five
15 copies.

16 COMMISSIONER CLODFELTER: That's great.
17 Let's give those to the court reporter, and we'll mark
18 those as Becker Exhibit Number 1.

19 (Whereupon, Becker Exhibit Number
20 1 was marked for identification
21 and admitted into evidence.)

22 THE WITNESS: Thank you, sir.

23 DIRECT STATEMENT:

24 First of all, I want to thank you, the

1 Commissioners and your Staff, for your service to the
2 government. Second of all, I want to thank you and
3 your Staff for the hard work you are doing in ensuring
4 we, the customers of Carolina Water, are charged
5 reasonable rates.

6 We are dismayed by Carolina Water's proposed
7 19 percent increase in water rates in 2023, after
8 having increased our water rates by 52 percent since
9 2017.

10 As you all know, Carolina Water's a private
11 equity company, as are two of its parent companies.
12 Consequently, despite Mr. Denton's statement in the
13 Annual Water Quality Report, the transparency is a key
14 priority. We have no opportunity to challenge,
15 review, or have any information with regard to their
16 finances.

17 Carolina Water also refuses to tell us what
18 the service area is. We only get this black box
19 (indicating). Can't see in it, can't see out of it.
20 We have no idea what's going on inside of it.

21 In addition, Carolina's Water Quality
22 Report, again, I'll hold that up, provides no
23 information on basic water quality components, pH,
24 hardness, although they say they monitor it, we don't

1 get it, total dissolved solids, TDS.

2 As we know, Carolina Water stated in its 16
3 December letter to customers that it's looking for the
4 opportunity to earn a fair return of up to 10.7
5 percent in its investment, I underline, investment in
6 the system, a return that's well above average in the
7 water supply industry and Duke Energy.

8 Now, in the -- in a letter to the Commission
9 dated 24 October they said they want to clarify that
10 10.7 percent is their desired return on equity.

11 Confused? Again, back to the black box, we certainly
12 are. There's a significant difference in the terms.

13 Carolina Water's staff, no doubt, carefully
14 reviewed this letter to the customers, and it's a
15 statement of significant magnitude. You've got to
16 assume that Mr. Denton who signed it and everybody
17 else that reviewed it took a hard look at it before it
18 went out to its customers. So we ask that the Staff
19 carefully review this.

20 Water utilities are a low-risk investment.
21 The likelihood that homeowners will not pay their
22 water bills is minimum, so any risk premium should
23 also be at a minimum.

24 Carolina Water has told us that in 2023, it

1 will be running a pipe and purchasing water from the
2 City of Mooresville as well as installing new meters.
3 The cost of running the water pipeline and
4 installation of the new meters must be amortized,
5 thereby providing no justification for a 19.7 percent
6 increase in 2023.

7 Carolina Water further indicates it's
8 abandoning 20 wells in 2023. Amortization of that
9 cost, if that's what they're doing, again, back to the
10 black box, does not justify a 19.7 increase in 2023.
11 Alternatively, if they're expensing it in 2023, their
12 rates must increase in 2024 because they'll no longer
13 have that expenditure. They're also getting savings
14 because they'll no longer be maintaining or servicing
15 the wells. I understand that they have two people
16 sitting in a current well monitoring all that in a
17 house.

18 The City of Mooresville, what they're
19 charging tells me that Carolina Water is being --
20 going to be charged a bulk rate of \$3.72 per 1,000
21 gallons of water, so that is -- Carolina Water's
22 proposed rate of \$14.71 in 2023 is four times greater.
23 Carolina's current rate is almost three times the rate
24 of that of Iredell Water County or Iredell Water

1 Corporation and 52 percent above median.

2 Now, I know that Carolina Water in response
3 will say we have areas that we have to serve, like
4 rural areas and letters -- or areas that are very --
5 not very dense. Well, it would absurd to suggest that
6 where I live or my neighbors live is a rural area.
7 Also, it's a high density. There's a house every step
8 along the way. There are only three or four vacant
9 lots in there.

10 Finally, the quality of water is extremely
11 hard, causing scale on our faucets that even with a
12 water softener are impossible to remove. It's highly
13 corrosive, resulting in deterioration of pipe fittings
14 and water leaks in the ceiling. It contains
15 significant dust, rusted pipe, and particles,
16 resulting in having to buy water and salt water
17 filters.

18 This is the condition of a water filter
19 (indicating picture) six months -- I'm sorry. This is
20 the condition of a water filter six months after
21 completion, okay, or after it's been inserted in
22 there. This is the pre, this is the post, and that's
23 the final. Does anyone want to drink that water?

24 MR. FREEMAN: Can we see?

1 Finally, I'll wrap up, we ask that you
2 reassess the past increases, conduct a deep dive into
3 the financials before approval of any further
4 increases, and consult with the Department of
5 Environmental Quality to ensure significant
6 improvement in our water.

7 I'll close with this. We're paying Ruth
8 Chris prices and we're not even getting a McDonald's
9 Happy Meal with a toy.

10 Thank you very much. Be happy to answer any
11 questions you might have.

12 COMMISSIONER CLODFELTER: Mr. Becker, do you
13 have a smaller version of that water filter
14 photograph?

15 THE WITNESS: I -- I can send one in, sir.
16 I don't.

17 COMMISSIONER CLODFELTER: I tell you what --

18 THE WITNESS: Or actually, they're attached
19 to my statement.

20 COMMISSIONER CLODFELTER: So they are
21 attached?

22 THE WITNESS: Yes, sir.

23 COMMISSIONER CLODFELTER: Okay. Great. I
24 was going to say if not, we need to get that so we can

1 properly mark it and get it into the record of the
2 case, but you've got it attached. All right.

3 THE WITNESS: It's attached to this.

4 COMMISSIONER CLODFELTER: Thank you, sir.
5 Let's see. Do we have any questions for Mr. Becker
6 from the Company?

7 MS. PASHOS: No, sir.

8 COMMISSIONER CLODFELTER: From the Public
9 Staff?

10 EXAMINATION BY MR. FREEMAN:

11 Q If you would tell me your subdivision name
12 one more time?

13 A Fred Becker.

14 Q Your subdivision name?

15 A Oh, The Harbour, H-A-R-B-O-U-R.

16 Q And is there water, sewer, or both?

17 A Just water. We have our own septic system.

18 COMMISSIONER CLODFELTER: Questions from the
19 Commissioners?

20 COMMISSIONER BROWN-BLAND: (Raises hand.)

21 COMMISSIONER CLODFELTER: Sure. Go ahead.

22 EXAMINATION BY COMMISSIONER BROWN-BLAND:

23 Q Mr. Becker, on your picture of the filters,
24 what's the filter in the middle again? Explain to me

1 what that one is.

2 A Well, the first one, Commissioner, is the
3 pre-filter, then there's an after filter, and this is
4 a new filter (indicating) before they're installed.
5 So you can see how much the pre-filter is washing out,
6 but still with the after filter you have this, and
7 that's a new filter.

8 Q Thank you.

9 EXAMINATION BY COMMISSIONER CLODFELTER:

10 Q Are those filters at your house? They're at
11 your --

12 A They're photos from a neighbor.

13 Q From a neighbor. Okay.

14 A And that's six months after usage.

15 COMMISSIONER CLODFELTER: Anything else?

16 EXAMINATION BY COMMISSIONER HUGHES:

17 Q Just do you have a filter system as well at
18 your house?

19 A I have a saltwater system. I drink -- my
20 family uses bottled water even for the dog and the
21 cats that, by the way, are a significant expense to
22 me, as well as the cost on top of a \$14.71 rate they
23 want to charge.

24 FURTHER EXAMINATION BY COMMISSIONER CLODFELTER:

1 Q Mr. Becker, did I understand you that the
2 proposal is that your neighborhood is going to be
3 converted from well supply to Mooresville supply?

4 A Back to the black box again. From what
5 little they have told us, we understand they're
6 running a water line from Mooresville to us and
7 shutting down 20 wells.

8 Q Twenty wells. What's the schedule for that,
9 as far as you know?

10 A They haven't told me. I'd like to know.
11 Back to the black box.

12 Q Thank you.

13 COMMISSIONER CLODFELTER: Anything else? If
14 not --

15 COMMISSIONER HUGHES: (Raises hand).

16 COMMISSIONER CLODFELTER: Yes. Sure,
17 Commissioner Hughes.

18 COMMISSIONER HUGHES: Just a quick follow-
19 up.

20 EXAMINATION BY COMMISSIONER HUGHES:

21 Q Other than the letters, what kind of
22 interaction have you had over the years with Carolina?

23 A I've had problems with my meter. They told
24 me my meter was broken. After a while, I kept pushing

1 back. They told me I had a leak, then they finally
2 came out and repaired the meter, okay? I find it hard
3 to believe, I'll add to that, that Carolina Water is
4 not well aware of these problems.

5 COMMISSIONER CLODFELTER: Mr. Becker, thank
6 you.

7 MR. FREEMAN: Before we excuse him, we will
8 receive Becker Exhibit 1.

9 COMMISSIONER CLODFELTER: Don't worry, Will,
10 you don't have to do that. I'm going to -- I'm going
11 to take them all into evidence without a motion.

12 MR. FREEMAN: All right.

13 COMMISSIONER CLODFELTER: All right. So
14 we'll take all exhibits into evidence tonight.

15 MR. FREEMAN: Thank you, sir. Thank you,
16 Mr. Becker.

17 (Witness excused.)

18 MR. FREEMAN: We call Mr. Baldwin to the
19 stand, Commissioners.

20 ROD BALDWIN; Being first duly sworn,

21 testified as follows:

22 COMMISSIONER CLODFELTER: Name, address, and
23 neighborhood or subdivision.

24 THE WITNESS: My name is Rod Baldwin. I

1 live at 124 New Haven Drive in Mooresville, and I am a
2 homeowner in The Point subdivision in Mooresville.

3 DIRECT STATEMENT:

4 I would like to thank the Commission for the
5 time to speak this evening. I would like to start by
6 stating we completely agree with everything the
7 representatives from The Farm and The Harbour have
8 already stated.

9 As quoted in the Charlotte Observer today,
10 the water prices for our three neighborhoods in
11 Mooresville, as well as neighborhoods in over 38
12 counties across the North Carolina state, charged by
13 Carolina Water Systems are absurd. If you look at the
14 information provided by Carolina Water Systems and the
15 Commission's notice to the public, there are
16 definitely some extreme cases of misrepresentation of
17 material facts. We are currently paying 51 percent
18 higher rates since 2017 because of Carolina Water
19 System's lack of planning for reserve infrastructure
20 funding and their lack of maintenance of their own
21 infrastructure.

22 They are currently asking this Commission
23 for an additional 30 percent increase on top of that
24 51 percent, over 80 percent increase in water rates, a

1 commodity necessary for people to live.

2 In the Commission's notice to the public,
3 Carolina Water System tries to make it sound like
4 these increases are only about \$5 to \$15 on customers'
5 monthly bills. Their examples are hiding the true
6 financial impact to homeowners in over 38 counties in
7 North Carolina. People in our neighborhoods are
8 paying \$250 to \$600 increases for their monthly water
9 bills. We have already seen examples from The Farms
10 and The Harbour discussing the quality of water
11 provided by Carolina Water System.

12 In addition, our communities have been under
13 boil water orders on five or six occasions during the
14 past two years because Carolina Water Systems lacks
15 the maintenance of 34 community wells they are
16 responsible for operating. Their lack of maintenance
17 of the infrastructure has led to them having to close
18 over half of those community wells because they are
19 not maintained and they do not meet the environmental
20 regulatory standards North Carolina has put in place.
21 Because they're closing half their wells, they are
22 having to purchase water from Mooresville City. They
23 are doing so at a rate of a little over \$3 per 1,000
24 gallons, yet they are charging our communities \$11.78

1 per 1,000 gallons and asking this Commission to raise
2 that to over \$15 per 1,000 gallons, an extremely nice
3 profit margin.

4 In the notice to the public and quoted in
5 the Charlotte Observer, Carolina Water Systems has
6 mostly indicated their costs are associated to build
7 infrastructure to manage wastewater and sewage.
8 Interesting that none of our neighborhoods in
9 Mooresville will need any sewage infrastructure as all
10 of our homes have septic systems.

11 For all of these reasons, we implore the
12 Commission to deny this proposed increase in rates and
13 to review the previous rate increases to get our
14 homeowners back to the median price of water in the
15 state of North Carolina, including all the other 38
16 counties in which Carolina Water System provides
17 water. We are just asking the Commission for a clean
18 glass of water at a reasonable rate, neither one of
19 which is happening with Carolina Water System. Thank
20 you.

21 COMMISSIONER CLODFELTER: Thank you, sir.

22 (Applause.)

23 COMMISSIONER CLODFELTER: Whoa, whoa, whoa,
24 whoa. Are there questions? Any questions from the

1 parties?

2 MS. PASHOS: No, sir.

3 COMMISSIONER CLODFELTER: From the
4 Commissioners?

5 COMMISSIONER BROWN-BLAND: No, sir.

6 EXAMINATION BY COMMISSIONER CLODFELTER:

7 Q I want to be sure I heard this right. You
8 say you have neighbors who have water bills that are
9 between 250 and \$600 a month?

10 A Increase. We have water bills -- my water
11 bill per month is 5 to \$600 and there are people that
12 have \$1,000 a month water bills, yes, sir. Yes, sir.

13 Q Excuse me. I'm a poor City of Charlotte
14 water customer, so I know what I pay, but I'm trying
15 to figure out what you're paying. Do you have a pool
16 or something?

17 A I have a pool and I have irrigation, yes,
18 sir. And when the Carolina Water Systems' operation
19 manager was at our board meeting several months ago,
20 he basically even said, oh, we love irrigation because
21 we're irrigating with the same water that people are
22 drinking.

23 Q What would your typical monthly bill be in a
24 -- in a month where you're not -- you're not swimming

1 because it's too cold and you're not irrigating
2 because the grass is brown?

3 A Well, I keep my pool open year-round, but my
4 -- my average bill is 100, 200 in the wintertime.

5 Q In the wintertime?

6 A Yes, sir.

7 Q Okay.

8 COMMISSIONER CLODFELTER: Any other
9 questions?

10 (No response.)

11 COMMISSIONER CLODFELTER: Thank you, sir.
12 Do you have a written statement you want to leave with
13 us?

14 MR. BALDWIN: No, sir.

15 COMMISSIONER CLODFELTER: Okay. That's
16 great. Thank you.

17 (Witness excused.)

18 MR. HOUSER: Charles Farrar.

19 MR. FREEMAN: We call Mr. Farrar,
20 Commissioner.

21 CHARLES FARRAR; Being first duly sworn,
22 testified as follows:

23 COMMISSIONER CLODFELTER: And you know the
24 routine.

1 THE WITNESS: Yes, sir.

2 COMMISSIONER CLODFELTER: Great.

3 THE WITNESS: Thank you, Commissioners, for
4 being here. I'd like to --

5 COMMISSIONER CLODFELTER: Remember, name,
6 address, and your subdivision neighborhood.

7 THE WITNESS: Yes. I just -- you just told
8 me to do that. Charles G. Farrar, 210 Quaker Road in
9 The Point community. And I am the President of The
10 Point Homeowners Association, so I'm here also
11 representing all the homeowners in The Point.

12 DIRECT STATEMENT:

13 I'd like to ask the Commissioners to take a
14 couple things into account. Mr. Baldwin just
15 mentioned he's paying 6 to \$800 to irrigate his lawn.
16 That water is purified, treated water. That makes no
17 sense. Why are our communities being forced to
18 irrigate water that's been chlorinated and treated and
19 we're paying for that? If Carolina Water is improving
20 their infrastructure, they should be running a pipe
21 down to a lake, bring that water into our community
22 and have two meters, an irrigation meter and a potable
23 water meter.

24 I have a home down at Isle of Palms. That's

1 exactly how it works. Get two water bills, one for
2 your irrigation, one for your potable water. The fact
3 that we're paying these rates to put on the lawn, to
4 keep a lawn looking nice, like I said, treated,
5 potable water, absolutely makes no sense.

6 And I want to second what Mr. Baldwin said
7 in one of our board meetings that we were in where the
8 Carolina Water representative said, yes, we love
9 irrigation. We make lots of money from irrigation.
10 That was what was told to us. Now, I couldn't
11 believe, first of all, that the representative from
12 the water company would even bring that up, but it is
13 a public utility. Water is a public utility. It's
14 public and it's a necessary part of living in our
15 communities.

16 As the President of the POA, we have
17 covenants in our communities that require the
18 homeowners to maintain their properties to a standard,
19 okay? And our homeowners take great pride in their
20 properties, but we're -- we're going to run into a
21 situation and our homeowners are going to say huh-uh,
22 I can't -- I can't do this. I'm going to move out of
23 the community or I'm just going to shut off the water
24 and let the grass burn up. Sure. They could do that,

1 but I don't think that's what we should expect our
2 homeowners to have to do to be able to afford to live
3 in the communities that we live in.

4 So I'm asking that the Commission ask the
5 water company, okay, you have these wells that you
6 decommission maybe because they're not up to standard
7 for potable water. Use these wells to provide the
8 irrigation to our communities at a reasonable rate.
9 If they can't be used for potable water, I guarantee
10 you they can be used for irrigation.

11 So I would ask that the Commission consider
12 it because that's a easy solution. Two water bills,
13 one for irrigation, one for potable water at
14 reasonable rates. That's what we're asking for.

15 So that's really all I have to say. Do you
16 have any questions?

17 COMMISSIONER CLODFELTER: Let's see if the
18 Company or the Public Staff have questions for you.

19 MR. FREEMAN: No, thank you.

20 COMMISSIONER CLODFELTER: Commissioners?

21 COMMISSIONER HUGHES: Yeah.

22 EXAMINATION BY COMMISSIONER HUGHES:

23 Q Just I think you mentioned the irrigation
24 and you mentioned a covenant. How precise is that

1 covenant as far as lawncare keep? I mean, is it --
2 does it require water? Does it a require a certain
3 kind of grass?

4 A Well, there are three types of lawns that
5 can be planted in -- in The Point or basically in our
6 area. There's Bermuda, there's Zoysia, and there's
7 Fescue, okay? Fescue requires the most water, clearly
8 does. And I've had conversations with homeowners, you
9 know, that you have a choice. We don't require that
10 you have a Fescue -- Fescue lawn. But people like
11 Fescue lawn because it's green all year round. You
12 can go out in November and the lawn's still -- still
13 green, okay?

14 I live on a lake, okay? I have water
15 rights, okay? I draw the water from Lake Norman to
16 irrigate my lawn. Doesn't cost me a penny, okay? It
17 comes with the covenants of the community when Duke
18 set it up that if you're on the waterfront, you can
19 draw the water from the lake to irrigate your lawn.
20 So I'm irrigating with non-potable water. But 800 --
21 we have 865 homes in our community. About 200,
22 roughly, are on the water. The other 600 and so are
23 interior lots or on the golf course. The only way
24 they can irrigate is through Carolina Water, okay?

1 And so I'm speaking on behalf of those 660 homeowners
2 that are really feeling the pain.

3 And so really what we're asking is for
4 optionality, and that's why I bring up the issue with
5 the wells that Carolina Water shut down. If they're
6 not suitable for potable water, I get it, okay? We
7 want safe drinking water. And like all the other
8 previous homeowners who have been up here, I don't
9 drink the water and neither does my dog, okay? We use
10 bottled water. And if you want to think about it,
11 from an environmental standpoint a lot of plastic
12 going into our society, in our community
13 unnecessarily, but it is necessary because honestly
14 the water quality is not up to standard.

15 And so I ask the Commission to push back on
16 Carolina Water and say why can't these wells be used
17 for irrigation at a reasonable cost? So that's really
18 all I have to say.

19 Q Appreciate it.

20 EXAMINATION BY COMMISSIONER CLODFELTER:

21 Q Mr. Farrar, do any -- any folks in your
22 neighborhood have separate metering systems for
23 irrigation?

24 A No. We're all on one.

1 Q Well, when was your -- was your neighborhood
2 built mainly before 2007 or mainly after 2007?

3 A It was built before 2007. The earliest
4 houses in The Point were nineteen eighty--- 1998,
5 1999. I purchased the property in 2007.

6 Q But most of the houses were built before
7 2007?

8 A Yes. The majority of the houses were built
9 before 2007. When we -- when we bought, you know, I
10 would say the community was 70 percent built out. Now
11 we're basically -- we have 18 lots left out of 865, so
12 we're basically built out.

13 Q Thank you, sir.

14 COMMISSIONER CLODFELTER: Anything further?

15 (No response.)

16 COMMISSIONER CLODFELTER: Thank you for
17 coming. Appreciate it.

18 (Witness excused.)

19 COMMISSIONER CLODFELTER: Mr. Freeman?

20 MR. FREEMAN: I was going to call Angelo --
21 tell me your last name --

22 MR. CHIAZZA: Chiazza.

23 MR. FREEMAN: -- Chiazza --

24 MR. CHIAZZA: Yeah.

1 MR. FREEMAN: -- to the stand.

2 COMMISSIONER CLODFELTER: I suspect you're
3 probably going to need to spell your last name like I
4 have to do a lot. You're going to have to spell it
5 for the court reporter.

6 MR. CHIAZZA: Sure. C-H-I-A-Z-Z-A.

7 ANGELO CHIAZZA; Being first duly sworn,
8 testified as follows:

9 COMMISSIONER CLODFELTER: And your name,
10 your address, and your subdivision or neighborhood.

11 THE WITNESS: Angelo Chiazza. I live at
12 1820 Brawley School Road, and that is The Point
13 subdivision. I've lived there since 2009.

14 DIRECT STATEMENT:

15 And I attended the meeting at the fire
16 house, I believe it was 2017, 2018. I think it was
17 just when you came on the board with the Company, and
18 we had a very spirited conversation then. And what I
19 pulled out from that meeting was Carolina Water wanted
20 to sell less water, but make more money. And they
21 wanted to force conservation to get people to use less
22 water, but obviously by raising the rates, they were
23 going to continue with their corporate goals of
24 getting their performance to a certain level and

1 making more money.

2 And I agree with all the other people that
3 have testified so far, so I'm not going to rehash
4 that, but I do have a couple of points. And that is
5 if you look at some of the rates in the area that
6 Carolina Water services, like the City of Sanford, for
7 example, they're at \$2.21 according to this paper here
8 that was sent out by Carolina Water, if I'm reading it
9 correctly. And their rates did not change in the
10 subsequent years and neither does Concord, Winston-
11 Salem, Montgomery, Johnston County and a lot of other
12 areas. But the rates are increasing in The Farms, The
13 Point, The Harbour. So it seems like this specific
14 zip code is being targeted by Carolina Water, and we
15 are subsidizing other areas within their service area
16 by having just egregious rates being placed upon us
17 and all the way going up to \$14.48 in 2025.

18 And I guess my question is since we've lived
19 there in '09 and we've experienced rates -- rate
20 increases almost every year or every other year, where
21 does it stop? Where is it going to stop? Is it going
22 to stop with, you know, your infrastructure buildout
23 or is it going to be something else that's coming up
24 to the point where we just cannot maintain green

1 areas, green spaces, our landscaping and our lawns
2 within the subdivision?

3 So I -- I think that's my number one thing.
4 And just subsidizing, as an inner lot person and just
5 as a perspective, other people in our subdivision that
6 can't pump the lake are paying \$75 a month. So if you
7 look at the average monthly payments that Carolina
8 Water sent out, it is a -- it's a number that doesn't
9 really show the true impact on some homeowners. I
10 know this was brought up before, but you're -- you're
11 showing here in Year 1 that there's an \$80 average
12 year per month payment. And my -- my bills have gone
13 up -- all the way up to \$650 per month, especially
14 during the summer. And it could be more, but I was
15 only watering three days a week, and I lost a good
16 portion of my lawn in the front yard because of that,
17 \$650.

18 And I -- I think my final point would be to
19 the Commissioners, and that is take a look at what's
20 going on within the whole United States right now, but
21 the inflation that's going on, the cost of living
22 that's going on. I'm a retiree, so -- and I'm sure
23 there's other people that are in the same boat, but
24 it's not just our water bills. Everything has gone up

1 so substantially that it's just a whole piece of the
2 pie. And for the basic thing of water to go up this
3 much is just unthinkable, really. I mean, it's just
4 hard to believe.

5 So those are the basic things. And I guess
6 the last thing is, is -- and I tried to look online
7 for Carolina Water and tried to see what, you know,
8 what are their bonuses tied to, how much are they
9 getting in bonuses? Is this -- is this a financial
10 benefit for them by doing something like this to the
11 homeowners? And I couldn't find any information on
12 that, but I would love to see Carolina Water publish
13 some of that information and actual details. As was
14 brought up before, exactly what their improvements are
15 and the cost of those improvements to the communities.

16 And I really appreciate this opportunity to
17 speak in front of the Commissioners. Thank you very
18 much.

19 COMMISSIONER CLODFELTER: Thank you. Let's
20 see if there are questions.

21 MR. FREEMAN: No.

22 COMMISSIONER CLODFELTER: Commissioners?

23 (No response.)

24 COMMISSIONER CLODFELTER: Thank you, sir.

1 MR. CHIAZZA: Very good. Thank you.
2 Appreciate it.

3 (Witness excused.)

4 MR. FREEMAN: Leah Rand? Okay. Jim
5 Hadzicki. We call Mr. Hadzicki, Commissioners.

6 COMMISSIONER CLODFELTER: Okay.

7 JIM HADZICKI; Being first duly sworn,
8 testified as follows:

9 DIRECT STATEMENT:

10 Good evening. Thank you for allowing me to
11 speak. My name is Jim Hadzicki. I live at 106 Wescoe
12 Court, Mooresville. It's in The Point.

13 I kind of have not a whole lot to say
14 tonight except that I'm here tonight because I believe
15 that there is a possibility that what we're seeing
16 here is a little bit of what I call a definition of
17 discrimination, and that is the unjust or prejudicial
18 treatment of different categories of people or things,
19 especially on the grounds of race, age, sex, or
20 income.

21 The reason I bring that up is because I know
22 a number of people that live in Mooresville and they
23 all pay different rates for their water. And I
24 believe that what we have going on here is, well, why

1 not try to charge people more money if they can afford
2 it? And I think that the point that the gentleman
3 before brought up is very valid, that some people can
4 afford it and all their costs are going up, and we
5 need to be very conscientious of what we're trying to
6 do here. And discriminating against a class of people
7 that may have deeper pockets because we get away with
8 rate hikes on them is unacceptable to me. So I just
9 hope that everybody takes a close look at what's going
10 on here from one neighborhood to another.

11 And the transparency is definitely an issue
12 because if they can justify a normal rate of return on
13 a very safe investment now, return on equity, return
14 on investment, return on, you know, whatever you want
15 to call your return. I understand the utilities are
16 guaranteed to make a return. That's a guarantee, so
17 there's not much risk there. So I don't think we need
18 to have double-digit returns on those types of
19 investments.

20 Secondly, if they can prove that it costs
21 them more money to bring water to my area, since I
22 don't use any sewer and we're simply on septic, we're
23 bringing just water to use and consume, if they could
24 substantiate that reasoning for us having excessive

1 water bills than Sanford or some of the communities
2 that they service, by all means, get a reasonable
3 return on your money. But I think what's going on
4 here is very simple, they're charging different rates
5 for different people based on what they can get away
6 with. And I really hope the Commission looks strongly
7 at this.

8 And I want to leave with one point of the
9 reason it hits home so much. I come from a different
10 community out on the West Coast where I saw rates
11 increase and increase. And one time I was out
12 shopping for a house with my wife, and I couldn't
13 believe these beautiful homes were going for such
14 small amounts of money. What is wrong? There's
15 something wrong with this picture. And then I learned
16 -- realized that in this -- in this one community,
17 Rancho Santa Fe, these homeowners had over two acres
18 of property that they were trying to water and their
19 bills were in the thousands of dollars. And so there,
20 the property values were dropping rapidly because they
21 went through a tiered usage system and people couldn't
22 afford thousands of dollars to irrigate their -- their
23 landscaping. And it's a community that's really
24 spread out. It's more of a desert area and people

1 were going to desert landscaping. And so what
2 happened, consequently, is the housing prices dropped
3 dramatically.

4 And I'd hate to see beautiful neighborhoods
5 that were built 20 years ago now be forced to have
6 reductions in the values because we cannot irrigate
7 our property and keep the landscape. We have
8 beautiful mature trees, lawns; we're under an HOA that
9 requires us to maintain. My children are buying a
10 house here. Their realtor just told us a story about
11 how when they bought their house, they had to quit
12 watering because they couldn't afford. It was over
13 \$500 their first month they had the water bill on, so
14 they decided I'll take the fines from the HOA. I have
15 to stop watering. And I just don't want to see that
16 happen to young people that try to move into our
17 community at this point.

18 So I just urge you all to take a close look
19 at what's going on here. Reasonable rate of return I
20 have no problem with, but I think what's going on here
21 is absurd for these rate increases to be this high.
22 That's all.

23 COMMISSIONER CLODFELTER: Thank you, sir.
24 Are there questions from the Company or the Public

1 Staff for the witness?

2 (No response.)

3 COMMISSIONER CLODFELTER: Commissioners?

4 (No response.)

5 COMMISSIONER CLODFELTER: Thank you, sir.

6 Thank you for coming tonight.

7 (Witness excused.)

8 MR. FREEMAN: Dan Harman?

9 DAN HARMAN; Being first duly sworn,
10 testified as follows:

11 COMMISSIONER CLODFELTER: Proceed.

12 THE WITNESS: First of all, thanks for
13 giving me an opportunity to talk to you today.

14 COMMISSIONER CLODFELTER: Name, address and
15 neighborhood.

16 THE WITNESS: I'm Dan Harman. I live at 102
17 West Cold Hollow Farms Drive in Mooresville. That's
18 in The Farms neighborhood.

19 DIRECT STATEMENT:

20 So I took a couple notes of a couple things
21 I wanted to say. So I own a single-family house in
22 The Farms. You know, I feel like I represent the
23 average household in the Carolina Water Service
24 service area. You know, I don't have a pool or

1 anything like that. I'm not a rich guy or anything
2 like that. I feel like we -- we have a pretty, you
3 know, average income and represent kind of the average
4 household in this area. I have super high water
5 bills.

6 So in August I had an \$800 water bill, and
7 the month before I had almost a \$400 water bill. And
8 I have my bill here to show for that. And we weren't,
9 -- you know, like I said, we don't have a pool, we
10 don't have anything unusual. And, you know, I called
11 Carolina Water Service about this. They couldn't
12 explain it, yeah, whatever, you know, nobody knows,
13 who knows, no explanation for it at all and no relief
14 whatsoever from the bill so I just, you know, had to
15 pay it.

16 On top of that, you know, that's when I
17 started looking at -- at Carolina Water to understand
18 the Company better and, you know, compare like is this
19 normal? And I found that a lot of people were
20 complaining in my neighborhood about similar
21 experiences and similar, very high water bills. There
22 was a news, you know, report on the -- on the TV news
23 during the summer with people complaining about the
24 same thing and the same company, Carolina Water.

1 You know, I went -- I think there's a
2 university, like the University of North Carolina or
3 something like that. They have a Power BI dashboard
4 to compare water bills. And I went in and put all my
5 info in there to compare it across the state and
6 across other states, and ours was like off the chart.
7 It was like completely paying, you know, maximum
8 compared to anybody else.

9 The second point is like there have been a
10 few times since we -- we've lived here three years
11 now. There have been a few times when we go turn on
12 the faucet and no water comes out. Has that happened
13 to anybody else?

14 UNIDENTIFIED FEMALE: Yes.

15 Like no water comes out of the faucet? Like
16 what's wrong with that? There's something seriously
17 wrong there when you turn on the faucet and no water
18 comes out of it. That makes no sense to me.

19 The third point which people have made is
20 the water is very hard. We have to have like a whole-
21 house water filter, right, and filtering it multiple
22 times just to get it to, you know, something that you
23 can drink. It's super hard on the pipes, the
24 fixtures, and appliances. And without, you know,

1 without a -- a water filter filtering your whole
2 house, the water is basically unusable. And I'm sure
3 you guys know that from your testing, but you don't
4 publish anything about, you know, the minerals and
5 everything in the water so we can't really tell.

6 The fourth thing is like the water pressure
7 is really low. Like sometimes in the morning, you
8 know, it's -- I'm trying to take a shower and what --
9 nothing else is going on in my house and the water
10 pressure's like super low. Why is that? You know,
11 it's just, it's terrible service, right?

12 We've had -- as they've mentioned, we've had
13 several boil water, you know, warnings over the past
14 three years which is just -- you know, from where I
15 came from, you know, Washington State, this is
16 unfathomable. I don't understand why we even have
17 that, let alone having multiple of them over the past
18 three years.

19 And then, you know, I noticed at -- at the
20 McHenry (spelling uncertain) in Raleigh, they're
21 adding -- they're digging up stuff and adding more
22 pipes to service more customers without adding
23 capacity, which I think is just going to make
24 everything worse. And -- and like I said, and like

1 other people said, you know, no sewer, it's just
2 water. And I think it's just outrageous the -- the
3 price that we're paying for the really, really
4 terrible service and the -- the water quality.

5 So I encourage the Commission to look at --
6 look at the price and also like evaluate the water
7 quality because it's really bad.

8 COMMISSIONER CLODFELTER: Questions for Mr.
9 Harman?

10 MR. FREEMAN: No questions.

11 COMMISSIONER CLODFELTER: Commissioners?
12 Commissioner Brown-Bland.

13 EXAMINATION BY COMMISSIONER BROWN-BLAND:

14 Q Mr. Harman, remind me, how old is The Farms
15 subdivision?

16 A I don't know how old it is, but our house is
17 probably about five years old and we've lived here
18 about three years.

19 Q And the story about turning on the faucets
20 and there being no water, how often does that happen?

21 A That's happened probably at least a half a
22 dozen times.

23 Q In a year?

24 A Probably not in a year, like probably since

1 we've lived there.

2 Q In five years?

3 A Yeah. It was -- it was happening pretty
4 regularly for a while there, and it's just
5 inexplicable that no water comes out of the faucet
6 when you turn it on.

7 Q How recently has it happened?

8 A Probably maybe once in the last year.

9 Q And who have you told about it?

10 A Well, I haven't called about that specific
11 issue, but it's -- but whenever I call them, you know,
12 you get to talk to somebody in the billing office and
13 they don't give a hoot. They don't have -- you know,
14 they have no power to do anything about it so, you
15 know, who do you talk to? Who knows? Nobody knows.

16 Q How often do you need to call customer
17 service?

18 A I've probably -- probably three or four
19 times.

20 Q And did you always get a live person to
21 speak to?

22 A Yeah. I've -- I've spoken to a live person,
23 yeah.

24 Q Have they been able to resolve your

1 issues --

2 A No.

3 Q -- when you called?

4 A No. They had somebody come out -- with the
5 high water bill they had somebody come out and look at
6 my meter. And they said, well, we will replace your
7 meter, but I don't think there's anything wrong with
8 it.

9 Q Did they replace the meter?

10 A No. They told me that my meter was a little
11 bit old, so it was probably under -- underreporting,
12 they said.

13 (Laughter.)

14 A So I'm like, well, I don't want to get a
15 higher one.

16 Q Because if you get a more modern meter, it's
17 supposedly more accurate?

18 A You got it. That's what the guy said.

19 Q All right. Thank you.

20 EXAMINATION BY COMMISSIONER CLODFELTER:

21 Q The bills you got, the high bills you got in
22 July and August of this year, how do they compare to
23 the previous years for July and August?

24 A Well, I've got it here. It goes back -- it

1 was like 100 and what, 150, and now it's 800.

2 Q From prior years?

3 A Yeah.

4 Q One fifty, and this year --

5 A Yeah. It shows it right here. You want it?
6 You can have this copy.

7 Q Well, that's your -- that's your personal
8 information. I just -- I trust that you're -- you're
9 under oath, so I'm going to take it under oath.

10 A All right. Sounds good.

11 Q Let me say to you, Mr. Harman, and everyone
12 else here, remember what I said at the beginning.
13 There are representatives of the Company here tonight,
14 so if you've had trouble getting answers to specific
15 situations that you've encountered, there are folks
16 here to talk to after we adjourn. That's why we're
17 having them. That's why they're here.

18 A Okay.

19 COMMISSIONER CLODFELTER: Anything further?

20 (No response.)

21 COMMISSIONER CLODFELTER: All right. Thank
22 you.

23 (Witness excused.)

24 COMMISSIONER CLODFELTER: Mr. Freeman?

1 MR. FREEMAN: It's Phil --

2 MR. LAVRICH: Lavrich.

3 MR. FREEMAN: We would call Mr. Lavrich.

4 COMMISSIONER CLODFELTER: Okay.

5 PHIL LAVRICH; Being first duly sworn,

6 testified as follows:

7 COMMISSIONER CLODFELTER: Please be seated.

8 And you may begin.

9 DIRECT STATEMENT:

10 Phil Lavrich. I'm at 105 Sunrise Circle in
11 Mooresville in The Harbour subdivision.

12 I'm not going to reinforce all the things
13 about water rates because I agree with that. I want
14 to talk about the story of me moving into the
15 neighborhood, and I've got a little background in the
16 water industry, so I know a little bit about, you
17 know, quality issues and stuff like that and what I
18 found when I moved in.

19 So the first thing is the water we get has a
20 lot of -- of sediment in it. I've got a sediment
21 filter. It's the first step in my water treatment
22 system in my house. And it goes from a white sediment
23 filter, it's a five micron sediment filter, to a black
24 sediment filter in one week. One week. And in three

1 months I replace it because the water pressure has
2 dropped significantly. I also have a water softening
3 system. I monitor my water, the hardness of my water
4 because you do not get that information from Carolina
5 Water. None of that's available to us, you know, in a
6 -- in a digestible form. I've got 11 grains per
7 gallon of water hardness which is hard. It's not
8 super hard, but it's -- it's hard. I do have a
9 softener system. That softener system does require
10 additional water to use, so I pay more for Carolina
11 Water when I use that thing.

12 The other thing I do is we have septic
13 systems. That water goes into our septic system, so I
14 pay -- it taxes my septic system. And when I talked
15 to my septic system servicer, he said, well, you know,
16 part -- softener systems aren't really great for
17 septic systems, but we don't have a choice. Either
18 that -- either that or I get the type of scale
19 problems that you saw pictures of.

20 So, you know, when I moved -- when I moved
21 in in 2016, that was my first, you know, indication we
22 have some issues going on here. I saw the rates we
23 were paying. I think it was \$6.70 or something like
24 that, which was on the high side. It was not

1 outrageous, but it was on the high side. And I know
2 what rates are around the country. You know, in Las
3 Vegas, about \$4.00 a gallon -- \$4.00 per 1,000
4 gallons. My son who lives in San Jose, California,
5 which is under -- always under water advisory, he's
6 paying less than we are today. So, you know, crazy.
7 We have Lake Norman right here. We have wells. Why
8 are we there -- why do we have such rates? I'm not
9 going into more of the cost increases, but when I saw
10 the -- my last bill, \$11.70 a thousand gallons, I'm
11 going what is going on here?

12 The final thing really to reinforce is
13 really lack of transparency. We know nothing about
14 what's going on with the water service. Frankly,
15 starting this process and talking to some of the
16 neighbors, having water actually coming in from the
17 Town of Mooresville rather than the -- rather than the
18 wells that are around us, that's all news to me. You
19 talk about investment plans. Where are they? You
20 know, if you want -- if there's a realistic investment
21 plan here, share it with the customers. We have -- we
22 have aging infrastructure. We did have a -- a water
23 main in front of our house that developed a leak. And
24 my -- my yard was having -- had to be dug up. It

1 turned out to be, you know, a saddle valve from a
2 neighbor that had repaired. They actually damaged my
3 irrigation system that I didn't find out until they --
4 until I had to go and run my irrigation system the
5 next summer, and I had to go repair these things. And
6 when I called customer service about it, they -- they,
7 you know, gave me the run around on this thing. Not a
8 huge issue, but, you know, something we have to deal
9 with.

10 The final thing is really about the cost.
11 You know, I'm one of the people that basically, you
12 know, I'm very aware of my water usage. I've got
13 devices that actually monitor my usage now. I turned
14 off irrigation this summer. I couldn't -- I'm not
15 going to pay -- you know, when I do irrigate, this is
16 my highest priced utility. You know, utilities down
17 in North Carolina, you know, electricity is pretty
18 fair, gas is pretty fair. The water, we're crazy
19 here. So that's a -- you know, I don't want to go
20 more into the rates, you've heard about that, but the
21 -- the quality issues are -- are, you know, you have
22 to pay a lot to mitigate the quality issues. We don't
23 have any sewer service here, so we we're talking water
24 only. And we pay a separate charge to maintain our

1 septic systems. We get them inspected every six
2 months. We have to pump them out every seven years.
3 And part of the -- and that's not on Carolina Water.

4 COMMISSIONER CLODFELTER: Thank you, sir.
5 Any questions? Company? Yes.

6 MS. PASHOS: Just briefly, I'm sorry.

7 EXAMINATION BY MS. PASHOS:

8 Q I missed what subdivision you're in?

9 A I'm in The Harbour.

10 MS. PASHOS: Thank you.

11 COMMISSIONER CLODFELTER: Mr. Freeman, any
12 questions? Questions from Commissioners? Any
13 questions?

14 (No response.)

15 COMMISSIONER CLODFELTER: Okay. You're
16 fine. Thank you, sir. Appreciate it.

17 (Witness excused.)

18 COMMISSIONER CLODFELTER: Mr. Freeman?

19 MR. FREEMAN: Phil Morris.

20 PHIL MORRIS; Being first duly sworn,

21 testified as follows:

22 DIRECT STATEMENT:

23 My name is Phil Morris. I live at 107 White
24 Crest Court in Mooresville, and that's in The Point

1 neighborhood. Thanks for the chance to talk with you
2 folks tonight.

3 And I agree with everything everybody's said
4 here tonight. I don't really want to talk about water
5 quality, but I want -- I think it can't be important
6 enough for the Commission to understand the decreasing
7 role that Carolina Water plays in the water rationing
8 we're seeing. They talked about the water pipes that
9 are being sold right now. We used to have between 28
10 to 30 wells. It's been published they're doing away
11 with 20 wells. They're importing more water from
12 Mooresville that's already potable. So if you think
13 of the water they're supplying to our neighborhoods,
14 The Point, The Harbour, The Farms, that -- that
15 they're playing less and less of a role of the water
16 that's being sent to our house. They're collecting
17 that water, redistributing it out to our
18 neighborhoods, and they're buying it at a bulk rate of
19 I think it was \$3.50 and charging us \$14.00. They're
20 becoming a water broker.

21 So what is the cost when they're getting a
22 lot of the water from Mooresville and they're only
23 maintaining a couple wells now? So all that cost has
24 gone down. They're charging us \$11 more, soon to be

1 \$12 more per gallon for doing what? For collecting
2 water from Mooresville and just redistributing it to
3 us? So I do think, like Jim said, a lot of the cost
4 of that increase is going to subsidize all these other
5 investments they're making all over North Carolina.
6 So I would just ask the Commission, ask Carolina Water
7 if their cost of operations are decreasing and they're
8 depending on water coming in from Mooresville that's
9 already potable, what is the basis for all of those
10 increases for our neighborhoods where we don't have
11 sewer, we don't have potable water. It just -- them
12 becoming a broker, I understand they may have some
13 costs to redistribute that, but it can't be \$11 a
14 gallon. So that's all I've got to say.

15 COMMISSIONER CLODFELTER: Questions for Mr.
16 Morris? Commissioners?

17 (No response.)

18 COMMISSIONER CLODFELTER: Just a second, Mr.
19 Morris.

20 EXAMINATION BY COMMISSIONER CLODFELTER:

21 Q I'm sure this is somewhere else in the
22 papers and I'll read it eventually, but I'll ask you
23 since you're here tonight. You're right -- right
24 here. Have you been told what the schedule is for the

1 Mooresville water supply being --

2 A No. That information is not -- I only
3 learned a couple of days ago that the pipes -- if you
4 drive in Brawley School Road, you can see the pipes
5 being --

6 Q They're under construction --

7 A Yes.

8 Q Thank you.

9 A Which there's been no information about
10 that. I do know in 2017, 2018 when they had the
11 meeting, they were talking about the aging of the
12 wells. They were transitioning some of those over.
13 They were buying a small amount of water from
14 Mooresville, but I can't give you the quantity. But
15 they had a schedule to buy more and more, and now
16 they're actually putting in a 12-inch main to buy a
17 lot more water from Mooresville. And they're shutting
18 down all of the wells, which to me as a business
19 person takes a lot of your cost out when you're buying
20 something a lot cheaper.

21 Q Thank you, sir. Appreciate it.

22 (Witness excused.)

23 MR. FREEMAN: Commissioner, we call Ms.

24 Seymour.

1 ANNE SEYMOUR; Being first duly sworn,
2 testified as follows:

3 DIRECT STATEMENT:

4 Sorry. Anne Seymour, 113 Chesterwood Court,
5 Mooresville, North Carolina 28117. I live in The
6 Point as well. I actually started out living in The
7 Harbour back in 2003 and moved into The Point in 2011.

8 Since we moved in in 2003, I've lived all
9 over the country, including El Salvador, which is not
10 in the country, but the water quality has always been
11 so poor that we have been buying Crystal Springs, big
12 jugs the entire time we moved down here. We don't
13 cook with any of the water that we have, any of our
14 pasta, rice, anything. We use bottled water.

15 And I know other people have said that as
16 well, but I think it's important that you guys
17 understand the extent of the water quality. I know
18 Carolina Water Service only came into the picture in
19 2014, I believe, but the quality even since then has
20 gone down.

21 I clean my house, I have to use a pumice
22 stone on my toilets every two weeks to keep the ring
23 out, even though I clean my toilets every week. I'm a
24 clean freak, but -- but the scale, the scale that

1 builds up on it, you literally have to use a pumice
2 stone to get, you know what I'm talking about -- yeah.
3 And I think, you know, the -- the fact that we have so
4 much sediment in it, that sometimes you'll fill up the
5 bathtub. When my son was little, he's 17 now, so he
6 doesn't take many baths, but a lot of times it would
7 be almost an orangish color so I wouldn't even do a
8 bath. And I can -- you can look back on our
9 homeowners association Facebook page and you can see
10 back to 2014, all the way through, people just talking
11 about the quality of the water, the homeowners
12 association having gone to Carolina Water Service and
13 -- or at least we were informed that they were.

14 I think it's really important that as this
15 progresses that we do look at the water quality and
16 understand where that sediment is coming from. With
17 the number of cancer cases that have happened around
18 the lake, who knows what we're ingesting, which is why
19 I cook everything with bottled water.

20 We've been -- it was recommended to us that
21 we install a whole-house filtration system which has
22 been mentioned. Nobody mentioned the cost of that,
23 which is almost \$10,000. So I don't know about you,
24 but I don't have \$10,000 laying around to just put in

1 a water filter when I'm paying for water. I shouldn't
2 have to put in a \$10,000 system for my house. So
3 thank you.

4 COMMISSIONER CLODFELTER: Thank you, Ms.
5 Seymour. Questions?

6 COURT REPORTER: How do you spell your name?

7 MS. SEYMOUR: Anne, A-N-N-E, Seymour,
8 S-E-Y-M-O-U-R.

9 COMMISSIONER CLODFELTER: Questions from the
10 Commissioners?

11 (No response.)

12 COMMISSIONER CLODFELTER: Ms. Seymour, thank
13 you for coming. We appreciate it.

14 (Witness excused.)

15 MR. FREEMAN: Commissioner, we have reached
16 the end of our sign-in, sign-up sheets.

17 COMMISSIONER CLODFELTER: All right. Let me
18 ask if there's anyone who hasn't yet signed up who
19 intended to sign up? Folks, again, we encourage you.
20 If you want to to provide additional information to
21 us, we are open for the written statements and we'll
22 take -- take this witness.

23 MR. FREEMAN: Is there anyone else? Mr.
24 Miller is going to be our last witness, Commissioner.

1 COMMISSIONER CLODFELTER: All right.

2 MICHAEL MILLER; Being first duly sworn,

3 testified as follows:

4 COMMISSIONER CLODFELTER: State your name,
5 your address, and which subdivision you're from.

6 THE WITNESS: My name is Michael Miller.

7 I'm sorry, I'm not a public speaker, but my name is
8 Michael Miller. I live at 105 Hunter Spring Lane,
9 Mooresville, and I live in The Harbour.

10 COMMISSIONER CLODFELTER: Great. Go ahead,
11 sir.

12 DIRECT STATEMENT:

13 I want to begin by saying I agree with all
14 my fellow neighbors, everything from the Point, The
15 Farms, and I guess everyone in our community.

16 The one thing I guess that's really kind of
17 echoing to me that I haven't heard touched on today
18 was the financials. I work as an IT expert with a
19 deep understanding of financial analytics. And I
20 understand current risk-free rates are about four-and-
21 a-half-percent, so if Carolina Water is really
22 grasping at 10 percent returns, it's really
23 exorbitant, number one, especially in this crucial
24 time.

1 Water is not a luxury item. It's a
2 necessity. We need it. You guys are not Blockbuster
3 or Netflix or something you can just turn off or turn
4 away from. We need it, and we need quality water and
5 you providing that to us at a reasonable rate. I
6 think that's kind of -- should be like a mutual
7 fiduciary between us. We should be able to get good,
8 quality water at a reasonable rate.

9 This is actually very -- kind of became a
10 little bit upsetting for me today because hearing some
11 of the rates in some of the other townships, what's
12 going on in Sanford and other things, wow, are you
13 guys gauging. And that's just my opinion about it.
14 And if Carolina Water accepts this as a whole, if this
15 is what's going on, that is terrible mismanagement.

16 I have managed many projects, many multi-
17 million dollar projects, too, with large resources.
18 When we fail, we are under the gun and we will be
19 kicked aside or alleviated. We can't just go, hey,
20 just keep giving us an open checkbook. If Carolina
21 Water -- you know, I was reading, it was kind of
22 ironic, on my phone a little bit more about the
23 Company, and it says our expertise and operations in
24 water. And I was just thinking, expertise? The rates

1 are going up and up and up. And I couldn't find any
2 information about the compensation for the executives.
3 What is the compensation for the people who are
4 working in management at Carolina Water, as well as
5 even the upper management as well? Is it a private
6 equity held company or is it totally a publicly held
7 company where these numbers are available? What is
8 the compensation of the executives doing this?

9 And of the upper management at Carolina
10 Water, what are they doing if they're seeing that
11 we're being kicked with such high spikes and
12 increases? Will only managers or upper managements
13 and CEOs, will they be coming and say, hey,
14 something's out of line here? This -- Mooresville is
15 an outlier. They're not typical to what we're seeing.
16 What's going on with the managers there? Do we need
17 to replace the management team that's operating
18 Mooresville because they're failing? They're clearly
19 not showing expertise, in my opinion.

20 What are they doing and what -- I would love
21 to know, what is their plan going forward because if
22 they've been able to successfully give water to other
23 townships at reasonable rates, why is this Mooresville
24 area, The Point, The Farms, The Harbour, why are we

1 getting killed with these water rates and why isn't it
2 at the upper management? Why aren't decisions being
3 made to stop and say, hey, what's going wrong? Who's
4 accountable? You guys just don't have an open
5 checkbook to just keep extending, oh, we're not doing
6 this right, let's just keep charging along. There's
7 got to be some accountability, and I do not see that,
8 and I do not see transparency from what I'm seeing as
9 far as the disclosures from Carolina Water.

10 So as a consumer, as a customer who relies
11 on you for just daily water just to provide for my
12 family. I have some irrigation, not a lot at my
13 house, but I don't turn it on because, honestly, I
14 can't afford to spend 5, \$600 a month for irrigation.
15 I make a healthy living, but just -- that's really
16 insane or just even to put, you know, clean water for
17 my home for bathing and other things. Just we deserve
18 a fair shake and we're tired of being hustled. So stop
19 hustling us. Disclose to us who's getting
20 compensated. And if it's not within the cards of
21 who's getting compensated, what steps at least
22 proactively has Carolina Water's management upper tier
23 done to look at the lower management and say what are
24 you doing wrong? Why are you not succeeding here?

1 What is your failure? And stop making it my
2 obligation to pay for those accountings. That's it.

3 COMMISSIONER CLODFELTER: Thank you, sir.

4 THE WITNESS: Thank you.

5 COMMISSIONER CLODFELTER: Questions for Mr.

6 Miller? Hold on, stay for -- hold on, Mr. Miller.

7 Hold just one second. Are there questions for Mr.

8 Miller?

9 MS. PASHOS: No, sir.

10 COMMISSIONER CLODFELTER: Okay. You can go,

11 sir. I'm sorry. Sorry to bring you back, but we

12 needed to be sure. All right.

13 (Witness excused.)

14 MR. FREEMAN: We've reached the end of our

15 list, and I think we asked and didn't get any takers,

16 Commissioner, so the Public Staff has no more

17 witnesses to call.

18 COMMISSIONER CLODFELTER: Thank you very

19 much for coming out tonight. I know most of you,

20 sounds like, go east a half an hour or more, depending

21 on what the traffic is right now. So I wish you safe

22 travels going back. Remember again that there will

23 representatives of the Public Staff who can answer

24 some of your questions. Some of your questions about

1 finances, for example, they can show you where to get
2 that information out of the application. Questions
3 about the quality issues, for example, the Company is
4 here and can talk to you about that. So if you don't
5 need to race off, hang around, resources are here for
6 you.

7 Thank you very much, and with that, we are
8 adjourned for the evening.

9 (The hearing was adjourned at 8:31 p.m.)

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STATE OF NORTH CAROLINA

COUNTY OF RUTHERFORD

C E R T I F I C A T E

I, Julie B. Surles, Notary Public/Court Reporter, do hereby certify that the foregoing hearing before the North Carolina Utilities Commission in Docket No. W-354, Sub 400 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 3rd day of November, 2022.

Julie B. Surles _____

Julie B. Surles

Notary Public No. 201803900138