

1 PLACE: Via Videoconference
2 DATE: November 1, 2021
3 DOCKET NO.: W-354, Sub 384
4 TIME IN SESSION: 6:30 P.M. TO 7:48 P.M.
5 BEFORE: Commissioner ToNola D. Brown-Bland, Presiding
6 Commissioner Daniel G. Clodfelter
7 Commissioner Kimberly W. Duffley
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 2
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1 A P P E A R A N C E S:
2 FOR CAROLINA WATER SERVICE, INC. OF
3 NORTH CAROLINA:
4 Jo Anne Sanford, Esq.
5 Sanford Law Office
6 P.O. Box 28085
7 Raleigh, North Carolina 27611-8085
8
9 Kay E. Pashos, Esq.
10 Mark R. Alson, Esq.
11 Ice Miller LLP
12 One American Square, Suite 2900
13 Indianapolis, Indiana 46282-0200
14
15 FOR THE USING AND CONSUMING PUBLIC:
16 John D. Little, Esq.
17 William E. Grantmyre, Esq.
18 Munasha Magarira, Esq.
19 Public Staff - North Carolina Utilities
20 4326 Mail Service Center
21 Raleigh, North Carolina 27699-4300
22
23
24

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

2 COMMISSIONER BROWN-BLAND: All right. Good
3 evening. Let us come to order and go on the record. I
4 am ToNola D. Brown-Bland, the Presiding Commissioner with
5 the North Carolina Utilities Commission who will be
6 presiding over this proceeding tonight. Joining me by
7 remote means over Webex are Commissioners Daniel G.
8 Clodfelter and Kimberly W. Duffley.

9 This public hearing began earlier this
10 afternoon, and this is the second session of the public
11 hearing. We now resume the public hearing in Docket
12 Number W-354, Sub 384, in the Matter of the Application
13 of Carolina Water Service, Inc. of North Carolina, CWSNC,
14 for an Adjustment of Rates, Charges, and Tariffs
15 Applicable to Service in North Carolina.

16 Before we proceed further, and is required by
17 the State Government Ethics Act, I remind members of the
18 Commission of our duty to avoid conflicts of interest and
19 inquire at this time as to whether any Commissioner has
20 any known conflict of interest with respect to this
21 docket?

22 (No response.)

23 COMMISSIONER BROWN-BLAND: The record will
24 reflect that no conflicts were identified.

1 On July 2nd, 2021, CWSNC filed an application
2 with the Commission seeking authority to increase its
3 rates for providing water and sewer utility service in
4 all of its service areas in North Carolina.

5 The intervention and participation of the
6 Public Staff in this rate case proceeding is recognized
7 pursuant to North Carolina General Statute and Commission
8 rules. The Public Staff is the consumer advocate and
9 represents the Using and Consuming Public, that is, the
10 Company's customers. During the course of this rate case
11 the Public Staff will conduct an extensive audit of the
12 data underlying the Company's request and will make its
13 own independent recommendations to the Commission
14 regarding the Company's request to increase its rates.

15 On October the 8th, 2021, the Commission issued
16 an Order Scheduling Investigation and Hearings,
17 Establishing Intervention and Testimony Due Dates, and
18 Discovery Guidelines, and Requiring Public Notice. The
19 Order scheduled two public witness hearings to be held by
20 remote means on this date and an expert witness hearing
21 to begin on December 7th, 2021.

22 That brings us to this evening. The purpose of
23 this evening's hearing is to hear from the Company's
24 customers regarding customer concerns about the Company's

1 request in this case or about -- or and/or about the
2 quality of service that CWSNC provides.

3 Before going further, I will discuss a little
4 about the procedures for this hearing, and I urge you to
5 listen carefully so that testifying witnesses can abide
6 by these procedures.

7 First, public witnesses will be appearing by
8 audio connection only. Commissioners and attorneys will
9 be appearing by video and audio connection. Any public
10 witnesses who wish to view a live video of the proceeding
11 may access it by computer using YouTube which is linked
12 from the Commission's home page at www.ncuc.net.
13 However, to avoid feedback, be sure to mute your computer
14 when you are called on to -- and unmute it to testify.
15 This hearing is being transcribed by a court reporter,
16 and so it is important that we do all we can to limit any
17 interference with her ability to hear me and those who
18 testify, so unless you are providing testimony, you will
19 be muted by our Webex administrator.

20 Public witnesses will be called on to testify
21 in the order that you have called in, and when it is your
22 turn to speak, you will be unmuted by our Webex
23 administrator. You will hear two beeps on your phone
24 line indicating that you have been unmuted. At that time

1 I will ask the witness to state his or her name. To
2 assure that this hearing runs as efficiently as possible,
3 please pay close attention during the course of the
4 hearing and be ready to respond as soon as you hear the
5 beep -- beeps unmuting your phone line.

6 Once a witness gives his or her name, I will
7 ask that you affirm the testimony you give will be the
8 truth, and once the witness has given that affirmation,
9 the attorney for the Public Staff will ask the witness
10 identifying information for the record and indicate when
11 the witness may proceed to testify.

12 Our hearing this evening ends no later than
13 10:30 tonight, or earlier if we have heard from all
14 witnesses before then. Each witness will have two
15 minutes to testify, given the number of witnesses that
16 have registered. Counsel for the parties and the
17 Commissioners may ask questions of the witnesses. These
18 questions will be to clarify and be sure we have
19 understood the testimony offered. The questions are not
20 being asked to embarrass or argue with you.

21 And finally, please be aware that CWSNC, after
22 the close of this session of the public hearing, will
23 respond in writing by making a filing with the Commission
24 responding to the matters that we hear from the witnesses

1 tonight.

2 One other thing, given the number that we do
3 have, should the witnesses become satisfied or begin to
4 hear that witnesses preceding you have given the
5 testimony that you wish to give, you do not have to go
6 forward, but you certainly are welcome to bring out
7 different points or to indicate that you agree. After
8 you've been give the oath of affirmation, just indicate
9 that you agree with a particular witness or parts of
10 witness statements. In other words, repetition, while
11 we're willing and welcome to -- you're welcome to give it
12 and we're willing to hear it, it does not necessarily
13 change matters or improve things. We will hear it the
14 first time. And so you -- if you adopt another witness'
15 testimony, that may save you some time so that all of
16 your fellow customers will have an opportunity to provide
17 testimony.

18 And so with that, I'll call on the parties to
19 announce their appearances for the record, and I will
20 start with the Applicant, CWSNC.

21 MR. ALSON: Thank you, Commissioner. My name
22 is Mark Alson with the law firm of Ice Miller,
23 representing the Applicant Carolina Water Service, Inc.
24 of North Carolina. I'm joined this evening by my

1 colleague Kay Pashos, as well as Jo Anne Sanford, also
2 representing the Applicant. We are also joined tonight
3 by Company representatives, including Don Denton, the
4 President of Carolina Water Service, as well as other
5 Company representatives, including Phil Drennan and Dana
6 Hill. Company representatives are here not just to
7 listen to the comments of the public, but also to be able
8 to potentially address those voiced concerns of the
9 customers, if that is amenable to the customers and/or
10 the Commission. And with that, we look forward to the
11 testimony. Thank you.

12 COMMISSIONER BROWN-BLAND: Thank you, Mr.
13 Alson. And the Public Staff?

14 MR. LITTLE: Yes, Chair Brown-Bland. John
15 Little, staff attorney with the Public Staff. Also
16 appearing today is Munasha Magarira, also a staff
17 attorney, and Lindsay Darden, engineer with the Public
18 Staff - Water Division.

19 COMMISSIONER BROWN-BLAND: All right. Thank
20 you, Mr. Little. I'm just getting that down. Now,
21 before we begin, are there any preliminary matters, and
22 does the Company wish to make any opening statement to
23 its customers for the record?

24 MR. ALSON: I do not believe so, Commissioner.

1 Thank you.

2 COMMISSIONER BROWN-BLAND: All right. Well,
3 with that, Mr. McCoy, will you go forward and unmute the
4 first witness?

5 MR. HARRIS: Hello?

6 COMMISSIONER BROWN-BLAND: Hello. Please state
7 your name for the record.

8 MR. HARRIS: Hello. My name is Robert Harris,
9 and I'm representing the Elk River Property Owners
10 Association in Banner Elk, North Carolina.

11 COMMISSIONER BROWN-BLAND: All right. Mr.
12 Little, I believe, will have some questions for you.
13 Oh, excuse me. Excuse me, Mr. Little. I forgot.

14 ROBERT HARRIS; Being first duly affirmed,
15 Testified as follows:

16 COMMISSIONER BROWN-BLAND: All right. Now Mr.
17 Little.

18 DIRECT EXAMINATION BY MR. LITTLE:

19 Q Mr. Harris, you are representing a homeowners
20 association?

21 A Yes. It's a property owners association.

22 Q And give us a -- are you a member or a
23 resident?

24 A Yes. I am a resident and a member.

1 Q And are you -- at what address --

2 A My --

3 Q -- or --

4 A My personal address is 78 Summit Park Drive,
5 Banner Elk, North Carolina, 28604.

6 Q And is the property owners association, are you
7 a customer of Carolina Water Service?

8 A Yes. We represent close to 290 property
9 owners, as well as a clubhouse and various facilities of
10 the clubhouse, such as a -- the potable water golf
11 course, for the dog park, for our equestrian center, our
12 tennis center.

13 Q Is this all one subdivision or development or
14 is it multiple developments?

15 A It's all one.

16 Q All one. And what would you like to tell the
17 Commission tonight, sir?

18 A While I realize this is a rate hearing, and
19 ordinarily we wouldn't even be asking to testify, but
20 we're really talking about service tonight.

21 In the past six months we've had six breaks.
22 And as we stated in our letter, while they're quickly
23 fixed, "quickly" is a relative term. Sometimes it's up
24 to six to eight hours that our homeowners are without

1 water. Additionally, what has to happen is once it's --
2 because we draw from wells on property, they have to
3 refill the main tanks before we have any pressure. So
4 what's happening is our members are getting very
5 irritated. We've had members come to us to ask
6 permission to drill their own wells, have their own wells
7 drilled because it's becoming an issue.

8 Secondly, we have a problem with -- we've been
9 told we need a new well, which Carolina Water is supposed
10 to be putting in. The site is available, but it's been
11 over a year, just over a year since that -- we were told,
12 and there's been no action on that.

13 We also had a pump go out, and we've been told
14 there's a second pump that needs to be replaced. Well, I
15 look at this and say when you're running a regulated
16 monopoly, it's a beautiful situation, but you should also
17 be able to have the parts available to service us.

18 And when these water breaks occur, and many of
19 them are occurring in the same area on a particular
20 street, and it seems like there would be something done.
21 We had one just a few weeks ago, the 22nd of October,
22 which caused quite a bit of problems. And they tear up
23 the roads --

24 (Timer beeps.)

1 THE WITNESS: Is that my two minutes?

2 COMMISSIONER BROWN-BLAND: That's just -- you
3 have 15 seconds left, but --

4 THE WITNESS: Okay.

5 COMMISSIONER BROWN-BLAND: -- but I would --

6 THE WITNESS: Yeah.

7 COMMISSIONER BROWN-BLAND: -- I will give you
8 some leeway to continue since you're on behalf of the
9 property owners association.

10 A Well, I mean the issue of the pump that's --
11 I'm going to use the word "on the fritz" -- not being
12 replaced immediately is just not right because that pump
13 is the one that fills an area where the biggest tank gets
14 drained the most, but that and the well. We don't
15 actually object to the rate increase if we were getting
16 service, but that's the real problem, we're not getting
17 the service. I'm through, Commissioner.

18 COMMISSIONER BROWN-BLAND: Thank you. Mr.
19 Little, do you have any further questions?

20 MR. LITTLE: Yeah.

21 BY MR. LITTLE:

22 Q Mr. Harris, you said that the -- Carolina was
23 -- has fixed the breaks. Have you had any conversations
24 about any long-term plans for -- with the Company about

1 why their -- why your mains are breaking and what's being
2 done?

3 A No. And I'm here with our general manager of
4 the property owners association. And, you know, this is
5 a -- you know, it's an ongoing issue of getting the lines
6 fixed, determining -- there's one street in particular,
7 but unfortunately it drains everything above it. When it
8 breaks, it drains all of our water -- and I happen to be
9 in that area where that tank is -- that drains it
10 completely. So, I mean, there's a -- I don't know the
11 exact size of those tanks, but I'm guessing they're,
12 what, 10,000 -- 100,000-gallon tanks. There's 100,000
13 gallons of water gone.

14 Q Aside from reporting the breaks, have you tried
15 to talk to the Company about long-term solutions?

16 A Yes. Not me personally. Our general manager,
17 who is here with me, has conversations. As I say, this
18 well has been in discussion for over a year, but there's
19 no action. The problem is the 4th of July we have
20 approximately -- I think it's 800 to 900 residents and
21 families here, and they have to write and tell us every
22 year that they can't keep the pressure up so that we have
23 to, you know, limit the use of water and be very -- you
24 know, not that anybody is here wasting water, but the

1 reality is, is that, you know, this is a very -- you
2 know, it's an expensive subdivision, I'd call it, the
3 club, and it's kind of embarrassing when you have house
4 guests and you have to tell them, you know, well, we
5 can't take showers today.

6 Q Thank you, Mr. Harris.

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

8 COMMISSIONER BROWN-BLAND: All right. Mr.

9 Alson, do you have questions?

10 MR. ALSON: No questions. Thank you.

11 COMMISSIONER BROWN-BLAND: Questions from the
12 Commissioners?

13 (No response.)

14 COMMISSIONER BROWN-BLAND: Mr. Harris --

15 THE WITNESS: Okay.

16 COMMISSIONER BROWN-BLAND: -- thank you for
17 your testimony, and you are excused.

18 THE WITNESS: Thank you very much for
19 representing the public.

20 COMMISSIONER BROWN-BLAND: Thank you.

21 (Witness excused.)

22 COMMISSIONER BROWN-BLAND: All right.

23 MS. SMITH: Yes. This is Audrey Smith.

1 COMMISSIONER BROWN-BLAND: Smith? Audrey
2 Smith?

3 MS. SMITH: Yes. Yes, ma'am.

4 AUDREY SMITH; Having first been duly affirmed,
5 Testified as follows:

6 COMMISSIONER BROWN-BLAND: All right. Mr.
7 Little has some questions for you.

8 DIRECT EXAMINATION BY MR. LITTLE:

9 Q Ms. Smith, tell us your address and whether
10 you're a Carolina Water Service customer, whether you've
11 got water and sewer or just water.

12 A Okay. My address is 12312 Danby Road, and
13 that's in Pineville, and it's in the Danby subdivision.
14 And I do have both sewage and water with Carolina Water
15 Service.

16 Q And what would you like to tell the Commission
17 tonight?

18 A Well, first of all, thank you for even allowing
19 us to talk. If nothing else, the pandemic has allowed us
20 that cannot get to Raleigh to say anything at these
21 meetings to be able to say something now.

22 I am 76 years old. I live on Social Security
23 and a part-time job. My water bill every year, in the
24 last 20 years I've been here in Danby, has gone up. It's

1 kind of like a rubber stamp for Carolina Water because we
2 can't testify, so I do want to thank you for that. I did
3 contact Charlotte Water in the City of Charlotte, but
4 they cannot infringe on a private water company, so we
5 have no choice but to have Carolina Water Service.

6 They -- I buy bottled water to drink and to
7 cook with. I wash all my clothes in cold water so that
8 can combine loads. I've done everything to keep my water
9 bill as low as I can. And my water bill in a 1,300
10 square foot home for one person is \$115 average a month.
11 I don't think that this is the time that we need to
12 rubber stamp an increase for Carolina Water. We can't go
13 back and get the money that we've already paid. But I do
14 think that this year, at least, they should be denied
15 their increase. They have done no improvements in the 20
16 years I've been here in Danby subdivision to any of the
17 water lines until they break. And that's basically all I
18 need to say.

19 Q Ms. Smith, I heard you say that you buy bottled
20 water to drink and cook in. Why do you buy --

21 A Yes. I --

22 Q -- bottled water?

23 A I do that for two reasons. One, the water does
24 not taste very well here. I do have a water softener

1 that I installed back 12 years ago. But I use that for
2 cooking and for drinking, and still my average water
3 bill, you know, is \$110 or \$115. I've had both of my
4 toilets changed out to conserve water. And it just -- it
5 just keeps going up and up and up.

6 Q And you said the water doesn't taste very good.
7 Have you had any -- have you reached out to Carolina
8 Water Service about the taste of your water?

9 A To be honest, no, I have not. I get the little
10 brochures that they send out every year that says they
11 test it and there's nothing in it that's going to hurt
12 me, so I guess that's the thing that concerns me most,
13 you know, if it's not going to hurt -- if they tell me
14 it's not going to hurt me, then I'm okay and I just won't
15 drink the water. Now, I'll bathe in it and do my
16 laundry, but I'm not going to drink it.

17 Q Thank you, Ms. Smith.

18 MR. LITTLE: That's all I have.

19 COMMISSIONER BROWN-BLAND: Any questions from
20 the Company?

21 MR. ALSON: No questions. Thank you.

22 COMMISSIONER BROWN-BLAND: Questions from the
23 Commissioners?

24 (No response.)

1 EXAMINATION BY COMMISSIONER BROWN-BLAND:

2 Q Ms. Smith, would it be fair to say that -- or a
3 fair characterization that you don't have a quarrel with
4 the service quality, but you wanted us to hear that you
5 would like us to deny the rate increase?

6 A Well, the only service that I've ever had is
7 when the water pipe on the other side of my meter broke.
8 It just took them, you know, about two weeks to fix it,
9 which was water going down the drain. But to be honest
10 with you, I've never really called them in the past. It
11 seems like it was kind of futile to do that because
12 they're going to do whatever they want to do when they
13 want to do it. I do find it interesting that the
14 representative for Carolina Water Service, in the hearing
15 I watched today at 1:30 and so far tonight, doesn't seem
16 to have any questions for us consumers. I think that
17 speaks volumes. Thank you.

18 COMMISSIONER BROWN-BLAND: All right. Thank
19 you, Ms. Smith, and you may be excused.

20 THE WITNESS: Thank you.

21 (Witness excused.)

22 COMMISSIONER BROWN-BLAND: All right. Do we
23 have our next witness?

1 MS. PHAM: Hi. Yes. My name is Aubrey
2 (inaudible).

3 COMMISSIONER BROWN-BLAND: Could you repeat
4 your name, please?

5 MS. PHAM: Yes. It's Aubrey Pham.

6 COMMISSIONER BROWN-BLAND: All right.

7 AUBREY PHAM; Having first been duly affirmed,
8 Testified as follows:

9 COMMISSIONER BROWN-BLAND: All right. Mr.
10 Little?

11 DIRECT EXAMINATION BY MR. LITTLE:

12 Q Ms. Pham, what -- give us your address and
13 whether you are a Carolina Water Service customer with
14 water and sewer or just water.

15 A All right. My address is 12301 Woodside Falls
16 Road, and that's in Pineville, North Carolina, 28134, and
17 we are water and sewage.

18 Q And what would you like to tell the Commission
19 tonight?

20 A I really just wanted to share my voice and
21 just, you know, share some concerns. We actually lived a
22 couple miles down the road in Ballantyne and, you know,
23 our Charlotte -- we were with Charlotte Water, and our
24 bill each month was approximately \$40 a month. We moved

1 here into Woodside Falls neighborhood in Pineville in
2 2017, and our water bill started at \$100, and now this
3 past month it's \$145. And, you know, we're not excessive
4 in our water usage, so I just -- I think that's pretty
5 expensive.

6 And I'm just trying to figure out, you know,
7 how this is sustainable. We moved into this home to
8 raise our family and for it to be our forever home. And
9 I would just like some transparency and why the increases
10 keep happening. So I guess that's my ask, is why -- why
11 we keep getting these increases and how long this is
12 going to keep going on. And that's really it.

13 COMMISSIONER BROWN-BLAND: Mr. Little, do you
14 have any follow up?

15 MR. LITTLE: No follow-up questions, Your
16 Honor.

17 COMMISSIONER BROWN-BLAND: Any questions from
18 the Company?

19 MR. ALSON: No questions. Thank you.

20 COMMISSIONER BROWN-BLAND: Questions from
21 Commissioners?

22 (No response.)

23 COMMISSIONER BROWN-BLAND: All right. Ms.
24 Pham, thank you for coming out tonight, and we encourage

1 you to continue to follow this proceeding at our website,
2 using the docket number for this case.

3 THE WITNESS: Thank you so much.

4 COMMISSIONER BROWN-BLAND: You may be excused.

5 (Witness excused.)

6 COMMISSIONER BROWN-BLAND: The next witness?

7 MS. DAVEY: Hey. Yes. This is Renee Davey.

8 COMMISSIONER BROWN-BLAND: All right.

9 RENEE DAVEY; Having first been duly affirmed,
10 Testified as follows:

11 COMMISSIONER BROWN-BLAND: All right. Mr.
12 Little?

13 DIRECT EXAMINATION BY MR. LITTLE:

14 Q Ms. Davey, would you give us your address and
15 whether you're a Carolina Water customer?

16 A Address is 12316 Delcorte Lane, Pineville, and
17 it's in the Danby subdivision, and we're water and sewer.

18 Q What would you like to tell the Commission
19 tonight?

20 A Okay. Currently, my family of three pays
21 \$87.83 a month just to be allowed the access to water.
22 If this rate increase is approved, that fee for access
23 jumps to \$95.09. How is this affordable? Danby and the
24 surrounding area is filled with low-income and fixed-

1 income residents. We have no choice on who provides us
2 our water access, and water should never be a monopoly.

3 We have lived here for over 18 years. We never
4 drink the water due to the horrible taste and the debris
5 that's often visible in the water, so every week we
6 purchase three jugs of 2.5 gallons of water. We've had
7 to replace faucets and appliances due to the hardness of
8 the water and the calcium buildup.

9 And I've decided to present this argument
10 against this rate increase based off a five-year span
11 because this is a yearly occurrence with Carolina Water
12 Service. In 2017, our water base rate was \$22.40. The
13 water per 1,000 gallon rate was \$6.40. Our wastewater
14 base rate was \$42.40, and the wastewater per 1,000 gallon
15 base rate was \$2.90. My total October 2017 water bill,
16 with 3,920 gallons of use, was \$101.26. You take that
17 usage and apply it to the proposed rate increase, my bill
18 would be \$151.62. That's a 49 percent increase over five
19 years.

20 Since 2017, what improvements have been made to
21 our system to account for a 49 percent increase in our
22 water bill? Have they installed any infrastructure to
23 help with the hardness of our water --

24 (Timer beeps.)

1 A -- the taste of our water, and any new
2 technology to clean the water?

3 COMMISSIONER BROWN-BLAND: Could you --

4 A The North Carolina Utilities --

5 THE WITNESS: Can I finish?

6 COMMISSIONER BROWN-BLAND: Yes. Continue, Ms.
7 Davey.

8 THE WITNESS: Okay.

9 COMMISSIONER BROWN-BLAND: Just wrap -- wrap it
10 up.

11 THE WITNESS: Okay. I'm almost done.

12 A The North Carolina Utilities Commission has
13 just been rubber stamping Carolina Water Service rate
14 increase requests without Carolina Water Service
15 providing any infrastructure upgrades to their customers.
16 Until they can show where all this money is going, they
17 should not be allowed any more increase to their rates.
18 I'm done.

19 COMMISSIONER BROWN-BLAND: All right. Mr.
20 Little, any follow up?

21 MR. LITTLE: No follow up, Your Honor.

22 COMMISSIONER BROWN-BLAND: From the Company?

23 MR. ALSON: No questions. Thank you.

24 COMMISSIONER BROWN-BLAND: Questions from the

1 Commission?

2 (No response.)

3 COMMISSIONER BROWN-BLAND: All right. Ms.
4 Davey, again, thank you for coming out, and you may be
5 excused.

6 THE WITNESS: Thank you very much.

7 (Witness excused.)

8 COMMISSIONER BROWN-BLAND: Next witness?

9 MS. DEANE: This is Nancy Deane.

10 COMMISSIONER BROWN-BLAND: All right.

11 NANCY DEANE; Having first been duly affirmed,
12 Testified as follows:

13 COMMISSIONER BROWN-BLAND: All right. Mr.
14 Little.

15 MR. LITTLE: Yeah.

16 DIRECT EXAMINATION BY MR. LITTLE:

17 Q Did you say Nancy Deane? You were a little bit
18 garbled. I'm sorry.

19 A Yes. Nancy Deane, D-E-A-N-E.

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

23 A I'm a sewer only, I believe. I have Craven
24 County Water for water.

1 Q What area or subdivision do you live in?

2 A I'm in New Bern in Carolina Pines.

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

5 COMMISSIONER BROWN-BLAND: Ms. Deane, before
6 you go further, just be sure you speak -- speak up and
7 speak clearly so our court reporter can hear you. You're
8 just a little bit muffled.

9 THE WITNESS: Okay. Is that better?

10 COMMISSIONER BROWN-BLAND: That's better.
11 Please continue.

12 THE WITNESS: Okay.

13 A Okay. Being limited to two minutes makes me
14 believe that this Commission cares very little about
15 public witness testimony in contravention to one of its
16 primary mandates, and that is to provide fair regulation
17 of public utilities in the interest of the public.
18 Nevertheless, please hear me.

19 If this increase is approved, my sewer bill
20 will be \$1,000 a year. That's for a single, retired
21 senior with health issues on a fixed income, with no
22 additional income possibility, for a second time during
23 this pandemic.

24 This increase is more than five times the rate

1 of inflation over the past 12 years. This Commission
2 apparently does not take into account what impact these
3 rate increases have on consumers, especially consumers
4 like me. You have not denied CWS a rate increase in over
5 16 years, regardless of how much of an increase CWS asks
6 for. While I have been paying the same rate for water
7 from Craven County over the last 12 years with no
8 increases, my sewer will have increased 155 percent if
9 this rate increase is approved.

10 Finally, please start looking out for North
11 Carolina customers and stop allowing yourselves to be
12 used by the utilities industry. Thank you.

13 COMMISSIONER BROWN-BLAND: All right. Mr.
14 Little, do you have any questions?

15 MR. LITTLE: No questions.

16 COMMISSIONER BROWN-BLAND: The Company?

17 MR. ALSON: No questions, Commissioner. Thank
18 you.

19 COMMISSIONER BROWN-BLAND: Any questions from
20 Commissioners?

21 (No response.)

22 COMMISSIONER BROWN-BLAND: All right. Ms.
23 Deane, we encourage you to continue to follow along with
24 this proceeding by going to our website and following --

1 using the docket number for this case. There will be
2 expert witness testimony filed by the Public Staff, and
3 you will be able to see the Company's response to tonight
4 and everything else that happens in this case from
5 beginning to end. With that, you --

6 THE WITNESS: I will be following.

7 COMMISSIONER BROWN-BLAND: Thank you for coming
8 out, and you may be excused.

9 (Witness excused.)

10 COMMISSIONER BROWN-BLAND: Next witness?

11 MS. ROBERTSON: Hello?

12 COMMISSIONER BROWN-BLAND: Hello. Please state
13 your name.

14 MS. ROBERTSON: Brenda Robertson.

15 COMMISSIONER BROWN-BLAND: All right, Ms.
16 Robertson.

17 BRENDA ROBERTSON; Having first been duly affirmed,
18 Testified as follows:

19 COMMISSIONER BROWN-BLAND: All right. Mr.
20 Little?

21 DIRECT EXAMINATION BY MR. LITTLE:

22 Q Ms. Robertson, would you tell us your address
23 and whether or not you're a Carolina Water Service
24 customer?

1 A We are a water service customer, both sewer and
2 water. We own a property up at Sugar Top, a condo, and I
3 think the address is 303 Sugar Top Drive, Sugar Mountain,
4 North Carolina.

5 Q And what would you like to tell the Commission
6 tonight?

7 A I've looked back over my bills. And our condo
8 is about or a little less than 1,000 square foot. We
9 have replaced both of our toilets to be the saver
10 toilets. We also have new shower heads, so it's got the
11 aeration in it. We also have new faucets. My bill so
12 far this year, every one of them has been over \$100.
13 I've only had one month that was less than \$100, and it
14 was 80-some dollars.

15 I do not feel that Carolina Water is being a
16 good steward of our money. I say "our money" because as
17 a customer, we're paying into that. They keep, year
18 after year, increasing our prices, but I don't see any
19 return in that, other than they keep draining us of our
20 money. Where it's going, what they're using it for, I
21 have no clue. And, you know, I'm at a loss for words
22 because locally here where we live, we have a public
23 water system. We use all the water that we want to. We
24 have a house that's over 2,000 square foot with three

1 bathrooms, you know, washing machine, sinks, everything.
2 I even water my garden. \$25 a month. We are also held
3 at the same standard that Carolina Water is with the
4 testing of the water. We are held at the same level of
5 making sure that the water is drinkable, that they are --
6 and how, you know, the difference and disparity between
7 the two, I am at a loss.

8 (Timer beeps.)

9 COMMISSIONER BROWN-BLAND: You may continue.
10 Just move on towards the end.

11 A But I'm asking that the Commission not allow
12 the increase because like I said, I -- in my heart I do
13 not feel that Carolina Water is being a good steward of
14 the money that they keep getting month after month.

15 COMMISSIONER BROWN-BLAND: All right. Mr.
16 Little, any questions?

17 THE WITNESS: That's all I have to say.

18 BY MR. LITTLE:

19 Q Ms. Robertson, you don't live full time at the
20 address where you're a Carolina Water --

21 A I do not. I do not.

22 Q And how much is your monthly water bill?

23 A Every month it's been over \$100, and I've only
24 had one month in which it was in the 80s.

1 Q And is that water and sewer? Did you say you
2 were a sewer customer, also?

3 A Yes. It's water and sewer, but in saying that,
4 we have the water saver toilets, we have new aerated
5 shower heads that has a reduced flow of water because of
6 the way it's constructed, and also our faucets for our
7 sinks.

8 Q Thank you.

9 MR. LITTLE: That's all I have.

10 THE WITNESS: Thank you.

11 COMMISSIONER BROWN-BLAND: Any questions from
12 the Company?

13 MR. ALSON: No questions. Thank you.

14 COMMISSIONER BROWN-BLAND: From the
15 Commissioners? Commissioner Duffley?

16 EXAMINATION BY COMMISSIONER DUFFLEY:

17 Q Thank you for coming tonight. My question is
18 who is your permanent residence water company?

19 A Well, it's not a company; it's a community
20 water association.

21 Q Okay.

22 MS. DUFFLEY: Thank you.

23 THE WITNESS: You're welcome.

24 EXAMINATION BY COMMISSIONER BROWN-BLAND:

1 Q Ms. Robertson, where is that? Where is --
2 where do you live?

3 A It's in Dup--- it's in Duplin County.

4 Q All right. Also in North Carolina.

5 A Yes, ma'am.

6 COMMISSIONER BROWN-BLAND: All right. Any
7 questions on Commissioner's questions?

8 (No response.)

9 COMMISSIONER BROWN-BLAND: Seeing none, thank
10 you, Ms. Robertson, for coming out, and you may be
11 excused.

12 THE WITNESS: Thank you so much.

13 COMMISSIONER BROWN-BLAND: Thank you.

14 (Witness excused.)

15 COMMISSIONER BROWN-BLAND: Next witness,
16 please. Do we have our next witness?

17 MS. NELSON: Hello?

18 COMMISSIONER BROWN-BLAND: Hello. Would you
19 please state your name for the record.

20 MS. NELSON: Jennifer Nelson with Covington
21 Cross Homeowners Association.

22 COMMISSIONER BROWN-BLAND: All right.

23 JENNIFER NELSON; Having first been duly affirmed,
24 Testified as follows:

1 COMMISSIONER BROWN-BLAND: All right, Mr.
2 Little.

3 THE WITNESS: I am a -- can you hear me?

4 COMMISSIONER BROWN-BLAND: Yes. Mr. Little
5 will set you up with some identifying questions.

6 THE WITNESS: Okay.

7 DIRECT EXAMINATION BY MR. LITTLE:

8 Q Ms. Nelson, tell us the subdivision -- the
9 homeowners association that you represent, the name of
10 it.

11 A Covington Cross Homeowners Association.

12 Q And where is that located?

13 A Smithfield Road in Knightdale, North Carolina.

14 Q And --

15 A And we --

16 Q -- how many residences --

17 A And we use --

18 Q -- are there?

19 A A hundred and three (103).

20 Q And are they -- are you Carolina Water Service
21 water customers?

22 A Water and sewer.

23 Q Okay. Tell us what you'd like the Commission
24 to hear, please.

1 A We recently had an HOA meeting, and this is a
2 response from our community as a whole. The water
3 business has been a booming investment for private
4 companies. Over the last couple of decades, private
5 water companies have steadily increased their market
6 share of water systems to 15 percent from 10 percent
7 mainly by taking advantage of state legislation efforts
8 that have changed how public assets are valued.

9 North Carolina is one of 13 states since 2018
10 that has passed fair market legislation which allows
11 companies to factor in future value of a utility, pay
12 above this price, and then pass it along to its
13 customers. Before the legislation, regulated utilities
14 were limited to including only the original depreciated
15 cost of systems in their rate base, which became a
16 regulatory barrier to a sale.

17 We, the 103 homeowners in Covington Cross
18 subdivision, are against an increase in our area. Homes
19 are averaging 50 to \$60 for water and the same amount for
20 sewer, which is exceptionally high. We are currently
21 paying \$4.59 per 1,000 gallons for wastewater and \$8.27
22 per 1,000 gallons for water service. We believe
23 Utilities Inc. has the budget to improve its
24 infrastructure or the expertise to run a water utility

1 efficiently without an increase. On October the 1st,
2 2021, there was a rate change of 1.0 percent water
3 service and 0.86 for sewer service.

4 The question is, is the fair market value fair?
5 We need to review the needed North Carolina statutes and
6 rules, which include House Bill 351, which was in 2018,
7 setting valuation guidelines for water system
8 acquisitions, petition for rulemaking NCU W-100, Sub
9 60 --

10 (Timer beeps.)

11 A -- regarding valuation procedures, NCUC
12 rulemaking on a fair value for water, wastewater systems
13 in 2020. Ratepayers pay roughly 59 percent more for
14 water under private systems than government owned
15 utilities, and capital financing cost that can be as much
16 as 150 percent higher. It is not the homeowner's fault
17 or responsibility that utility owners have not made
18 adequate ongoing investments in their infrastructure
19 whereas the Company makes these investments that could
20 hike rates.

21 As a community we stand firm that we are
22 against a rate increase. Thank you.

23 COMMISSIONER BROWN-BLAND: All right. Mr.
24 Little, do you have any follow-up questions?

1 MR. LITTLE: No questions.

2 COMMISSIONER BROWN-BLAND: Questions from the
3 Company?

4 MR. ALSON: No questions. Thank you.

5 COMMISSIONER BROWN-BLAND: From the
6 Commissioners?

7 (No response.)

8 COMMISSIONER BROWN-BLAND: All right. Ms.
9 Nelson, we thank you for coming out on behalf of the
10 homeowners, and you may be excused.

11 THE WITNESS: Okay. Thank you.

12 (Witness excused.)

13 COMMISSIONER BROWN-BLAND: Next witness,
14 please.

15 MR. CONNER: Danny Conner

16 COMMISSIONER BROWN-BLAND: All right. Welcome.

17 DANNY CONNER; Having first been duly affirmed,

18 Testified as follows:

19 COMMISSIONER BROWN-BLAND: All right. Mr.

20 Little?

21 DIRECT EXAMINATION BY MR. LITTLE:

22 Q Mr. Conner, would you give us your address and
23 whether or not you're a Carolina Water Service customer,
24 please?

1 A 231 Long John Silver Drive, Wilmington, North
2 Carolina, Treasure Cove subdivision. Water only.

3 Q And what would you like to tell the Commission
4 tonight, sir?

5 A There's no justification for a 28 percent
6 increase in the base charge or 34 percent increase per
7 1,000 gallons. Other Docket W-354, Sub 364A, CWS was
8 given a water system improvement charge not to exceed 5
9 percent of as April 1st, 2021. No improvements have been
10 noted or cannot be justified. While I've been here,
11 there have been -- in the last 20 years there have been
12 no obvious improvements other than a generator on Well
13 Number 1, construction of small buildings over the pumps,
14 and chainlink fencing. No generator has been added to
15 Well Number 2. Well Number 1 is in the flood zone, has
16 the potential to be shut down in extreme weather events
17 with no backup available. The house across from Well
18 Number 1 was recently demolished after multiple flooding
19 events and was purchased by the flood insurance program.

20 The system has to be one of the easiest
21 locations to maintain due to topography, sandy soil.
22 Even without the upgrades, it should be minimal compared
23 to most other areas of the state that must deal with
24 clay, rocks, and altitude variations. The water is

1 pumped from the Castle Hayne aquifer. It's a public
2 resource belonging to everyone. They do not have to pay
3 for or pipe the water to other locations like many other
4 utilities. Most of the distribution system consists of
5 equipment that was installed 30 to 40 years ago. There
6 have been very few upgrades or improvements. The water
7 pressure is inconsistent as they keep adding houses. I
8 would think the system is at near over capacity. Heavy
9 metal content that appears to be calcium, magnesium, and
10 iron. CWS has previously --

11 (Timer beeps.)

12 A -- stated they have no plans to improve that
13 part of the system. There is no treatment other than
14 occasional chlorine. Due to heavy metal content,
15 toilets, faucets, everything has to be replaced
16 frequently. I've had two pipe breaks in the last 11
17 months, costing me about \$10,000. We cannot wash
18 vehicles, boats, because if it's not immediately dried,
19 it leaves deposits. We use bottled water for drinking.
20 This costs over \$50 a month.

21 CWS states that the average is 4,140 a month.
22 My house with two adults averages over 6,700 per month.
23 This is with no leaks, no car, no boat washing, water
24 saving faucets, toilet, shower heads, rain barrel. I've

1 never been able to obtain a profit and loss specific to
2 Treasure Cove. This -- Treasure Cove should not be used
3 to offset other problems or losses on other systems.

4 Based on the information I have, they last
5 tested for GenX and Chlora - fluorinated compounds in
6 2017. There are new EPA guidelines coming up, and it
7 appears that those tests should be more frequent.

8 There's no logical reason to allow a --

9 COMMISSIONER BROWN-BLAND: All right. Mr.
10 Conner --

11 A -- a 24 to 34 percent increase. Thank you.

12 COMMISSIONER BROWN-BLAND: All right. Thank
13 you, Mr. Conner. And just so everyone knows -- I
14 neglected to say at the beginning -- when you hear the
15 tone, that means you have about 15 seconds left, and if
16 you would move to wrapping up, it would allow -- make
17 sure that we can get to everyone who is -- who is calling
18 in who wishes to testify.

19 Mr. Little, do you have questions for Mr.
20 Conner? Mr. Conner, your name was -- is that Danny
21 Conner?

22 THE WITNESS: That's correct.

23 COMMISSIONER BROWN-BLAND: All right. Mr.
24 Little, do you have questions for Mr. Conner?

1 MR. LITTLE: No questions, Your Honor.

2 COMMISSIONER BROWN-BLAND: Any other questions
3 for this witness?

4 MR. ALSON: No questions. Thank you.

5 COMMISSIONER BROWN-BLAND: All right. There
6 being no questions, Mr. Conner, thank you for coming out,
7 and you may be excused.

8 THE WITNESS: Thank you.

9 (Witness excused.)

10 COMMISSIONER BROWN-BLAND: Next witness?

11 MS. HORNBY: Sara Hornby.

12 COMMISSIONER BROWN-BLAND: Welcome.

13 SARA HORNBY; Having first been duly affirmed,
14 Testified as follows:

15 COMMISSIONER BROWN-BLAND: All right. Mr.
16 Little?

17 DIRECT EXAMINATION BY MR. LITTLE:

18 Q Ms. Hornby, would you give us your address, and
19 tell us whether or not you're a Carolina Water Service
20 water customer, sewer customer, or both?

21 A My address is 16317 Woolwine Road, Charlotte,
22 North Carolina, in the Riverpointe homeowners
23 subdivision, and I am a Carolina Water Services customer
24 for both sewer and water because we are, as everyone has

1 previously said, monopolized in here.

2 Q And what would you like to tell the Commission
3 tonight?

4 A Well, I think pretty much everyone before me
5 has stated similar -- similar points of view, but I just
6 wanted to add that I was on the water committee that was
7 put in place by the board of directors back in 2005.
8 I've been a resident here for 22 years, and I have seen
9 most of the increases and the horrors. We were asked at
10 that time to find a solution for the bad service, bad
11 quality, and -- excuse me, I'm sorry, allergies -- and we
12 actually, because of The Palisades across the road on --
13 across from Highway 49, suggested that we negotiated with
14 them to take over our complete system. Carolina Water
15 refused to allow them to take over the sewage. They only
16 agreed to the water, of course knowing that Carolina --
17 that CMUD wouldn't take without taking both of them.

18 I have records back to 1999 which unfortunately
19 I couldn't access because my filing cabinet froze, but I
20 have records from 2015 through -- and I'll give you the
21 numbers -- through to the year end of 2020. We have a
22 standing water supply baseline of \$28.92, sewer is
23 \$58.91, which are 28, 29 percent, and 39 percent
24 increases over the January of 2015. That gives us a

1 total of \$87.83 a month before we even turn on a tap or
2 flush a toilet. Now, I also am an old-age pensioner,
3 subsisting on Social Security. My water bill -- and I do
4 not use a lot of water because I have a skin issue, so my
5 bathing is restricted to once a week. My other usage is
6 for drinking with a water system --

7 (Timer beeps.)

8 A My bills are over \$105 average per month. If I
9 had CMUD supply at \$4.22 for the water and also the same
10 for the sewer, with their cost prediction for 2021 and
11 2022 year, my total for this property would be \$21.76 a
12 month.

13 I also feel that we are paying for issues that
14 CWS has had with other homeowners associations where
15 they've been thrown out and either the homeowners or
16 other suppliers have taken over. And we, apparently,
17 cannot oust them from Riverpointe.

18 I just wanted to add to the request that you do
19 not give them an increase. We were given an increase in
20 here on the 26th of September, and a week later we got
21 notice of this hearing. And I believe that's a request
22 for the third year -- third increase this year, I
23 believe.

24 Thank you very much for allowing me to speak,

1 and I also reiterate that it's nice to be able to do it
2 on the phone because access to Raleigh is not so easy.
3 Thank you.

4 COMMISSIONER BROWN-BLAND: Thank you. We'll
5 take note of that. Any follow-up questions?

6 MR. LITTLE: No questions.

7 COMMISSIONER BROWN-BLAND: Any other questions
8 for this witness?

9 MR. ALSON: No questions. Thank you.

10 COMMISSIONER BROWN-BLAND: All right. Dr.
11 Hornby, you may be excused. Thank you for coming out.

12 THE WITNESS: Thank you very much indeed.

13 (Witness excused.)

14 COMMISSIONER BROWN-BLAND: All right. Next
15 witness, please.

16 MR. MAHAFFEY: Hello?

17 COMMISSIONER BROWN-BLAND: Hello. Please state
18 your name for the record.

19 MR. MAHAFFEY: My name is Joe Mahaffey.

20 COMMISSIONER BROWN-BLAND: All right.

21 JOE MAHAFFEY; Being first duly affirmed,

22 Testified as follows:

23 COMMISSIONER BROWN-BLAND: All right. Mr.

24 Little?

1 DIRECT EXAMINATION BY MR. LITTLE:

2 Q Mr. Mahaffey, would you tell us your address,
3 the area that you live in, and whether or not you're a
4 customer of Carolina Water Service?

5 A 14517 Limestone Lane, Pineville, North
6 Carolina. I'm in the Woodside Falls community. I am a
7 water and sewer customer of Carolina Water, and I have
8 been so for 27 years. So my fellow citizens have made
9 some really good cases, and so I just would like to
10 elaborate on some of those.

11 In the Woodside Falls community this year we
12 had a break, a water break, at the front of the
13 neighborhood that remained unrepaired -- although
14 reported, remained unrepaired for over two months and
15 drained water to the point that it damaged our roads and
16 it continually went down the street.

17 We have consistent inaccuracies in meter
18 readings from Carolina Water employees that create
19 dramatic fluctuations in our water bills from month to
20 month. The low end for me in the last 12 to 24 months
21 during the pandemic has probably been \$130. The high end
22 has been \$228. The number of residents in this location
23 had not changed. However, the inconsistency of the meter
24 read and the employees that do not take the time to do it

1 accurately has been a part of the problem.

2 We have gotten to the point where our bills are
3 over \$100 higher than our neighbors across the street who
4 live in the City of Charlotte, and we are beginning to
5 wonder collectively as a unit if being outside of the
6 city limits and the tax benefits that that gives us is no
7 longer worth it because we're paying for it in terms of
8 water that is hard, as has been previously implied, has
9 ruined our appliances consistently, and makes our toilets
10 have to be replaced on a much more consistent basis.

11 I would be encouraging this Commission not to
12 approve an increase for Carolina Water Service. They've
13 already had numerous increases over the previous months
14 and years, as has been previously noted, and there has
15 been little to no improvements from an infrastructure,
16 quality, or even care for their customers, from our
17 perspective.

18 (Timer beeps.)

19 A That is all I have, and I appreciate this forum
20 listening to us citizens, and I ask this Commission to
21 not rubber stamp this increase request.

22 COMMISSIONER BROWN-BLAND: All right. Thank
23 you, Mr. Mahaffey. Mr. Little, do you have any
24 questions?

1 MR. LITTLE: Yes.

2 BY MR. LITTLE:

3 Q You mentioned inaccurate meters. Have you
4 experienced an inaccurate meter or is this something
5 that's been relayed to you from neighbors or other
6 residents?

7 A I have experienced it personally. My neighbors
8 on this street and others in the neighborhood who I've
9 talked to about this have also experienced this. It's
10 major -- it's either fluctuations due to misreading or
11 there have been inaccurate readings. It is clearly a --
12 an infrastructure and a resource issue, as well as all of
13 the other things. So I'm adding to the story, not saying
14 this is our story.

15 Q And have you approached Carolina Water Service
16 about your meter and --

17 A Yes. We all have. Me, and there's a --
18 there's a cluster of us on our street that have actually
19 dealt with -- excuse me -- Carolina Water on this on
20 multiple occasions. Some people have had their meters
21 replaced, some have not, but the outcome has been the
22 same regardless of the status of the meter.

23 I have a meter that's been here when my house
24 was built 27 years ago. My neighbor across the street

1 has had a meter put in in the last 18 months. The
2 outcomes have been exactly the same and the inaccuracies
3 have been the same. And you add on top of the fact that
4 they do not repair things in a timely fashion, like a
5 major leak that is a water main leak that ruined our
6 roads and depleted resources. I mean, obviously we have
7 a well system here in Woodside Falls as well, so that
8 water that leaked was water that was under all of our
9 collective properties that was just literally drained
10 away because they did not create a sense of urgency
11 around solving these problems.

12 And so my sense is, is that there is a -- there
13 is a comprehensive problem within the Carolina Water
14 Service enterprise in the sense that they are not making
15 their customers a priority and they are not being good
16 stewards of the limited resources that we have in our
17 environment, which water is the most paramount thing.
18 And the fact that we are relying on well water that
19 resides under our communities that is here is a part of
20 our water table, they should be doing a much better job
21 of that. Particularly what they're charging us, they
22 should be able to pay for it.

23 And so again, I reiterate my desire for them
24 not to receive this increase until they can show they

1 have a sense of clear understanding of what it takes to
2 manage our resources.

3 Q Thank you, Mr. Mahaffey.

4 MR. LITTLE: I have no further questions.

5 COMMISSIONER BROWN-BLAND: Does the Company
6 have questions for Mr. Mahaffey?

7 MS. SANFORD: No, ma'am. We do not. And this
8 is Jo Anne Sanford stepping in for Mr. Alson. So that
9 we're not so mysterious or disruptive here, a fire alarm
10 has gone off in his building, so we have switched control
11 of the chair here. We thank the witness for appearing,
12 and we have no questions.

13 COMMISSIONER BROWN-BLAND: All right.

14 THE WITNESS: Thank you, ma'am, and I hope
15 everything is safe for him in his location.

16 MS. SANFORD: Thank you.

17 COMMISSIONER BROWN-BLAND: Any questions from
18 Commissioners? Commissioners have any questions?

19 EXAMINATION BY COMMISSIONER BROWN-BLAND:

20 Q Mr. Mahaffey, just two questions. Could you
21 establish for us the dates on the main water break that
22 you were speaking about?

23 A Yes, ma'am. I want to say -- I can't give you
24 precise dates. I can tell you that it occurred earlier

1 in the summer in the June-ish time frame, and it was not
2 corrected until later in the summer in the
3 August/September time frame. And even when they came in
4 and did the repair, which they did, and they repaved the
5 -- the repair, they did it in such a way that we now have
6 this atrocious speed bump going in and out of our
7 neighborhood as opposed to doing it -- basically, they
8 contracted it to a family. It looked like a dad and his
9 daughters out there covering up the pavement. So
10 clearly, they're not making the investment in a
11 professional repair when they do the repair.

12 Q All right. And my second question concerns the
13 inaccurate meter reading or either the inaccurate meters.
14 And you say you spoke with the Company about it, but what
15 gave you the indication that it was inaccuracy on the
16 part of the Company? Was that verified for you in some
17 manner?

18 A Yeah. The reader comes by and he doesn't -- he
19 or she, I want to be fair -- he or she doesn't accurately
20 look at the numbers and get them precisely down, so some
21 days or some months your bill might be \$130, and then the
22 next month it's \$228, and then the next month it's \$172
23 because they're not really looking for precision. And
24 the numbers --

1 Q Mr. Mahaffey?

2 A And the numbers are always --

3 Q Is that --

4 A Yes, ma'am.

5 Q -- is that discrepancy -- the discrepancy in
6 the bills, is that the reason that you find there to be
7 inaccuracy?

8 A I find that to be one of the components. I
9 think the bill -- I believe that what we're paying for
10 holistically as a base rate is way too high. I think we
11 could get a better deal if we were to be annexed by the
12 City of Charlotte or the City of Pineville, which are
13 both options on the table for us.

14 Q All right.

15 A And I feel like the discrepancy is over \$100 a
16 month, and then you add on top of that the fluctuation of
17 their misreading of the meters makes it impossible for a
18 family to consistently budget what their -- their
19 resources should be on a month-to-month basis.

20 When we -- when we came into this neighborhood
21 27 years ago, we raised two daughters here. They are
22 gone. It is just me and my wife here, and we still see a
23 very expensive water bill when we're paying attention to
24 the fact that our toilets are not leaking, we don't leave

1 our hoses on, we are on an incline that if there was any
2 kind of other depletion of our water supply, it would
3 show up on my driveway or at the base of the hill in
4 which we stand, because I've seen that countless times in
5 other parts of the neighborhood when there have been
6 other issues.

7 This is also coming down to a management and
8 stewardship of resources issue.

9 COMMISSIONER BROWN-BLAND: All right, Mr.
10 Mahaffey. Are there questions -- follow-up questions on
11 the Commission's questions?

12 MR. LITTLE: No questions.

13 COMMISSIONER BROWN-BLAND: All right. Seeing
14 none, Mr. Mahaffey, thank you for your testimony, and you
15 may be excused.

16 THE WITNESS: Thank you, ma'am. Thank you all
17 for your service. Bye-bye now.

18 COMMISSIONER BROWN-BLAND: Bye-bye.

19 (Witness excused.)

20 COMMISSIONER BROWN-BLAND: Next witness,
21 please. Are we able to find our next witness?

22 MR. PIRAS: Hello.

23 COMMISSIONER BROWN-BLAND: Hello. Please state
24 your name for the record, please.

1 MR. PIRAS: Hi. My name is Frank Piras, and I
2 live at 4015 --

3 COMMISSIONER BROWN-BLAND: Just a moment. Just
4 a moment. Just a moment.

5 FRANK PIRAS; Being first duly affirmed,
6 Testified as follows:

7 COMMISSIONER BROWN-BLAND: All right. And now
8 Mr. Little will walk you through some identifying
9 questions.

10 DIRECT EXAMINATION BY MR. LITTLE:

11 Q Yes. Did you say your name was Mr. Piras?

12 A Yes. Frank Piras, P-I-R-A-S.

13 Q Thank you. Mr. Piras, tell us your address and
14 whether or not you are a customer of Carolina Water
15 Service.

16 A I live at 4015 Deer Track Trail in Carolina
17 Trace subdivision, and I have water and sewer with
18 Carolina -- Carolina Water Service.

19 Q Thank you. What would you like to tell the
20 Commission tonight?

21 A I've been living in Carolina Trace at this
22 address for six years, and to date we have had numerous
23 rate increases by Carolina Water. At the same time, the
24 water -- the service quality has been very poor. There

1 have been numerous water line breaks, followed by days on
2 end where we have to -- we're under a boil water advisory
3 because the water is not drinkable. My wife and I have
4 to keep bottled water on hand in case we have breaks
5 because it happens without notice, obviously.

6 Where I lived at previously near Hickory, our
7 average water bill for two people was \$25 a month. We
8 now average \$170 per month, and I do not see how that
9 could even be possible. Where I lived at before, we did
10 not even have a single line break or service
11 interruption. I feel it's to the point where the
12 reputation is such that people won't even want to live in
13 this area because of the water prices being so high.

14 Carolina Water does not need, nor does it
15 deserve, a rate increase. If anything, we deserve a rate
16 decrease. And that's it.

17 COMMISSIONER BROWN-BLAND: All right. Mr.
18 Little, do you have any follow up?

19 MR. LITTLE: No follow up.

20 COMMISSIONER BROWN-BLAND: Any other questions
21 for this witness?

22 MS. SANFORD: None here.

23 COMMISSIONER BROWN-BLAND: All right. Mr.
24 Piras, thank you for coming out tonight, or rather

1 showing up on your remote access means, and you may be
2 excused.

3 THE WITNESS: Okay. Thank you very much.

4 COMMISSIONER BROWN-BLAND: Thank you.

5 (Witness excused.)

6 COMMISSIONER BROWN-BLAND: Next witness,
7 please.

8 MR. PURKEY: Hello. Is that me?

9 COMMISSIONER BROWN-BLAND: Yes. Would you
10 state your name for the record, please. Hello? Did we
11 lose him?

12 MR. PURKEY: Hello.

13 COMMISSIONER BROWN-BLAND: I hear you now. Can
14 you hear us?

15 MR. PURKEY: Yes. I hear you fine.

16 COMMISSIONER BROWN-BLAND: Please state your
17 name for the record, please.

18 MR. PURKEY: Sure. This is Elmer Purkey,
19 E-L-M-E-R, P-U-R-K-E-Y. My wife and I --

20 COMMISSIONER BROWN-BLAND: All right. Just a
21 moment.

22 MR. PURKEY: Sure.

23 ELMER PURKEY; Being first duly affirmed,

24 Testified as follows:

1 COMMISSIONER BROWN-BLAND: All right. Mr.
2 Little has some questions for you.

3 DIRECT EXAMINATION BY MR. LITTLE:

4 Q Mr. Purkey, we need your address and area you
5 live in, and whether or not you're a customer of Carolina
6 Water for water or sewer, or both.

7 A We're a customer of both. My wife and I own
8 two condominiums up at Sugar Top on Sugar Mountain, 303
9 Sugar Top Drive.

10 Q And what would you like to tell the Commission
11 tonight?

12 A Well, I just want to reiterate that I'm in
13 agreement with everybody else that thinks the water
14 prices are exorbitant and outrageous. Our electric bill
15 averages about \$60 a month, and our water bill is over
16 twice that every month.

17 I've traveled extensively all my life, lived in
18 a lot of different places, and I have never lived in a
19 place that the water was higher than the electric bill
20 until now or owned -- owned a place until now. And it
21 just seems so unjustified. I didn't realize until
22 listening to some of these other people testifying how
23 much it's increased over the last few years, evidently.

24 But it's just extremely high. I know this

1 can't -- I'm trying to figure out what the justification
2 is for that. I wish somebody would -- if you're going to
3 ignore what everybody is objecting to and increase the
4 rates, that you would at least give us some kind of a
5 justification for it, some kind of documentation showing
6 why Carolina Water should be more expensive than water
7 anywhere else. I can't find another place that it's so
8 high, and it just seems to keep going up and -- and just
9 can't figure out what the reason is.

10 We have to keep boiling water. Nobody seems to
11 be happy with the service, and nobody is happy with the
12 rates. What is the justification for continued increase
13 and such a high price for water? I mean, it's just
14 water, right?

15 COMMISSIONER BROWN-BLAND: All right. Mr.
16 Little --

17 A It's just mind boggling. That's all I -- you
18 know, that's the main thing I just wanted to add.

19 MR. LITTLE: That's all. No further questions,
20 Your Honor.

21 COMMISSIONER BROWN-BLAND: Any other questions
22 for this witness?

23 MS. SANFORD: No questions. Thank you.

24 COMMISSIONER BROWN-BLAND: Mr. Purkey, I would

1 encourage you, as I have others, to follow along with
2 these procedures. Everything that's filed in the docket
3 is publicly available, pretty much. If it's -- if it's
4 not, it will indicate so. And as I said earlier, the
5 Company will be filing a response. I encourage you to
6 read that. It should be available in a few short weeks.
7 And you may find some of the answers to your questions
8 there, as well as when the Public Staff will be filing
9 its recommendation, having audited the claims and
10 information that it gets from the Company. And also when
11 this matter is finally concluded, there will be an Order
12 that explains, as it is in every rate case, that explains
13 the basis for the Commission's decision. And with
14 that --

15 THE WITNESS: I appreciate that, and I so
16 appreciate you --

17 COMMISSIONER BROWN-BLAND: Go ahead.

18 THE WITNESS: -- giving the -- I appreciate you
19 giving the public time to listen to us, anyway.
20 Hopefully, they will actually hear us.

21 COMMISSIONER BROWN-BLAND: All right. And with
22 that, there being no further questions, you may be
23 excused.

24 THE WITNESS: Thank you.

1 (Witness excused.)
2 COMMISSIONER BROWN-BLAND: All right. Next
3 witness, please.
4 UNIDENTIFIED MALE. Good evening. I know you
5 can hear me. I know you can understand. Okay?
6 COMMISSIONER BROWN-BLAND: All right. And
7 would you please repeat your name for us?
8 MR. JAMES: Jonathan James --
9 COMMISSIONER BROWN-BLAND: All right.
10 MR. JAMES: -- from North Carolina.
11 JONATHAN JAMES; Having first been duly affirmed,
12 Testified as follows:
13 COMMISSIONER BROWN-BLAND: All right. Hello?
14 MS. VALDEZ: Yes. Hello.
15 COMMISSIONER BROWN-BLAND: Hello?
16 MS. VALDEZ: This is Ana Valdez.
17 COMMISSIONER BROWN-BLAND: All right. Are you
18 with the gentleman who was just speaking to us?
19 MS. VALDEZ: Yeah. Sorry about that. He had
20 my other phone piece.
21 COMMISSIONER BROWN-BLAND: All right. And so
22 would you please repeat your name?
23 MS. VALDEZ: It's Ana Valdez.
24 COMMISSIONER BROWN-BLAND: All right.

1 ANA VALDEZ; Being first duly affirmed,
2 Testified as follows:

3 COMMISSIONER BROWN-BLAND: All right. Mr.
4 Little?

5 THE WITNESS: Yes. I'm --

6 COMMISSIONER BROWN-BLAND: Just a moment. Mr.
7 Little?

8 THE WITNESS: I'm sorry.

9 MR. LITTLE: Commissioner Brown-Bland, staff
10 attorney Munasha Magarira is going to be taking over
11 for --

12 COMMISSIONER BROWN-BLAND: All right. Mr.
13 Magarira, go right ahead.

14 MR. MAGARIRA: Thank you, Commissioner Brown-
15 Bland.

16 DIRECT EXAMINATION BY MR. MAGARIRA:

17 Q Ms. Valdez -- sorry -- what is your address and
18 subdivision?

19 COMMISSIONER BROWN-BLAND: Ms. Valdez?

20 THE WITNESS: Yes.

21 COMMISSIONER BROWN-BLAND: Could you hear the
22 question?

23 THE WITNESS: Hello.

24 COMMISSIONER BROWN-BLAND: Yes. Did you hear

1 the question?

2 THE WITNESS: Yes.

3 COMMISSIONER BROWN-BLAND: Okay.

4 THE WITNESS: Yes, I did.

5 A Yes. My address is 5400 Swordsman Court,
6 Knightdale.

7 Q And what subdivision is that?

8 A I'm sorry?

9 Q What subdivision are you living in?

10 A It's Covington Cross.

11 Q Okay. Great. And are you a customer of
12 Carolina Water?

13 A I am a customer, yes.

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

16 A It's both. I've got both.

17 Q Great. Please proceed with your testimony.

18 A Yes. Over the past years I've had some
19 increase on the rates, and I wasn't complaining before,
20 but now it's getting a little bit excessive considering
21 that the base charge alone is about \$87 a month just to
22 have it. So plus adding an increase on the usage, that's
23 kind of crazy. And all we have is only me and my other
24 brother who -- who stays here. So that's kind of a high

1 price for us homeowners. And right now, with the market
2 being how it is, I can't even move nowhere else,
3 honestly, and it's kind of pushing me out the
4 neighborhood without reason because the water is just
5 crazy high, which I don't understand why it keeps going
6 up. We don't see no improvements, like -- like other
7 people said before. So there is no justification on it
8 going up consistently.

9 And that's all I had to say, honestly, because
10 I'm -- I agree with the other ones, too. With the rest
11 of our customers and homeowners, I also agree with them,
12 too. It's -- it's just crazy. My parents pay for water
13 and garbage, it's like \$60 a month for everything, and
14 it's like a house of four. So that's just kind of insane
15 on the pricing. And, again, I can't go nowhere else,
16 sorry to say, with the water service, because it's only
17 the one it's only offered -- offered here.

18 So it kind of gets frustrating. It's a
19 hardship on us house owners to keep up with that increase
20 yearly. And that's all I had to say, honestly.

21 COMMISSIONER BROWN-BLAND: All right. Mr.
22 Magarira, you have questions?

23 MR. MAGARIRA: Just one clarifying question.

24 BY MR. MAGARIRA:

1 Q Ms. Valdez, you mentioned that there had been
2 sort of no improvements in the service. Are there
3 specific water quality issues that you've experienced at
4 your house?

5 A Honestly, I have never drinken water out of the
6 faucet for that reason. It's like we get notices every
7 now and then to boil our water, and I don't want to risk
8 it. You never know. So I don't -- the quality, it's --
9 it's okay. It's not the best water. So improvement
10 wise, I mean, it's the same. Therefore, I don't see the
11 reasoning of the increase.

12 Q Gotcha. Thank you.

13 MR. MAGARIRA: No further questions.

14 COMMISSIONER BROWN-BLAND: Any other questions
15 for this witness?

16 MS. SANFORD: No questions. Thank you.

17 COMMISSIONER BROWN-BLAND: All right. Ms.
18 Valdez, thank you for testifying, and you may be excused.

19 THE WITNESS: Thank you.

20 (Witness excused.)

21 COMMISSIONER BROWN-BLAND: All right. Next
22 witness?

23 MS. VARGAS: Hello?

24 COMMISSIONER BROWN-BLAND: Hello. Would you

1 state your name for the record.

2 MS. VARGAS: My name is Lucila.

3 COMMISSIONER BROWN-BLAND: All right.

4 LUCILA MORALES VARGAS: Being first duly affirmed,
5 Testified as follows:

6 COMMISSIONER BROWN-BLAND: Mr. Little -- I
7 mean, Mr. Magarira has questions for you.

8 DIRECT EXAMINATION BY MR. MAGARIRA:

9 Q Lucila, do you prefer Lucila or Morales Vargas?

10 A You can call me Lucy, or Vargas is fine.

11 Q Okay. Lucy, what is your address and
12 subdivision?

13 A My address is 5909 Presentation Street in
14 Knightdale, and it's Covington Cross as well.

15 Q Okay. Thank you. And are you a customer of
16 Carolina Water?

17 A I am a customer. I receive water and sewer as
18 well.

19 Q Great. Thank you. And you can proceed with
20 your testimony.

21 A All right. I've got so much to say, but I am
22 kind of glad that everybody -- we are all together
23 agreeing to the services that Carolina Water offers.
24 I've been in my residence for almost 15 years. I'm a

1 single mother of three kids. When my kids are here with
2 me, my service was around, I will say, \$90 between water
3 and sewer. I'm a firefighter. I am out of my house
4 three days out of a week and it's only one daughter here.
5 My water bill is over \$150 a month.

6 I'm looking at the fees and I'm comparing,
7 because unfortunately my subdivision, we're stuck with
8 this company. It's not like we can go somewhere else,
9 because for some reason this is the company that they
10 decided to contract with. But I'm comparing the rates
11 with Raleigh, City of Raleigh water, and their fee is
12 \$2.59. Why my fee per gallon is -- I'm looking at the
13 bill right now -- it's over \$8.50. Right now I'm paying
14 \$8.27 for 1,000 gallons and 4.59 for sewer.

15 So every time that you call this Company to
16 either get an adjustment or -- because I do believe that
17 Raleigh, if you call them -- for example, I pressure wash
18 my house last year. I was billed over \$300 for water and
19 sewer just because I pressure washed my house, which I
20 understand. I called this Company and I told them,
21 listen, the sewer I didn't use because the water went on
22 the ground. Can you at least give me a discount or meet
23 me halfway? No. Call Raleigh, and Raleigh, they
24 definitely meet the customers halfway and they do not

1 charge them for sewer when they do the project in their
2 -- in their house.

3 I called this Company again yesterday because I
4 need to pressure wash my house, and absolutely they --
5 they're not willing to meet anybody halfway. I want to
6 know why am I paying --

7 (Timer beeps.)

8 A -- \$8.27 when other people is paying \$2. I'm
9 only making \$13 an hour. How can I afford \$8.27 when I
10 only make \$13 an hour? I mean, this is ridiculous.

11 I do not agree with their increases. I
12 definitely don't agree, and I hope that they do not
13 increase these because I will definitely be putting my
14 house for sale. Thank you very much for your time.

15 COMMISSIONER BROWN-BLAND: All right, Ms.
16 Vargas. Hold on. Let's see if there are any questions
17 for you. Mr. Magarira?

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

20 COMMISSIONER BROWN-BLAND: All right. Any
21 other questions for this witness?

22 MS. SANFORD: No questions from the Company.
23 Thank you.

24 COMMISSIONER BROWN-BLAND: All right. Ms.

1 Vargas, thank you for sharing your testimony with us
2 tonight, and you may be excused.

3 THE WITNESS: Thank you. Have a very good
4 night.

5 (Witness excused.)

6 COMMISSIONER BROWN-BLAND: All right. Next
7 witness, please?

8 MR. McCOY: Commissioner, that appears to be
9 it.

10 COMMISSIONER BROWN-BLAND: Thank you, Mr.
11 McCoy. Mr. McCoy has checked the lines and there are no
12 other witnesses waiting to provide testimony. So to
13 those of you who may be watching and are still with us,
14 again, this matter is set for December 7th, the
15 evidentiary hearing, and the Company will be filing
16 responses to what it has heard here tonight from the
17 customers.

18 Are there any other matters to be taken up by
19 the Commission at this time, counsel?

20 MS. SANFORD: None from the Company. Thank
21 you.

22 COMMISSIONER BROWN-BLAND: All right. There
23 being nothing else remaining, we will stand adjourned.

24 (The hearing was adjourned.)

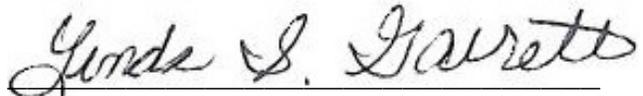
STATE OF NORTH CAROLINA
COUNTY OF WAKE

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